

EAST AFRICA AND RHODESIA

Thursday, August 2, 1956

Vol. 37 No. 1660

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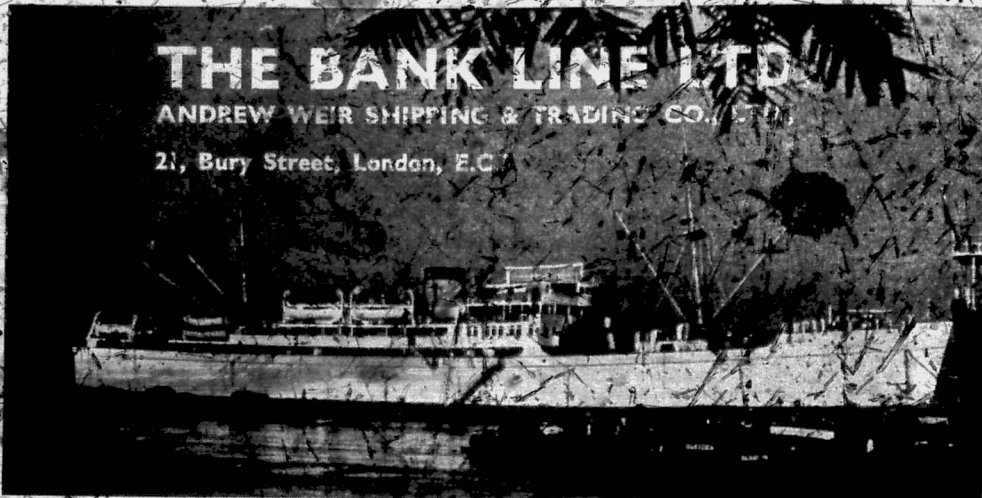


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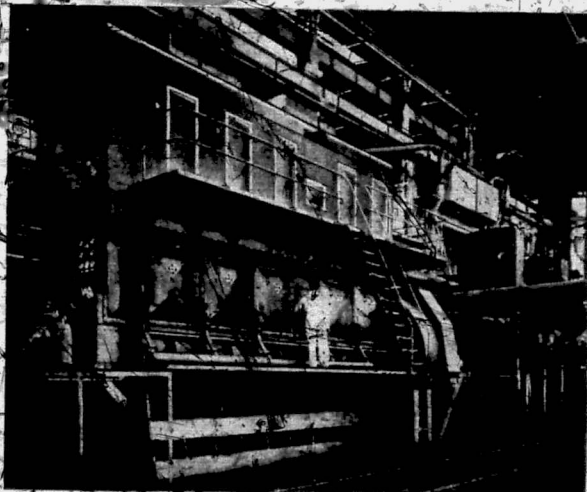
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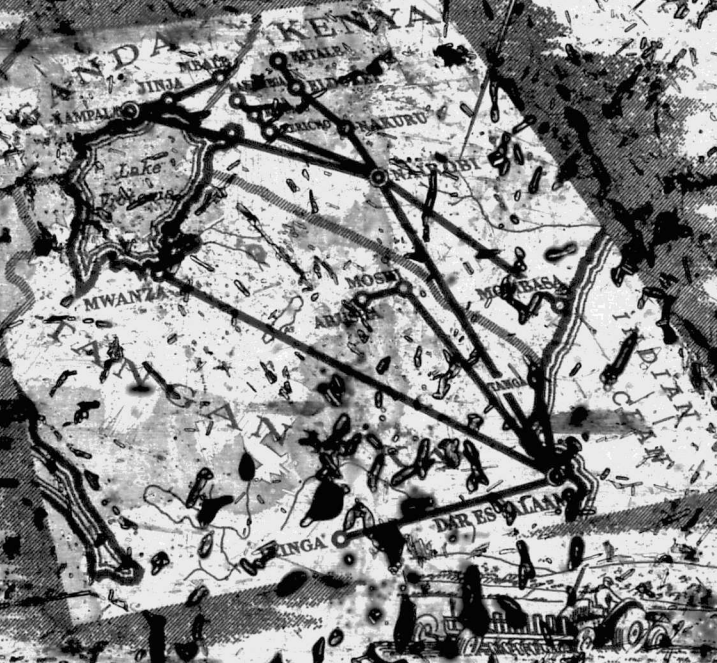
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Further Editor:
 P. S. Johnson

WEDNESDAY, AUGUST 2, 1956 No. 1660 Yearly Post No. 1

MATTERS OF MOMENT

THE POLITICIANS in Great Britain who have insisted in putting the appearance of arranging demagogues before the maintenance of the legitimate interests of the Commonwealth and the whole world are, of course, primarily responsible for the act of piracy perpetrated at the week-end by this egregious Egyptian dictator, but some of the many newspaper commentaries which we have read has even hinted that Colonel Nasser's success, as is the logical consequence of British folly, because Socialist and Conservative Ministers share the guilt — with the same line brought heavy pressure to bear on the Government's policy in the Middle East, to divert attention from their own failure, for which this country, the Commonwealth and many other parts of the world may have to pay a bitter price. If the last Socialist Government in the United Kingdom had not scuttled from Abadan, and if the present Prime Minister and Foreign Secretary had not arranged to scuttle from the Suez Canal Zone and the Sudan, Egypt's military advent would not have dared or been able to seize the Canal zone, to risk a state pointed the way by this predatory policy of grabbing whatever they could get and treating a nationalised possession, British Conservatives by weakly abandoning the Canal base before there was any contractual obligation to do so, cleared the way for this piece of buccannery by the Cairo Grottoes who have acted within a month of the departure of the last British troops. And the scurriles of those in London who bear the responsibility for proffering indications that they had not even made plans for prompt action if and when it was decided upon an act of blackmail, which was manifestly open to any unprincipled and utterly Egyptian despot.

This trouble had been caused fundamentally by lack of clear planning, firm purpose and strength on the part of Great Britain and the United States in a part of the world in which such qualities

Where Weakness Is Despised. (and they are not respected everywhere)

though that truth is unpopular where ceaseless propaganda for so-called "Democratic Socialism" is offered as a perpetual alternative. Why anyone in knowledge of the world should be surprised at the Egyptian manoeuvre passes beyond comprehension. Will will and double-dealing, not co-operation, were to be expected, as was made plain in all the leading articles in the Journal which criticized the surrender by His Majesty's Government in the United Kingdom to the agitation of small groups of capitalists in Egypt and the Sudan. But presence, not presence, have been the main theme of those entrusted with British foreign policy in recent years. The humiliation of Abadan, the betrayal of the Sudan and the folly of the evacuation of the Canal Zone were all accepted by a people who in more robust days would have destroyed the Government responsible for either act. Nasser has doubtless been encouraged by that discreditable record to attempt a move which may evoke the British spirit of self-preservation. The means for self-preservation.

Fortunately, this is very much a Commonwealth matter, and the spokesman for Australia, New Zealand, and even for India, will not only want to see action

for the Canal is vital to their countries as well as to East Africa.

Most of the support and exports of the Sudan, the Uganda, Tanganyika Territory, and Zanzibar must

reverse the canal, the closure of which would do great damage to their commerce and competitive power. If their primary products had to be sent round the Cape to the British market, the loss would not be inappreciable in some cases to a point at which buyers would turn to other sources of supply. Similarly, if manufactured goods from Great Britain had to travel all round Africa to Dar-es-Salaam, Zomba, and Port Swarth, their price would be affected as greatly to advantage competitors, especially in Asia and South Africa. Moreover, the sudden and drastic diversion of vessels from their normal routes would put an intolerable strain upon the world's shipping, cause great delays and a sharp rise in freight rates, and so increase inflation when it is desperately necessary to reverse that trend.

Nasser has shown quite clearly in recent months that he sees his self as the creator of a great Arab world stretching across North Africa and embracing the whole of the Middle East except Israel. Nile Waters As A Sanction. One aim also as the torch-bearer of an Africa from which Europeans will be excluded by a rising tide of black nationalism. In pursuit of that design he has used Radio Cairo to inflame feeling against the French throughout North Africa and against the British in the Sudan, the Somalilands, Kenya, and Uganda. It was past high time to check him, and on this occasion there can be no weak retreat. One possibility which must be considered is that of abrogating the Nile Waters Agreement — not that the flow of water to Egypt should in any way be interfered with, but that Egypt would be sharply reminded of British sympathy with the Sudan in the dispute about the division of the waters, a sympathy which might express itself in helping the Sudan to undertake large-scale water control measures for the purpose of giving that country a fair share of the natural blessing of the Nile, which Egypt has been concerned to deny to its southern neighbour. The justice of a Sudanese case has so far failed to produce unequivocal British support. It would be a great relief if that were forthcoming as one of the results of Nasser's attempt to appropriate control over another waterway.

in the rural areas, in the face of the threat to resign from Government, but without the knowledge of the leader of the non-official members of the Legislature, Mr. John Roberts, who is also Member (Minister) for Lands and Local Government. Small wonder, therefore, after the Acting Chief Secretary, Mr. Dinsworth, had made a very strangely worded statement in Council, Mr. Roberts registered his objection to the reallocation of the police force to the sole responsibility of one individual — evidently the Governor — without any information being given to him (the Member) as Leader of the non-official members, and Minister, of his a member of the Executive Council. He very reasonably argued that the holder of a portfolio should have been informed, and that his views on a reversal of existing policy should have been sought. The non-official leader ended by saying: Should a situation of this nature arise in future, or should I or my colleagues on the Government Bench not be kept informed of matters which are of policy in the territory, I shall have no hesitation whatsoever in asking my colleagues of the Executive Council to join with me in withdrawing from the Government Bench.

Since he accepted a portfolio, Mr. Roberts has co-operated closely and faithfully with the Government, and an elementary failure to reciprocate does it no credit. At the very least, it was the Important Point of courteous and fair-handed handling of the case, which might have been construed as a calculated attempt to pick a quarrel, perhaps involving the resignation of the non-official leader and his colleagues on the Executive Council. Fortunately, that was not the instruction put upon the incident by any of the elected members of the Legislature, but the Governor would have had only himself to blame if they had put that interpretation on his strange decision. A matter of national territory is invariably to be handled in practice to consult the Executive Council before the Governor gives directions in any matter of policy which disregard the considered recommendations of a departmental head or reverse existing practice.

IT IS ASTONISHING to learn that the Government of Northern Rhodesia has closed a number of police stations and posts

Since there have been a number of serious breaches of law in Northern Rhodesia in recent years, and a re-arrangement of

measures of police protection must inevitably assume an importance normal in the public mind. That must have been obvious to the Acting Chief Secretary who had the invidious task of arguing that it was a matter of such little importance that it was not really worth bringing to the attention of Ministers (or Members) as Northern Rhodesia perversely insists on calling the holders of ministerial portfolios. The lawyer-lawyer did his job with a very bare brief.

and in a house which must have been sympathetic he managed to reduce the temperature, though he had to admit the facts bluntly by pointing out that changes should have been ordered against the advice of the Commissioner of Police is surprising that that should have been done without the knowledge of the Executive Council is inexcusable and an affront to all its members. Northern Rhodesia ought to be told why that Council was not consulted. The neglect of that course, not the merits or demerits of the executive decision, is the real point at issue.

E.A.F. & H. Reject Royal Commission's Transport Proposals

Independent Corporation Based on Equity Share Capital Not Favourable

THE ROYAL COMMISSION advocates the establishment of an independent autonomous Railways and Harbours Corporation based upon equity share capital to be owned by the governments of the three territories, to be controlled by a board of directors, but subject to the powers of a legislative Assembly. Subsidiary and ancillary recommendations are the re-valuation of Railways and Harbours assets, the withdrawal of floating capital, conversion of fixed interest-bearing debt into equity share capital, and the free grant of land to the proposed corporation.

The advocacy of an autonomous Railways and Harbours Corporation springs from the premise that deficiencies in present road and harbour capacity in recent years have been due to causes which "in degree" were not so significant. The difficulty during the first war period was not due to integral shortcomings in the constitutional or financial arrangements governing the E.A.F. & H. administration, but to the result (a) of an expansion of East Africa's economy having been greater than anyone anticipated; (b) the impact of the E.A.F. & H. development programme (in consequence) having begun so late; (c) the delay in additional capitalisation of the construction of major works having been much slower than promised; and (d) lower than expected conditions of demand for goods having been more difficult to obtain than the equipment for the railways.

The Inter-War Years

Looking back over the years between the two wars it is difficult to see how the railways and ports of East Africa could have existed, except as Government-owned and financed undertakings. In Tanganyika, for example, the economy of the country was so small that its revenues could not support a railway in properly maintained condition; no independent commercial undertaking, relying upon equity share capital, could have tolerated such conditions, and would possibly have had to have liquidated itself, but as a Government-owned undertaking the railway was able to survive these years.

The East African territories have been comparatively poor until recently and it has not been possible to find, or to remunerate from local resources, large funds for the basic essential communications, such as

railways, roads, and telephones; nor did private enterprise show any interest in financing the basic transport needs for the development of East Africa, except in Tanganyika, where it failed in the early part of the century.

The development of railways in East Africa has been in line with the economic and social development over the first half of this century. The railway share has been a sharp expansion of the transport system in response to the upward surge of economic development under the impact of favourable world prices for East African staple crops. An example of recent initiative is the provision of basic communications in the Uganda Government Ministry of the Western Uganda.

Post-War Expansion Developments

The development plans of the Railways and Harbours Administration during the post-war expansion period since 1945 have admittedly been enormous. It is enough to cope with current transport deficiencies and to cover requirements only five years ahead, but such plans could not have been executed very much faster and the railways and harbours been expanded so far, if that, although it has, not been able to obtain capital finance during the period of rapid expansion over the last few years, the factor limiting factor has been the limitation of physical capacity rather than of money.

The Royal Commission studies the purpose of its recommendations for the establishment of an autonomous Railways and Harbours Corporation, to reduce railway finance, management, and operation from political considerations and from uneconomic territorial policies, which undermine the viability of the system as a whole. The existing situation of the E.A.F. & H. administration was designed with the express purpose of overcoming the disadvantages which were integral to the previously existing arrangements whereby the railways and harbours were separately owned and operated.

Under the proposed E.A.F. & H. administration constitution the management has a measure of freedom which is adequate for the efficient administration of the affairs of the service. The procedure whereby the matters of major policy and the making are considered by the Railways and Harbours Committee and the Transport Advisory Council work reasonably satisfactorily; the council and the committee are proved to be effective institutions, and the Central Legislative Assembly has objectively done and approved the E.A.F. & H. budgetary proposals. To be certain the purposes suggested by the Royal Commission are achieved, it is a matter of degree of conditions in East Africa, and it is doubtful whether a corporation owned by the three Governments and managed by the Central Legislative Assembly could be any more effective in divorcing the railways and harbours from what the Royal Commission describes as uneconomic territorial

considerations and territorial considerations, which are inherent in any undertaking which has territorial responsibilities. It is much better to have a single authority which can plan the development of the railways and harbours will continue to be a matter of political considerations, but the Government of the individual territories and development funds to the Central Legislative Assembly must expose

Extracts from a memorandum by Mr. A. F. King, general manager of the East African Railways and Harbours Administration, are taken from the

said that any of these factors would prevent an effort to be made in any major change. Experience has proved that under the present constitution of the E.A.R. & H. it is impossible to achieve all the measures suggested by the Royal Commission for the stability of the railways and harbours financial structure and to ensure progressive transport development, provided the Administration continues to have excessive freedom in rate-making to ensure adequate annual budget and is given admission to sources of adequate capital funds for development.

The Royal Commission refers to the illusion that each African territory may be relinquishing advantage of its own control over railway operation and development. The fact was shown in Tanganyika at the time of the formation of the Government during the years immediately following, but in the case of Kenya and Uganda, development and operations of the railways and harbours. The growth of confidence in the railways and harbours system is leading to the belief that African territories will suffer from the effects of the railways and harbours through the loss of the right of making their own decisions on rates and fares and on the operation of the railways and harbours, and, recently, have been advised by the International Bank loan to the Transport Administration, The Transport Advisory Council has supported railways and port construction in Tanganyika, Southern Province Railway and Mtwara Port, and the Mpanza Line) and has recommended the construction of the Western Uganda Railway and each of these ventures is financed by the respective Governments.

The composition of the board of the proposed corporation would be little different from that which is possible under the existing Transport Advisory Council and its committees, except that the Royal Commission envisages the possibility of representation of different categories of subscribers (if any) in the corporation itself. The board would function actively through a committee which, the E.A.R. & H. Act, must be consulted on the matter of any substantial changes in areas and areas, and the committee's advice is virtually decisive, with the exception of proposals with the Commissioner for Transport as member of the High Commission.

Proposed Railway Tribunal

The proposed Railway Tribunal in so far as it may be set up with rate and fares would function in the same way as the existing Transport Sub-Committee of the Transport Advisory Council, which has worked very satisfactorily on the grounds of appeals against the major rates reviewed in the past three years. Bodies similar to the proposed tribunal advisory body to the general manager to replace the Transport Advisory Council already exist in the several Chamber of Commerce transport committees which are performing valuable effective services. It is suggested that the ultimate control of the corporation should rest with the Central Legislative Assembly, as representing the Governments in their capacity as major equity shareholders, in contrast to the existing procedure, except that under the present system the Assembly may constitutionally vote back to the Transport Advisory Council, though it would be reluctant to do so when the latter is a critical body, or a board operating a commercial enterprise, and produce an impasse situation.

The functions of the Commission for Transport, as proposed by the Royal Commission, in so far as they would be for the railways and harbours construction would be a different in practice from the present situation. Executive management is vested in the general manager, the Commissioner for Transport, already as proposed by the Royal Commission, the same arrangement which the Central Legislative Assembly and the three Governments make representations to the E.A.R. & H. Administration.

The Commission makes much of the shortcomings of the method by which capital finance is obtained for the E.A.R. & H. and declares its dependence on loan capital raised as part of the general East African borrowing programme. It is true that the process of the amalgamated debt and the passage of the first E.A.R. & H. Loan Act, but it is not arbitrary and not integral to the basis system. Nor did the ability to raise E.A.R. & H. loan capital as part of a general borrowing programme of the East African Government, in the ability and flexibility of the Administration to obtain its facilities.

The financial authorization by the Central Legislative Assembly had been obtained the E.A.R. & H. Administration could begin works and order equipment in the assurance that the money would be forthcoming when required. To this extent the Railways and Harbours, backed by Government guarantees, were possibly in a better position than an independent financial corporation. It is certainly difficult to see how a corporation could have been substantially different from the Railways and Harbours Corporation had been

owned by the Government, and subject to the final control of the Central Legislative Assembly, as suggested by the Royal Commission.

No undertaking of the nature and size of the E.A.R. & H. however constituted, in need of large sums of capital money, would have been required in the case of E.A.R. & H. £60m. development programme, would have had complete freedom to enter the London market, which was the only market then available for large-scale borrowing within the sterling area. Recently lending institutions such as the International Bank for Reconstruction and Development have opened the way to international borrowing, but a corporation of the nature proposed would have particularly favourable positions to borrow from these institutions, especially if its financial structure were dependent upon equity share capital.

The test of the suitability or otherwise of the financial arrangements for a concern such as the E.A.R. & H. is, firstly, whether satisfactory transport services at reasonable rates and charges can thereby be given to the using public, and secondly, whether the financial arrangements encourage and promote the capital investment necessary to develop the territories.

Money for Expansion

As to the form of the present financial structure, it has resulted in a very high rate in comparison with the average of other countries, and therefore it cannot be said that the high fixed interest-bearing debt, along with the need to maintain renewals and sinking funds, has borne heavily on the present railway users. As to whether or not the dependence of the E.A.R. & H. upon fixed interest-bearing debt may seriously hamper its operations, it is doubtful whether money for expansion and new railways could be found by any other means than fixed interest-bearing loans, and it is most unlikely that the large amounts required would be obtained from the conventional sources.

In fact the debt burden of the E.A.R. & H. is not unduly heavy at the end of 1953, the capital was non-interest bearing, namely £1,2m. fixed interest-bearing and £31m. non-interest-bearing. The estimated position as at the end of 1955 is interest-bearing £1m. non-interest-bearing, £32m. and advances pending the making of loans, £8m.

The average rate of fixed interest on sinking fund (and allowing also for the redemption of nearly £10m. loans from the Foreign Operations Administration and the International Bank) on the £46m. will be about 5.78%. Leaving out the Foreign Operations Administration and the International Bank loans, which are redeemable in 20 years, the average rate for the normal three stock raised on the London market is 4.85%.

Preference or debenture shares would probably require higher rates of interest than those stated, and they might also require security, and ordinary equity shareholders would look for something higher than 6%. It might in total be found therefore that the dividends payable by a corporation based on equity share capital would more than offset the existing E.A.R. & H. fixed interest and sinking fund contributions, and the latter at least be a means of liquidating the capital burden.

Danger of a Recession

The Royal Commission highlights the danger of the E.A.R. & H. being exposed to the possibility of falling revenues due to changes in demand for East African exports by the foreign countries, especially fixed interest-bearing debt. In the case of Kenya, the fixed interest-bearing debt is not a very little different proportion to the total transport concern, no matter how computed, but the Royal Commission suggests an escape from the fixed interest burden by borrowing the existing loans into equity shareholdings. Yet, without adequate reserve funds, a company must face the cost of severe revenue losses to prevent an undertaking from becoming bankrupt with a concept founded on equity capital, the loss would have to be borne by a sale of the ordinary shareholders sacrificing dividends.

Most business concerns of a size comparable to the E.A.R. & H. accumulate reserves against hard times, and in compliance with the prudent policy enjoined by section 71 of the governing Act, the E.A.R. & H. Administration should and should build up adequate financial reserves. Unfortunately the tendency in past years has been of regard its annual budget as having been adequately and properly balanced, if the rates and charges provided a revenue sufficient to cover operating costs, contributions to renewals and capital overheads, and contributions to sinking funds, anything above this was treated as a surplus, and was only by the lucky or the size of the surplus that something was available for reserve funds and betterment. This tendency has recently been made to justify the tendency by identifying the term 'liquidated' with 'surplus', and identifying the term 'in the way of a fund' with 'reserve and the rate of utilization fund, but the same can be regarded as a fortunate specialty, as the E.A.R. & H. has built up a substantial reserve capital.

The third fact is that the railway and harbours

organization cannot be isolated from the economy in which it exists, and it cannot be expected to levy rates and charges which are beyond what the economy can bear. It is not unlikely that the roads, ports and harbours, if they were constituted, would have been able to have built up major water reserves during the first half-century of ups and downs of the economy of East Africa.

The revenues have recently been more favourable and during the seven years immediately succeeding the amalgamation nearly £7m. (£2.9m. railways and £4.1m. harbours) of additional revenue has been ploughed back into the undertaking. This represented over 1% of the total revenue of 1931m. over the same period, whereas during a period of booming trade and remarkably high prices 10% of it would not have been a reasonable

No Working Capital

The E.A.R. & H. suffers from having no working capital and this necessitates the Antares stabilization fund, general reserve fund, and a proportion of other reserve funds, and current revenue being absorbed by the value of the general stores balance which stands at £3.1m. It is in no small degree due to this weakness that the reserve funds of the Administration cannot more freely be used for financial improvement without needing funding operations. Nevertheless, the International Bank is well satisfied with the Administration's financial management, although stressing, as a condition of lending, the need for a continuance of the policy of contributing annually from revenue to betterments.

The Royal Commission states that political considerations have prevented the revision of rates and charges from building up adequate general reserve and sales stabilization funds. This applies only to the extent that public opinion, as expressed through the Transport Advisory Council and in the Legislatures, has been opposed to the principle of building up railways and harbours reserves from current revenues.

Whilst it is agreed that financial independence and stability along with freedom from political influences are desirable objectives, and while also there might be consequential advantages such as conditions of staff employment and release of the Government from certain obligations, it is not considered that a corporation as proposed by the Royal Commission would achieve the objects which it has enumerated in that under continuing Government ownership the corporation would find itself in the same position financially and politically as the existing E.A.R. & H. Administration, with the possibility that financial and political difficulties might be more complicated and potentially more embarrassing than

under existing arrangements.

Railways and harbours undertaking, founded on equity shares, would not be the best means of financing transport in the territories. It is a high white elephant promise of early profitability on the investment in vast areas in which transport is vital for the much needed economic and social development advocated by the Royal Commission throughout the report.

The Royal Commission has proposed a Corporation and a Board, appeal to the public, and a similar arrangement that can be devised to assure the financial stability of the transport organization, to ensure the provision of efficient port and transport services, and to encourage the development of roadways, ports and inland water transport services in East Africa. Indeed, it is probable that the existing organization can provide and promote development services of a nature which might be impossible for a purely commercial undertaking dependent upon equity shares.

The Royal Commission's proposal for the establishment of a Colonial Transport Development Fund is welcomed. It follows a similar proposal made by the Acting Commissioner for Transport when presenting the E.A.R. & H. bid to the House of Commons in 1954. It would be a means whereby the United Kingdom Treasury could finance directly Colonial transport development in parallel with development schemes promoted by the Colonial Development and Welfare Fund of the Colonial Development Corporation, and it would also possibly release local territorial funds for general development in the assurance that the Colonial Transport Development Fund would take care of the basic transport facilities.

Establishment of such a fund would involve many problems, and it would probably be necessary for the United Kingdom to retain some sort of shareholding in undertakings such as railways and ports which might eventually become profit-making ventures. However, such a fund be established, it may well be that much of the development which is being financed from territorial grants, the Colonial Development Fund, and the Colonial Development Corporation may be frustrated by lack of transport facilities.

Ethiopia's Serious Breaches of Treaty with Great Britain

Pressure on British Somalis to Accept Ethiopian Nationality

MR. HUGH GAITSKELL, Leader of the Opposition, was rebuked in the House of Commons last week for using the phrase "the taint of colonialism". He had said:

"The new frontier offensives in Asia and Africa involve a struggle for men's minds and hearts, especially in the uncommitted areas of the world. The question is what we and the other democracies are to do to meet that challenge."

"Although one would not suppose that countries which have either just won their independence or are hoping to win it soon would be attracted by a totalitarian regime or would fancy enjoying the same experience as the satellite countries of Eastern Europe, there are very substantial attractions in the uncommitted areas towards Russian Communism. There are, I think, five reasons.

Five Attractions

"First, Russia has not been a Colonial Power in the ordinary sense of the word, and she dominates Eastern Europe and has over-run those territories, and so one likes one could desire that as an empire.

"Secondly, Russia is only half a Western Power, and that is an advantage in some of these places. Surely, she is still thought to be poor. Fourthly, there is no colour discrimination against Soviet Russia. Finally, she is carrying through industrialization at an extremely rapid rate by State action. These reasons make Russian Communism attractive to these underdeveloped peoples.

"We must ask what are to hold these people for democracy, remove from our policy, our administration, and our activities every possible taint of colonialism. This means carrying on

readily concede, the Government are carrying on the progress towards self-government in West Africa, Malaya, and the West Indies. But two sore points are a great handicap to us in this most important struggle.

"First, the need for racial equality in Africa, particularly. We say that the British Government should ease our bars at once. Secondly, we must accept as the ultimate principle recognizing the transitional difficulties, the idea of one man-one vote. What happens in South Africa, in East Africa, and in North America as well, influences hundreds of millions of people all over Asia and in other parts of Africa. It has world-wide implications."

Rebuttal

MR. A. D. DONN PARKER, Joint Under-Secretary of State for Foreign Affairs, said in his reply:

"I was sorry that the Leader of the Opposition used the phrase 'the taint of colonialism'. I do not know whether he includes his brother as one thereby tainted, like myself and many others. I do not think he has any reason to be ashamed, or any call to use that term, about what his brother did for 25 or 30 years in Africa."

Mrs. GAITSKELL said she was surprised that the hon. member should refer to my brother, who did what, I think, is generally agreed was a remarkably fine job in the Sudan. For the hon. member's benefit I would say that I have no reason whatever to believe that my brother would disagree with a word of what I have said on the afternoon.

MR. DONN PARKER said that he should use the word from him that he thought should be used.

those benefits about the efforts of so many of his countrymen who have carried out this work in the past, and will carry it out in other ways in the future, to help people overseas. He spoke about Russia and the fact that no colonialism exists in Russia, but millions of Muslims in Russia are living in what he would call a Colonial status. It is a great mistake for me to repeat the remarks made in the opinion of the country that Britain is a Colonial Power: are the uneducated countrymen of Russia did not know that there are these millions of Muslims in Russia in what he would call a Colonial status?

Visit to Somaliland

MR. FRANK JOHNSON, Labour M.P. for Rugby, was very critical about Somaliland. He said, *inter alia*: "I happen to be the only hon. member who has been to the Somaliland border, except the Joint Under-Secretary, Mr. Dadds-Parker. About the time of the Tudors, the Somalis came from Arabia to the Horn of Africa. They wandered backwards and forwards in this area for centuries, with no boundaries to their grazing areas. About 1900, some 12 years after we got there for the first time, we wanted to safeguard our flank when moving down the Nile to Khartoum to attack the Mahdists, so we made a treaty with Menelik."

"We said that we would hand over to the Abyssinians about 25,000 square miles of what we now call the Somaliland Protectorate. For 40 years or so, the rest of all the little Somali herdsmen who wandered with vast flocks of sheep, cattle, and goats, knew anything about that, or about their it, burst upon them. Then came the 1939 war, and in 1954 Her Majesty's Government signed a treaty with the Ethiopians confirming the handing over of that 25,000 square miles of no-man's-land in the Rosebery Area and about 500,000 Somalis wander annually backwards and forwards over the line. The Ethiopians are determined to assert their sovereignty over this particular belt of territory. I think that they are building up for themselves an enormous fund of ill-will and even animity among the 24m. or more Somalis who are in the east and southern borders. We are allowed to have 200 *italos*, or police, to look after British interests in that area, and I hope that we shall increase that number to 700."

"We have had continual bother ever since the treaty was signed. Having been on the spot, it is my impression that the Ethiopians do not intend and are not carrying out the terms of the treaty. I have had a cable about present conditions there from Mr. Hassan, a member of the National Union Front."

Ethiopian Veneer

At the head of the Ethiopian Government administration there is what one might term a veneer of Sorbonne and Oxford men, below that there is a large wolf, and then we get particularly in Harar and the borders, people not unlike the Saudis and Yemenis, who without wishing to be unkind to them, are nearer to the medieval times when the Somalis first came over. There is hostility and open enmity in the clash between those peoples.

"The Somalis are politically conscious. Their sons leave the territory and go as sailors to Brooklyn or Barry Dock; they mix in the world, and then return politically conscious. The action of the Ethiopians in securing them is tantamount and dominating not only their unity based upon their Muslim faith, and their ethnic past, but also their political consciousness in the modern world."

In 1947 Ernest Bevin wanted to unite all Somalis in one United Somalia. What was formerly Italian Somaliland is due to get independence in 1960. Many of the two million Somalis are there. Ernest Bevin tried to unite the two million with our 750,000, and, consequently later, the Ethiopian Somalis and people with French Somalis, if he could get consent to that form of a union in the Horn of Africa. Unfortunately, the American and the Russians did not assist the late Foreign Secretary in this, and it failed. What a pity that we did not carry on with it."

"There is no doubt that our prestige and capacity for good will and influence in this part of Africa are slipping. The Ethiopians are appointing their own *alibis* or *basas*, among our Somalis; and, indeed, districts of land, in particular, measures are persuading British Somalis to become Ethiopian citizens. Other things are over because of the lack of protection which we are offering to our people."

In the District of Jar Monday there was a statement that British Castle, some Commandos of the Durham Light Infantry were standing by in case they had to be flown out of the borders of Ethiopia should a dispute start up."

Joint Under-Secretary may say something about that. I do not believe that it will be desirable to have Commandos or any other troops. It would be preferable to increase the number of *italos*, or police, and perhaps send in the Somali Scouts to give protection, but it would be a very delicate matter indeed to send forces on what is acknowledged to be Ethiopian soil."

The Joint Under-Secretary who last year attended an Anglo-Ethiopian conference in Addis Ababa after I was at Harar in January, and knows the mentality and outlook of Ethiopians on this matter, might consider, as Ernest Bevin wished to do, calling a conference with the French of Jibuti and the Italians at Mogadishu, our people from Harar, and the Ethiopians in Middle Abaha. There might be possibly a fifth of the Americans, who have got interests there, and are likely to have much influence with the Ethiopians because of their technical assistance, economic help, and financial aid to Ethiopia. At such a conference the future of the Somali people would be discussed."

"If we do not do something like that soon in Somalia we will lose our present influence for good will. The Somalis are indeed *italos* and wish to stay in the Commonwealth, if and when they become united in the 1960s. I hope that this suggestion will be considered and that H.M. Government will attempt to hammer out what all these things can do together in the 1960s."

Miscellaneous Egyptians

The Egyptians have been most mischievous in this quarter of Africa. They are not only attacking us with wireless propaganda, but more important, have been infiltrating in a very subtle way into the Horn of Africa with their agents. The Egyptians have now 100 reading and 1000 Somaliland with more than 200 teachers in the past year or so, and they are offering very lucrative bursaries at Cairo University for Somalis."

"It is shattering to think that although we have had the Somaliland Protectorate in the care for 70 years, the Joint Under-Secretary and I are the only Members of Parliament who have been to the neglected possession. At the moment we have only 19 of these loyal subjects in the United Kingdom, receiving higher education, but Colonel Nasser has welcomed about 60 in Cairo, doing the same thing."

MR. F. M. BENNETT: The hon. members must not claim that he is the only member who has been there. I have been there upon two occasions."

MR. JOHNSON: I am delighted to hear that. It is pleasant to hear the hon. member say that, because I was told that no M.P. had been until I went, and the Under-Secretary of State followed shortly after. I do not know what sort of impact the hon. gentleman made upon the people, obviously it was not much, because they soon forgot him."

"It would be a fine and hopeful thing to get some agreement amongst all the nations in the Middle East upon the future of the Israeli people. Politics, like nature, abhors a vacuum. It is not in the best interests of Ethiopia herself for things to continue as they are. If we allow the Ethiopians to continue behaving as they are, there is no doubt in my mind that they will drag us down into some future war in the Horn of Africa. I fear some situation in these coming years on the lines of what we have seen in the Middle East between the Israelis and Arabs."

"The British fear to lose the Arabian imperialists on the Ethiopian plateau above them. Ethiopia is a Godsend. She has now got to be seen at Masawa in Eritrea. She is pushing out, and we can reach *anywhere* *anytime* upon this matter, only a nation like Egypt or the Communists will benefit—and they are fishing in the waters—and people like ourselves, Ethiopians, the Italians, the French, and the United Nations, who should be it to look after this part of the world, will all be disadvantaged."

Mr. Dadds-Parker's Reply

MR. DODDS-PARKER'S reply was as follows: "As a result of what has happened in the fraud and areas nearby, H.M. Ambassador in Addis Ababa lodged a strong protest against speeches by Ethiopian officials of the terms of the 1954 Anglo-Ethiopian agreement. The most serious aspect of these incidents has been the repeated attempts to interfere with the tribal organizations of certain British-protected tribes who are now with their herds in the territory covered by the agreement."

"The Government have received reliable reports that Ethiopian officials have convened meetings with these tribes and put pressure on them to acknowledge Ethiopian suzerainty, and accept Ethiopian nominees as their tribal leaders. This is a clear breach of the agreement, which provides that the tribal organization and leaders recognized by the United Kingdom Government shall continue to function while the tribes are in the territories."

These incidents cause H.M. Government grave disquiet. Not only do they contravene the spirit and the letter of the 1954 Agreement, but they also run counter to assurances given to me during my discussions in Addis Ababa earlier this year that the Ethiopian Government intended to work the agreement in closer harmony with our local officials.

British Protest Lodged

Our Ambassador has also been instructed to lodge a protest against the killing by Ethiopian forces of a number of British-protected Eka tribesmen during the course of an incident which took place well inside Ethiopia in February of this year. I sincerely hope that we shall receive satisfactory replies from the Ethiopian Government in these two protests.

The state of affairs which has made them necessary can hardly fail, if it continues to pass a cloud over Anglo-Ethiopian relations, an event which H.M. Government would deeply regret.

MR. JOHNSON: "But whatever the Government is to do about this? Do they intend to step up the number of our police and armed people inside the territory, or what action do they propose to take?"

MR. DOUGLAS: "That is a matter for the Colonial Secretary, to whom the hon. member has addressed a question. The point raised was about the British Protectorate of Somaliland and its possible future relationship with Somalia."

H.M. Government's policy remains as stated by the Under-Secretary of State for Colonial Affairs in Harare on May 29. That statement not only envisaged an acceleration of economic, educational, and constitutional development in the Protectorate, but also indicated that H.M. Government would be prepared in principle to give favourable consideration to the possibility of a closer association some time in the

future between the two Somali territories if the people concerned should desire it.

MR. SRI WYN LOYD, Secretary of State for Foreign Affairs, also regretted that Mr. Gaitskell had used the phrase the "taint of colonialism," saying:

"Colonialism has many fine things to be reformed, but when it hon. gentlemen in this House start talking about the taint of colonialism other people begin to believe it elsewhere. The accusation is sometimes made that aid to under-developed countries from H.M. Government is not on a sufficiently bold and imaginative scale. We are doing all we can within our existing resources. In fact, we are doing rather more than we can currently afford. In the past five years we have given economic aid to Colonial territories at the rate, I understand, of about £50m. a year."

MR. JOHNSON asked the Colonial Secretary if the British Somaliland Government could increase from 200 to 700 the number of *illalos* or tribal police in the Reserve Area and the Haud for the purpose of guarding the interests of British Somalis in those areas. He put the question "in view of the threatening action now taken by Ethiopian forces."

MR. DOUGLAS: "The Protectorate Government formerly considered 200 *illalos* in the territories sufficient to maintain law and order among British subjects when grazing there. That number has recently been increased by 100, and the Colonial Secretary is awaiting the recommendations of the Governor, who is already considering whether he wants more."

Industrial Relations in a Multi-Racial Society

Mr. Harry Oppenheimer on the Problems of Southern Africa

I AM A POLITICIAN as well as a business man, and have taken some part in the bitter controversy about race relations which has dominated South African politics for the last 10 years. It would be inappropriate on this occasion to pursue the South African political struggle, but you will expect me to speak my mind plainly about the Union of South Africa and the Rhodesian Federation, of which I have first-hand experience.

The proper objective of policy in Southern Africa is, I believe, to secure the economic, cultural, and social development of all the races to the full extent of their capabilities in a manner which will not adversely affect the high standards already established for the Europeans. This objective can be attained only by co-operation between the races in all aspects of the national life.

The political issue in South Africa turns on whether any sort of multi-racial society is desirable or in the long run possible. The Nationalist Party Government in South Africa says emphatically that it is not. Similarly, the black nationalists reject the whole concept of a multi-racial society, and, going even further in their point of view than the extreme nationalists in theirs, claim all Southern Africa for a black nation alone.

No political party seeks, in theory, anyhow, to deny the Africans the fullest development of which they are capable, but the Government (Nationalist Party), the protagonists of the doctrine of *apartheid*, contend that the full potentialities of the Africans will be realized only if the two races live in separate areas and work out their individual destinies in their own way. The problems of a multi-racial society are intractable, and involve grave risks. It is not therefore surprising that many people, black and white, feel that it would be better, instead of trying to solve them, to abolish them by doing away with the multi-racial society from which they spring.

It is not only in South Africa that people are able to believe with passionate sincerity in things that are manifestly untrue.

**Being an abbreviated report of an address given to the Duke of Edinburgh's study conference in Oxford.*

But it is quite plain that the separation of black and white into areas of their own if carried out to any significant extent would destroy the economy of the country, with disastrous results for all. Therefore, no matter which Government is in power, this policy will not be carried out. For that reason the refusal of opportunities for development to the Africans in the multi-racial South Africa which exists today, on the grounds that their just claims will be met by racial separation in the future, is calculated to destroy the possibility of inter-racial co-operation.

Factors Which Cause Strain

The idea of solving our racial problems by unscrambling the multi-racial society that has already been built is nothing but a dream, beautiful or ugly depending on your taste. I assume, therefore, that the multi-racial society which has come into being in Southern Africa will continue to expand, and that our object is to regulate it in the best interests of the races that make it up.

Three principal factors, inter-connected and overlapping, but logically distinct, create the strains and difficulties that face us. The first is race-consciousness, as such: the belief of most Europeans in the importance of purity of race, combined with an unquestioning faith in the intrinsic superiority of their race. Race-consciousness is deeply rooted, and in its overtones affects the judgment of most South Africans on all sorts of indirectly and distantly related matters. Africans in their way are just as deeply attached as Europeans, and an unfortunate though understandable feature, which must strike any European who sincerely tries to work with them, is their inability to see any problem except in racial terms.

The next factor is that the Africans of Southern Africa, on the whole, still an extremely primitive people in the social and political organization, their agriculture, and their techniques. Their moral concepts, customs, over food and dress, and ideas governing the relative status of men and women are quite different from those of Europeans.

I would not be so foolish as to pass judgment on the potentiality for development of the Africans, and the achievements of many brilliant individuals suggest that it is high. But at present the average standard is extremely low, and inevitably for many years will continue to be low. Those Africans who have emerged from primitive conditions have not done so by building on African foundations but by assimilating ready-made and adopting as their own a alien European culture. Advancement can take place only if the African way of life and thought is abandoned in favour of a State and society built on European foundations. An excessive tenderness among many Europeans, but never,

that among educated Africans the feeling is that the colour bar is a serious brake on African economic development.

South African Society Must be Integrated

Such profound changes cannot be effected abruptly, and the colour bar, such as it still remains in additional Africa, is in the long run, however, a society must disintegrate and the Africans must become an integral part of a different sort of society. Till they are able to do this it will be essential to maintain, as necessary as by custom, a substantial degree of social and residential separation of the races. This separation, while in practice it may be a good thing, must be a division, and must inevitably be reinforced by racial prejudice, is in its essence not a question of race but of culture, or, if you like, of class.

Among the Europeans in South Africa we have a class, though fortunately not an egalitarian society. I doubt whether that ideal has ever been reached in England! Even in a homogeneous country such as England the process of building up a class society has not yet been completed. It is a long and difficult process, and depends on training, more than on ability and prejudice. It may be possible to break it down gradually, but it is quite another matter if it rests on profound cultural, social, or religious differences. In South Africa, between the Europeans and the vast majority of the Africans, there is an immense cultural gulf, which will take generations to bridge, and in Africa a process of levelling down would mean the acceptance for all races of ignorance, poverty, and ill-health.

It does not make for racial harmony if people of widely different habits and cultural standards live in close social relations with one another. If we are wise, therefore, we will accept the desirability of the Europeans in Southern Africa for a measure of social separation, something which corresponds with the real world of the things which are based merely on vulgar racial prejudice. Pragma-ism and intolerance reinforce the plea for separation, and the remedy for prejudice and ignorance lies in better education for both black and white, in an enforced proximity of communities whose ways of life differ profoundly from each other.

Fear at Root of Economic Progress

The chief factor in the case of the European workers in that African labour working for low wages may break down their high standards of life. This fear is at the base of the so-called economic colour bar, by which African labour is confined, by law, by pressure, or by custom, to unskilled or semi-skilled work. Such a limitation is obviously unjust, and runs directly counter to our objective of enabling the Africans to realize their economic potential. The grounds and these fears must be met if African progress is to go forward as a goal.

One good trade consists in the fact that the world look on an illiterate into the hundreds of large numbers of peasants with a very low standard of living and willing to work for a fraction of the wage rates they had established? Would they not have laid down stringent conditions and stipulations of their own, if employers who wanted to make extensive use of such labour? Of course they would.

In Southern Africa there is the complication that the peasants have black skin, and the reasonable economic fears of the white workers are reinforced by unresolvable racial prejudice, and many liberal-minded well-meaning people, in their dislike of racial discrimination, lose sight of the underlying facts.

When workers have been on occasion, and in many cases still are, unfair and unreasonable in the attitude towards African advancement? That attitude must change, not only in fairness to the Africans, but in the economic interests of the whole population, black and white. But the attitude of the white workers will not change unless the fears that cause it can be removed.

In Southern Africa the expressed policy of the Government is to maintain the artificial colour bar, limit the Africans to unskilled work in what they call the "white areas", and to enable Africans to develop to the full, free from white competition, in the "African areas". This plan has theoretical attractions, but on the least of the practical difficulties is that nearly all the "white areas" are in the industrial and work in the "white areas". Enforcement of an industrial colour bar by law, apart from the moral issues which it raises, has the practical disadvantages in that it leads to impose a two-tier pattern on the organization of industry.

Where the industrial colour bar is not enforced by law, it is often enforced by the European trade unions, sometimes directly, and sometimes by the manners in which the second "rate" for the job is applied. This last applies particularly in the Rhodesian Federation, where the Government, railways and other agencies of public

opinion, are opposed to an industrial colour bar, such as, except at unskilled jobs, African labour is on the whole, more plentiful than European labour. Moreover, the European labour has the custom, standard of living, and social habits of black and white. In the circumstances, if the white trade unionists rigidly insist that there must be no "dilution" of labour, no "fragmentation" of labour, no "intermediate" grades of work, that if Africans do skilled jobs that must be on precisely the same conditions, rates of pay, provision for housing, and amenities, and so forth, as the customary for Europeans, the net result will be to exclude Africans from all but unskilled jobs.

If the minimum wages rate for the jobs can be misused to hold Africans back, its maintenance is the only way to get proper security to the white workers. But if it is maintained the white workers must be prepared to agree to rates being fixed in such a way as in practice to make increasing numbers of skilled jobs available to the Africans.

Progress on the Copperbelt

That is what has happened on the Copperbelt in Northern Rhodesia, where 24 categories of jobs previously done by Europeans have, by agreement with the white union, been handed over to Africans. Wages and conditions for these jobs have been fixed considerably below those normally received by Europeans, but considerably above those obtainable in the past by Africans. In theory all jobs on the Copperbelt are open to black and white, but in practice certain jobs are regularly done by Europeans and others by Africans, and the difference is marked by a substantial wage differential. This arrangement corresponds with the economic and social fact of the situation as they exist today.

Gradually the gap between European jobs and African jobs will be bridged, and more and more jobs will in practice as well as in theory become open to Africans, until the present sharp distinction between black jobs and white jobs becomes blurred, and perhaps finally disappears. The speed of advance will depend on many factors, the skill and sense of responsibility shown by the Africans themselves, and, at least as important, their standards of living and culture, the condition of the national economy, the prosperity of the copper-mining industry in particular, and the state of mind of the European workers.

The problems created by the increasing demands of the Africans for advancement must be faced not only by industrialists, but by the whole European population of Southern Africa, which the European workers see as a most important part. Such is the case of the European workers on the Copperbelt it has been possible to take an important step forward in agreement with them. Further progress there and throughout Southern Africa is going to depend very much on their good sense and good will, and it is to be hoped that the leaders of African opinion on their side will realize that fact.

Many people will say that if African progression has to wait until the good will of the African workers can be obtained, why not wait for the white workers? I don't believe that such pessimism is justified, because the latter is impossible to make the white workers see that African advancement is needed to maintain the tempo of economic progress on which the prosperity of all the workers depends. Practical experience supports my optimistic view. The step taken on the Copperbelt is notable because the mining industry is the field in which the present inter-racial pattern is most rigidly set.

But the most rapid advance has taken place in secondary industry, where techniques are more fluid and where there is a wide field of semi-skilled jobs, which have not hitherto been regarded as essentially either "white" or "black". In Rhodesia the numbers of Africans in secondary industry increased by 100% between 1952 and 1953. Some book-keepers' clerks earn from £20 to £720 per annum; lorry drivers up to £480 per annum; foreman baker £540, a very moderate but a very good wage.

It is perhaps the only way the economy is more developed than in the past, it is being made of African skin. There are 500,000 Africans in the Rhodesian Federation, of whom 500,000 are employed in factories. While most do unskilled work, increasing numbers are in semi-skilled and skilled occupations and earn good wages. I know of certain African factory workers who earn as much as £17 a week.

This may be surprising to those who think of South Africa as a country in which the Africans are repressed and confined to menial occupations. The fact is that there is a wide and widening gap between the "white" and "black" in the Rhodesian Federation, and the Africans are being committed to a position of parity with the Europeans. More and more are being taken into European occupations, and more and more are doing semi-skilled and skilled work, and earning wages which in years to come may be beyond anything that is dreamed, and which are probably still in the "white" area beyond anything earned by African factory workers here in the company. Economic

pressure works all the time to secure co-operation between the races, because that is the only way to develop the underdeveloped areas of Southern Africa and raise the general standard of life.

Racial politics are even being popularized among streams as among European nations. The danger of the present-day prosperity of Africa. Recently, in the Northern Rhodesian press, I have emphasized the danger.

Dealing with officials and their management. From London, a strong African movement was formed, one that was able to gain important benefits for African white workers, both in the form of higher wages and by helping to secure opportunities for Africans to do more skilled and better paid jobs which had previously been reserved for Europeans. Recently, however, there has been an unmistakable tendency for the African Union to allow itself to be used as the instrument of black nationalists whose objective is not a fair partnership in Africa in a multi-racial society but the transformation of Rhodesia into an exclusively African country.

It is not that the industrial revolution has created a multi-racial society and plan on that basis. There is no possibility of joining South Africa to Rhodesia and white countries or black countries, or of dividing them effectively into white or black areas. The Templer Commission, which examined the possibility of territorial separation of the races in the Union, with an obvious desire to prove apartheid feasible, found that the population of white, the commissioner calls the "European area" would be 13.5 million; the third non-European people, and only the third largest, the essential multi-racial character of Southern Africa cannot now be changed.

Union of Co-Operate

Out of the way, whether like and white should be joined or not, but whether joining together, we should regard of co-operate. Considerations of national, economic, and common sense all point to co-operation, but there are powerful forces of prejudice, superstition and political ambition which drive in the opposite direction. These forces of division are just as powerful among the Africans as among the Europeans, and are equally dangerous and difficult to be overcome unless they are found.

At the time of the industrial revolution in Southern Africa, it is to those which have been encountered with the industrialization of Europe. Such difficulties are the result of these prejudices but are not caused by it.

On the material side, the industrial revolution in Southern Africa has already brought about a tremendous increase in the standard of living of Africans as well as Europeans, and has also allowed time developed their needs and aspirations. We have reached a stage where the further physical progress, while it is certainly possible is not to defend more and more of our ability to solve the human problems which we have created. These problems cannot be confined away by assuming that physical and cultural, racial and racial differences do not exist, but are a matter of unreasoning prejudice. On the other hand, if we look to the future, the only way to prevent further progress will be to destroy the great advance that has already been made.

Human Productivity

A report of the COMMISSIONERS SURVEY of African productivity in Northern Rhodesia, and probably be published before the end of the year. The Government spokesmen have been very careful to say that the main object of the present survey is to provide a basis for the Labour Institute, and the Commission of Technical Co-operation in Southern Rhodesia, the Sahara, the East African region, and the South African climate, methods of irrigation, and the human relations, methods of improving labour force, and accident prevention.

Education in Uganda

There were 342,018 African children in 12 primary and 61 European children in primary schools in Uganda at the end of last year, according to the annual report of the Education Department. In junior secondary schools there were 9,082 Africans and 1,500 Asians, and in senior secondary schools 4,291 Africans and 2,200 Asians. The teacher training colleges were 100 Africans and 100 Asians enrolled.

Stupid Views of Labour spokesmen

SIR RICHARD WELLSKY, Deputy Prime Minister of the Federation of Rhodesia and Nyasaland, referred in a speech in Salisbury last week to "some very stupid views being expressed by spokesmen of the British Labour Party," the reference being to passages in the party's pamphlet entitled "Blueprint for the Colonies."

"It is not true," he said, "that there are serious racial differences in the Federation, and I do not think it may not become true if steps are not taken to refute some of the anti-European and anti-Federation propaganda, plus some of the very stupid views being expressed by spokesmen of the British Labour Party. These views can only mislead opinion in the minds of thinking people."

It is not the H.M. Government in the United Kingdom to remedy by affecting the colour bar of other discrimination that they exist in Africa. If it were as easy as that, what were the last two Labour Governments doing during their period of office? I do not believe that Mr. Attlee or the Green Inlets were any less desirous of dealing with the problems facing some of the coloured gentlemen of the African Society, but they faced the reality of the situation, and honest men would do it.

We can not, however, as we are quite capable of satisfying the vast majority of the African community that their interests and ours are best served by a stable and responsible Government. There is too much to be done by the Government to turn some of the African politicians to their heads, and the only way to do this is to have a Government here that will do it.

Sudan and the Canal Issue

SAID ISMAIL SATTI, the first Sudanese Ambassador to Great Britain, said when he arrived in London on Monday that any interference with the passage of shipping through the Suez Canal would be a grave matter for his country. He stressed that the canal was its artery and lifeline. Telegrams from Khartoum and Addis Ababa reported that the new Prime Minister, Sayed Ismail Khayr, had described nationalization of the Suez Canal as "a long and important step greatly benefiting Egypt," and that his predecessor, Sayed Ismail El Azhari, has said that was one of the best acts of the Revolutionary Government.

Bid for African Dominance

IN THE HOUSE OF COMMONS in the Federal Assembly on Monday, Sir Richard Wellsky said that Sir Cecil and Governor in Northern Rhodesia demands Africans in Nyasaland for self-government, and the completely irresponsible statements of African leaders had put back the clock for the African population of the Federation. He referred to some Africans working against inter-racial partnerships in order to achieve outright African dominance, and to deliberate attempts to sabotage the Kariba hydro-electric scheme. He stated that he emphasized a tremendous amount of goodwill towards the African people, as proved by the vast sums which the Governments on educational and other services to Africa.

British Association

SIR RICHARD WELLSKY will preside at the 38th annual meeting of the British Association for the Advancement of Science to be held in Stroud from August 29 to September 5. Among the speakers will be Sir Cecil and General African interests will be Miss F. C. Giffill, Sir Christopher Cox and Sir James Robertson in the education section; Messrs. H. Wilcoxon and P. Wilkinson and Drs. C. Dewar and D. W. Humphreys on the geology of Kilimanjaro; Mr. G. W. Steel on the Copperbelt of Northern Rhodesia; and Mr. G. W. Steel on the annual meeting of the British Association for the Advancement of Science.

pressure... the time to secure co-operation between the races, because this is the only way to develop the great undeveloped areas of Southern Africa and raise the general standard of living.

Racial politics are very popular among Africans as among Europeans, and the emergence of black nationalism is a major danger to the peace, stability and prosperity of Southern Africa. This sentiment was the Northern Rhodesian attitude which has emphasized this danger.

There, with official assistance and encouragement... a strong African mine workers' union was formed... and it has been able to obtain important concessions from mine owners, both in the form of higher overall wages and by helping to secure opportunities for Africans to be employed and better paid jobs which had previously been reserved for Europeans. Recent show-downs... a clear and unmistakable tendency for the African mine workers to be used as the instrument of black nationalism, whose objective is not a fair participation of Africans in a multi-racial society but the transformation of Rhodesia into an exclusively African country.

We shall not solve the industrial or other problems of a multi-racial society unless we accept the principle of a multi-racial society and plan for it. There is no real possibility of turning South Africa or Rhodesia into white countries or black countries or of dividing them into white and black areas. The Tomlinson Commission, which examined the possibility of territorial separation of the races in the District with an obvious desire to prove apartheid feasible, has found that the population in what the commissioners call the "European areas" would be one-third European, one-third non-European peoples, and only one-third European. The essential multi-racial character of Southern Africa cannot now be changed.

Quarrel or Co-Operate

For a race as... and white should live together... not only... together... economic... political ambitions... These forces of... powerful... and are equally... and they are... and.

Most... in Southern... an... Such difficulties... increased by... but are not caused by it.

On the material side, the industrial revolution in Southern Africa has already brought about a tremendous rise in the standard of living of Africans... and has at the same time developed their hopes and aspirations. We have reached a stage where the further progress which is certainly possible is going to depend... These problems cannot be solved... that profound cultural, social, and racial differences do not exist or are simply a matter of growing prejudice. On the other hand, if we seek to employ the force of law to prevent further progress... that advance that has already been made.

African Productivity

THE REPORT ON AN EXTENSIVE SURVEY of African productivity in Southern Rhodesia will probably be published before the end of the year. The Government spokesman... described the survey as the major project of the past 18 months of the later-African Labour Institute, a technical bureau of the Commission for Technical Co-operation in Africa South of the Sahara (C.T.A.). The survey deals with health, climatic, attitude to work, effective incentives, human relations, methods of improving the stability of the labour force, and accident prevention.

Educational Trends

THE NUMBER OF AFRICAN... 751... according to the annual report of the Education Department. At junior secondary schools there were 29,954... 25,600... and at senior secondary schools 20,174... 2,400... At teacher training centres 1,110 Africans and 34 Europeans were enrolled.

Sharp Views of Labour Spokesmen

SIR RONALD WILKINS, Deputy Prime Minister of the Federation of Rhodesia and Nyasaland, referred in a speech in Salisbury last week to "some very stupid views" being expressed by spokesmen of the British Labour Party, the reference being to passages in the party's pamphlet entitled "Blueprint for the Colours of Africa" is not true, he said. "That there are serious racial differences in the Federation, but I do not see that it may not become true if steps are not taken to refute some of the anti-European and anti-Federation propaganda, thus some of the very stupid views being expressed by spokesmen of the British Labour Party. These views can only inspire concern in the minds of thinking people."

It is not for the H.M. Government in the United Kingdom to remove by direction a colour bar or other discrimination that may exist in British Africa. If it were as easy as that, what were the last two Labour Governments doing in their tenure of office? Do not believe that Lord Alton or Mr. Creech Jones were any less desirous of dealing with the problems than some of the long-haired gentlemen of the Fabian Society, but they faced the reality of the situation. We can ignore that, and we are quite capable of doing the vast majority of the African community that the interests and over and over again served by a capable and responsible Government. I suppose it is too much to ask that we do a job that we have in some of the best of our politicians to realize the damage they could do to the country by inveigling the investor from the outside world into the face of serious unrest here. It is not true.

Sudan and the Canal

SIR RAYMOND WESTLEY, British Ambassador in Khartoum, arrived in London last week with the passage of the canal would be a grave... upon the canal... from Khartoum... the new Prime Minister, Abdullah Khalil, had described nationalization of the Suez Canal as "a daring and important step greatly benefiting Egypt", and his predecessor, Nayed Ismail El Azhari, has said that it was one of the best acts of the Revolutionary Government.

Bid for African Dominance

IN THE BUDGET DEBATE in the Federal Assembly on Monday, Sir Roy Welensky said that strikes and boycotts in Northern Rhodesia, demands by Africans in Nyasaland for self-government, and the completely irresponsible statements of African leaders had put back the clock on the Africanization of the Federation. He referred to some Africans working under interracial partnerships... and the complete African dominance... attempt... at... Kaiba hydro-electric scheme... of... towards the African people... was... vast sums which... on educational... for Africans.

British Association

SIR RAYMOND WESTLEY will preside at the 11th... of the British Association for the Advancement of Science... Sheffield from August 29 to September 5. Among the speakers with East and Central African interests will be Miss F. H. Gwinnah, Sir Christopher C. G. and James P. G. on... education... H. V. G. on... and D. W. G. on... K. G. on... M. R. W. Steel on the... Northern Rhodesia, and Mr. G. G. on the... soil fertility.

PERSONALS

SIR CHRISTOPHER BRATTY has received the freedom of the City of Dublin.

DR. and MRS. D. G. THOMAS have been appointed to the post of teachers in Kenya for the year 1951.

SIR HENRY STANTON, Federal Minister of Government, has returned to his home in Basaland after an operation.

COLONEL G. STRICKLAND arrived in London last week for his annual leave from 1st to 15th September.

MR. DAVID GIBB has arrived in London from Southern Rhodesia for a stay of about three weeks.

The appointment of Sir William Thomas as Governor of the Seychelles has been announced in the Gazette of 1951.

MR. L. G. KEITH, chairman of the Colonial Development Corporation, is due to visit Basaland on August 15 for a week's visit.

SIR CHRISTOPHER BRATTY has been appointed to the post of medical attaché in Basaland for his country.

MR. G. B. CARVER has been appointed Deputy to the Governor of Uganda during the absence of Mr. G. B. CARVER.

SIR CHRISTOPHER BRATTY, Secretary of State for the Colonies, is expected to visit the Somaliland Protectorate in the near future.

MR. PHILIP M. STANTON, Secretary of the Race Relations Committee, has been appointed to London from his post in Central and East Africa.

MR. L. G. KEITH, General Manager of Rhodesia Railways, and MR. EVERETT have returned to their homes in Southern Rhodesia after a week's visit.

H.R.H. PRINCESS MARGARET will drive six miles through the streets of Jerusalem from the White to the Government House in the morning of her 15th day visit to Tanganyika.

CAPTAIN J. D. W. GIBB, of the 1st Royal Airborne Division, has been appointed to the post of commanding officer of the 1st Battalion, The Buffs, in the East African Forces.

MR. G. B. CARVER, B.A., of Corpus Christi College, Cambridge, who has taken an A.B. degree in Economics and Law, has joined the London office of the Colonial Office.

MR. G. B. CARVER, B.A., of Corpus Christi College, Cambridge, who has taken an A.B. degree in Economics and Law, has joined the London office of the Colonial Office.

MR. H. G. CHIPMENDRE, an African teacher in Nyasaland, will visit England on August 15 for a 25-day visit as a guest of the British Council. He will attend the Summer School on African Administration at the University of London.

MR. R. D. SWYTHE, senior partner of Goode and Partners, left London by air for East Africa on Monday. He will visit Dar es Salaam and Mombasa in connection with new deep-water berths which are to be constructed for the East African Railways and Harbours Administration.

THE HON. IRIS PEAKE and LADY ELIZABETH CAVENDISH are to accompany PRINCESS MARGARET as ladies-in-waiting on her visit to East Africa. Her private secretaries will be MR. J. GIBB and MAJOR THE HON. FRANCIS LEO.

MR. WILLIAM G. HALL has just retired from the editorship of the Standard Paper in East Africa on attaining the age of 60. He has been in the service of the paper since 1911 and secretary for the past 15 years. His successor is Mr. H. B. ...

SIR EDWARD ... GOVERNOR of Tanganyika ... in the ... GOWER and Mrs. N. B. ... vice-chairman respectively of the newly formed ... Marogoro with their chairs of office. Later Sir Edward said he hoped to find a site for a new college for the university, though it could not be built for some years.

SIR DAVID ... Master of Balliol College, Oxford, and chairman of the Advisory Committee on Higher College Grants, Science and Technology has returned to England for his visit to Kenya for the opening of the Gandhi Memorial Academy, a form part of the Royal ... College of East Africa, on the ...

SIR ... Attorney General in the ... has been appointed Member for Legal Affairs and Attorney General in ... territory. He joined the Colonial Service in Mauritius in 1930, was in Nigeria from 1937 to 1940, and was Attorney-General in the Barbados for the next six years. Mr. ... went to South Africa in 1941.

SIR ... H. WILSON, former Chief Justice in the High Commission Territories in South Africa, and ... arrived last week in the ... Castle. Sir ... served in East Africa from 1937 to 1941, first as Police Commissioner in Kenya, then as Attorney-General in Zanzibar, and later as legal adviser to the Civil Administration in East Africa Command.

SIR BRUCE HITT, Administrator of the East African Commission, will preside at the annual conference of the ... Services, which will be held in ... today and tomorrow. It will be attended by ... in Kenya, Uganda, Tanganyika, Zanzibar, and the ... Protectorate, the Dean of the Medical Faculty of Makerere College, and the secretary of the East African Council for Medical Research.

MR. STAFFORD ... was Attorney-General in Kenya from 1944 to 1948, and has been the Justice of the Federation for the last year. He is to preside over a commission of inquiry appointed by the Secretary of State to investigate a case "closely affecting the conduct of government" in the Eastern Region of Nigeria, of which ... is premier.

MR. A. F. KIRBY, general manager of the ... and ... to ... last week with Mrs. Kirby and their daughter. He expects to be away from East Africa for about two months. After his visit to South Africa, which is made for business purposes, Mr. Kirby will come to the United Kingdom to leave Mr. W. Urquhart, deputy general manager, in charge of general manager.

THE REV. A. WESTER-SMITH, home secretary of the Universities Mission to Central Africa, will direct the mission's summer season to be held in ... from ... to 18. The chairman for the first week will be the REV. BERNARD ... rector of St. ... and for the second week the ... will arrive in ... on Wednesday last week.

APPOINTMENT

COLONIAL ASSISTANT. Applications are invited for the post of assistant in the Command Health Section of the Labour Corps. Some knowledge of Colonial affairs and a high standard of education, salary £600-£630, commissions 10 per cent, which are obtainable from Mr. Norman Phillips, secretary of the Labour Corps, Transport House, Smith Square, London. Applications should be returned, together with a recent photograph, to the ... on August 11, 1951.

Tribeles to Mrs. S. A. Morrison Rehabilitation Work among the Kikuyu

After training Mr. S. A. Morrison as secretary of the Christian Council of Kenya, who died recently while on duty in this country, have appeared in the

death of Sam Morrison was being sorrowed by his many friends, in Kenya as secretary of the Christian Council, he was foremost in watching the developing emergency among the Kikuyu, and was careful to see that, so far as possible, Christian influence was brought to bear on the many problems that emerged.

"Mr. Morrison helped the Church to raise their voice against injustice, and to bring healing and peace to our people. We shall miss him, but we trust that the Lord will help the Christian Council to find another suitable leader to continue the work which Morrison so ably carried out. I write as a Kikuyu Christian."

Miss and Lady, director of the Inter-Church Aid Department of the British Council, Churches, wrote:

"The death of S. A. Morrison will be a great loss to the Ecumenical Movement in almost remarkable way, both in Palestine and more recently in Kenya. He stimulated and inspired different backgrounds to work together to promote social justice on behalf of people in distress."

Single Minded Objectivity

"He had an unflinching objectivity in assessing a situation, planning the action needed, and then objectively and single-mindedly implementing it. In Kenya he was able to carry out a large rehabilitation operation, not only in co-operation with the Churches but with non-Church workers and Government departments. Because of his attitude to relationships of this kind he was never in danger of being untrue to what he thought to be right for the sake of co-ordination. In consequence, he commanded the respect of all, even in times of conflict."

"He had an exterior of deep gravity and impartiality, there was a serene and shy smile which was entirely devoted to those in trouble, and, in Kenya, to the welfare of the Africans. His selflessness was a lesson to all. He lived every minute of his waking life and organized his days to the second. On two occasions there have been severe crises of the emergency. I have marvelled at his capacity to work and the way in which he handled difficult incidents consistently during an emergency situation."

"Inter-Church Aid, the first new ecumenical field of action, made it possible for the rehabilitation work in Kenya to be tackled by the same organization by the Christian Council of Kenya and its secretary, S. A. Morrison. It will be a great loss to fill the gap in the time of urgency in Kenya."

THE RT. REV. H. ST. J. EVANS, since 1951 bishop of St. John's, Kalbaria, Southern Rhodesia, who has died in Cape Province, at the age of 61, became priest in charge of St. Faith's mission at Rusangu, Southern Rhodesia, in 1941, and except for two years service as a chaplain with the Rhodesian forces, remained there until 1948, when he was appointed to the missions to the Anglican Church in Southern Rhodesia. His historical work on "The Church in Rhodesia" was published in 1946.

The last deputy warden of Sir William Hambury has been in charge of the

Victoria Garden Party

The Duchess of Gloucester, patron of the Victoria Garden Party of the East Africa Women's League, attended its annual garden party in London last week. It was, as usual, at the headquarters of the Victoria Garden Party in S.W.1.

The Archbishop of Canterbury, who announced to be present, was delayed on the cause of Lords, Mrs. Fishenden was expected to be present. It was their visit last year to the Central and East Africa Territories, which she had visited as one of the most remote countries they knew.

- The Hon. Mrs. Addington, Colonel's Mrs. Brock, Anderson, Mrs. P. de V. Allen, Lady Eden-Powell, Elizabeth, Countess of Bandon, Lady Harlow, the Bishop of Mombasa and Mrs. Beecher, Lady de-Popham, Alice, Butler, Caroline, Lady Birdeman, Mrs. Benson, Mrs. Barton, Mrs. Glendain Campbell, Mrs. Carr-Saunders, Mrs. Cavendish, the Rev. & Mrs. Church, Mrs. E. N. Davidson, Mrs. E. N. Ford, Lady Folke, the Rev. & Mrs. G. G. Hamilton, Mrs. Hurst, Mrs. Hamilton, Mrs. J. P. Keelson, Mrs. & Mrs. Kell, Major & Mrs. Barry Johnston, Mr. Kinnear, Mrs. M. L. E. Kaune, Mrs. A. Chet. Kearton, Mrs. Kellham, Mrs. Linda, Mr. V. G. Matthews, Mrs. Mathias, Mrs. Nicholson, Miss Owen, the Hon. Mrs. Poynter, Mr. and Mrs. H. Proctor, Mrs. Guy Repton, Mr. G. Roberts, Mrs. Sandford Ross, Sir Joseph, Lady Sheridan, Mrs. F. C. Shaw, Archdeacon & Mrs. St. John, Lady Robertson, Mrs. Tait, Mrs. Alan Tomlinson, Mrs. Usher, Mrs. Vidal, Sir Henry, Lady Webb, Colonel C. G. Waters, Sir John Worrell, and Mrs. C. Wells.

Land Units, Tanganyika

NOTICE OF INTENTION TO GRANT AGRICULTURAL RIGHTS OF OCCUPANCY OVER FOUR UNITS OF LAND IN THE UYU AREA OF THE NORTHERN PROVINCE TANGANYIKA TERRITORY.

THE GOVERNMENT OF TANGANYIKA invites applications for Ninety-nine year Rights of Occupancy over four Units of land situated at Maswa in the District of Mbulu.

Sketch plans showing the location of the lands together with copies of the terms and conditions of the Rights of Occupancy and Forms of Questionnaire may be obtained from the East African Commissioner, Grand Buildings, Trafalgar Square, London, W.C.2, or the Land Officer, Dar es Salaam, Tanganyika, P.O. Box 87.

Applications must be accompanied by completed Questionnaires and must be forwarded so as to reach the Land Officer, Dar es Salaam, by the 15th September, 1956.

Revised,
Land Officer.

Royal East African Automobile Association Applications Invited for Twelve Months

THE ROYAL EAST AFRICAN AUTOMOBILE ASSOCIATION requires a senior permanent official at the headquarters in Nairobi, with a view to a permanent position of Secretary of the Association after a suitable period of training in or with knowledge of Automobile Association work will clearly receive favourable consideration. Administrative ability is essential.

The Association also requires a grade official for their Nairobi office. Age preferably below 35.

The remuneration and terms of service for both will depend on the experience and qualifications of the applicant. A probationary period of service will have to be worked for six months.

Applications must in the first instance be in writing. They should be sent as soon as possible to the General Secretary, P.O. Box 87, Nairobi, giving full details of previous experience, etc. No personal interviews will be granted until the written applications have been examined.

that he is not responsible for which the Colonial Secretary was responsible or a judge of fact for which Mr. Lloyd was responsible.

Mr. Mr. Boyd said that he understood that the warrant was issued on the application of the political agent in Government direction. The Chief Justice, he said, was appointed by the Queen.

The Speaker remarked that if the warrant was issued on the application of the political agent it might be held to be a judicial discretion.

Speaker's Remarks

"On this subject the Speaker reserves his mind, and he says that the Chief Justice has been appointed by the Queen under the public seal in the ordinary form of letters, subject to law, he believes, at the pleasure of the Queen, and that the process for the removal was in fact governed by Colonial Regulations."

If the Governor was satisfied that a judge should be removed, the question of removal must be referred to the Secretary of State to the Judicial Committee, and the Council's regulations were intended to give the Secretary of State a free hand in dismissing the Chief Justice.

The executive could be attacked by the House in Committee of Supply, and in such cases the Chief Justice could not be held responsible in debate on the Consolidated Fund.

Mr. James Griffiths asked if there was any petition on that Bill the petition presented in the Seychelles.

The Speaker agreed that the petition must be a proper subject for debate on that occasion, but he thought it was the duty of the Chief Justice. Mr. Griffiths indicated that the situation would resemble the judgment in *The Merchants of Venice*, when Fox's case was decided with his Lordships.

Uganda

The Speaker referred to a letter from Mr. E. H. Brown's recent letter to the Secretary of State for Africa and the leading article in the paper in which he declared that Kenya's greatest need was strong political leadership and that if that country could not find it, European leadership by the strength of his own belief would always be the evidence of all races.

The broadcast also mentioned the leading article in this newspaper last week on the subject of Uganda. The speaker said:

Though the editor is unstintingly complimentary to the intelligence and good will, he says that the Government has been a calamity for Uganda. The speaker said that he had had a million imitations of the paper, especially in the Nyanza Province and lately in the Lake Province of Tanganyika.

He goes on to refer to the responsibility of the Lukiko in their own act in appointing for the first time a European to the Protectorate Legislature and then appointing a member of it by declaring a motion that members of the Lukiko itself should depend on election. The speaker said that it had purposed to want for a more remote and probably more acceptable in regard of its composition. The speaker speaks of the original decision of the Lukiko to divide up 150 square miles of land between the Kabakas, the Lukiko, and the clans and others who had worked for the Kabakas, and he says that it was only after a volume of protests were called in that the motion indicated that he would not support the sale of land to any but his nearest neighbours.

The speaker said that he was not saying that law was broken. Sometimes a man is wrong who is not a criminal. He said that he was not saying that law was broken. Sometimes a man is wrong who is not a criminal. He said that he was not saying that law was broken. Sometimes a man is wrong who is not a criminal.

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EAST AFRICA
offers the holidaymaker
everywhere

WARM SNOW-CAPPED MOUNTAINS, SURFING, GOGGLE-FISHING, HUNTING, TROTT RISHING, OR BEACH-FUL DAYS IN PLEASANT SURROUNDINGS

East Africa Tourist Travel Association
The East African Office of Civil Building
Travel Agency, London, W.1
In Africa
In East Africa
In East Africa

Dr. J. R. Gregory's Manifesto Need for a Stranger Opposition

DR. J. R. GREGORY, who is standing in the Nairobi South constituency is the best candidate in the general election in Kenya to emphasize in his election address the great need for a strong and united inter-racial front in the Legislature. On this subject he says:

"I am bringing a united and representative front, not only of the European Electors, members of all the members of the Opposition benches. A strong, united, tolerant and responsible Opposition is essential if we are to make the Government and the Colonial Office heed the wishes of the electorate.

The time is now ripe to approach the other communities with a firm offer that will result in the creation of a common electoral thought, instead of each thinking in a narrow racial groove. The voters must find a common aim and work towards it. We must take a responsible hand with the Government in formulating a policy, and then work to carry it out. In this way other communities can join with us and make our leadership a living reality.

A united front will do much to counter adverse criticism, both from within and from without the country. The best way to ensure this is to agree to the steady advancement of all the people of the Colony, allowing each citizen to develop to his fullest capacity.

Although in my opinion the Lyttelton Plan was a too great and too great political jump forward, it can be a valuable example if it is clear that Kenya is a country in which the races are expected to live together in peace and a unity remains. It is to find a workable partnership. Leadership will inevitably remain in the hands of those best placed to lead, and requires men of different calibre at different levels.

Land and Housing

The election address also says: "Part going to tackle from many angles the question of the constantly rising cost of living."

The Land—Not only the land in this constituency owned by the Government should be made available at reasonable prices, but that Government should also build their own homes. Councils should be responsible for the terms and conditions for which the land should be made available.

Water—The water supply in this constituency is not sufficient for the needs of the people. It is necessary to find a way to increase the water supply. The Government should be responsible for the terms and conditions for which the water should be made available.

Education—The Government should be responsible for the terms and conditions for which the education should be made available. The Government should be responsible for the terms and conditions for which the education should be made available.

Health—The Government should be responsible for the terms and conditions for which the health services should be made available. The Government should be responsible for the terms and conditions for which the health services should be made available.

Transport—The Government should be responsible for the terms and conditions for which the transport services should be made available. The Government should be responsible for the terms and conditions for which the transport services should be made available.

Industry—The Government should be responsible for the terms and conditions for which the industry should be made available. The Government should be responsible for the terms and conditions for which the industry should be made available.

Immigration—The Government should be responsible for the terms and conditions for which the immigration should be made available. The Government should be responsible for the terms and conditions for which the immigration should be made available.

Training—The Government should be responsible for the terms and conditions for which the training should be made available. The Government should be responsible for the terms and conditions for which the training should be made available.

Technical—The Government should be responsible for the terms and conditions for which the technical services should be made available. The Government should be responsible for the terms and conditions for which the technical services should be made available.

new houses and other buildings will be started. These people will lose their attachment to the land and the temperate that this development should be carried out rapidly. Under the new housing system and the Lyttelton Plan of intensification, there will be a large area for all to live and the problem of housing and security in Nairobi will be reduced.

Technical Education—The Government should be responsible for the terms and conditions for which the technical education should be made available. The Government should be responsible for the terms and conditions for which the technical education should be made available.

Meat and Dairy—The Government should be responsible for the terms and conditions for which the meat and dairy services should be made available. The Government should be responsible for the terms and conditions for which the meat and dairy services should be made available.

County Councils—The Government should be responsible for the terms and conditions for which the county councils should be made available. The Government should be responsible for the terms and conditions for which the county councils should be made available.

Education—The Government should be responsible for the terms and conditions for which the education should be made available. The Government should be responsible for the terms and conditions for which the education should be made available.

Hospitals—The Government should be responsible for the terms and conditions for which the hospitals should be made available. The Government should be responsible for the terms and conditions for which the hospitals should be made available.

Electoral Rolls—The Government should be responsible for the terms and conditions for which the electoral rolls should be made available. The Government should be responsible for the terms and conditions for which the electoral rolls should be made available.

Civil Servants—The Government should be responsible for the terms and conditions for which the civil servants should be made available. The Government should be responsible for the terms and conditions for which the civil servants should be made available.

Legislation—The Government should be responsible for the terms and conditions for which the legislation should be made available. The Government should be responsible for the terms and conditions for which the legislation should be made available.

Administration—The Government should be responsible for the terms and conditions for which the administration should be made available. The Government should be responsible for the terms and conditions for which the administration should be made available.

Opposition—The Government should be responsible for the terms and conditions for which the opposition should be made available. The Government should be responsible for the terms and conditions for which the opposition should be made available.

Conferences—The Government should be responsible for the terms and conditions for which the conferences should be made available. The Government should be responsible for the terms and conditions for which the conferences should be made available.

General—The Government should be responsible for the terms and conditions for which the general services should be made available. The Government should be responsible for the terms and conditions for which the general services should be made available.

Services—The Government should be responsible for the terms and conditions for which the services should be made available. The Government should be responsible for the terms and conditions for which the services should be made available.

Development—The Government should be responsible for the terms and conditions for which the development should be made available. The Government should be responsible for the terms and conditions for which the development should be made available.

Progress—The Government should be responsible for the terms and conditions for which the progress should be made available. The Government should be responsible for the terms and conditions for which the progress should be made available.

Future—The Government should be responsible for the terms and conditions for which the future should be made available. The Government should be responsible for the terms and conditions for which the future should be made available.

Conclusion—The Government should be responsible for the terms and conditions for which the conclusion should be made available. The Government should be responsible for the terms and conditions for which the conclusion should be made available.

Summary—The Government should be responsible for the terms and conditions for which the summary should be made available. The Government should be responsible for the terms and conditions for which the summary should be made available.

Final—The Government should be responsible for the terms and conditions for which the final services should be made available. The Government should be responsible for the terms and conditions for which the final services should be made available.

The Facts about The Kariba Contracts

Lord Malvern's Reply to Sir Richard Costain

LORD MALVERN, Prime Minister of the Federation of Rhodesia and Nyasaland, issued a Salisbury last Friday the following statement in reply to a remark made by Sir Richard Costain in a B.B.C. Television programme in Britain in which he criticized the award of the main civil engineering contract for the Kariba hydro electric dam to a non-British company:

"In answer to the statement attributed to Sir Richard Costain, chairman of the Export Group of the Construction Industries in the United Kingdom. He is reported to have made certain statements over the television screen about the award of contracts for Kariba which I can only judge to be intended to mislead the people of Britain. I found it particularly difficult to understand since his own contracting company was awarded a contract at Kariba worth approximately £31m. and his company has found it necessary to use a high proportion of imported Italian artisans.

"He goes on to state that in the main civil engineering contract Britain could have underbid Italians by £2.5m. if British competitors had tendered on the same basis of wages. In fact, there were no wholly British tenders. All contract tenders had substantial foreign components. In one case the tender was the highest British component, the tender price would have exceeded the Italians' offer by about £100,000.

"On the alleged advantages in employment of Italian labour Sir Richard Costain will probably do better informed than I, but my information is that it is not one of cost but of availability. In fact, wages to be paid by the main civil engineering contractor to his Italian labour will be more or less the same as those paid to European labour in Rhodesia.

Business Done in United Kingdom

"All contracts for power-house machinery and electrical gear have been placed in Britain. Moreover a very high proportion of the manufactured goods required will be made in the United Kingdom, as well as British exports. On the other hand, by far the greater part of the balance of expenditure will be made locally on the payment of labour and the purchase of local materials, including over 400,000 tons of cement. On contracts let it is estimated that only about 13% of the value will be paid outside the Commonwealth.

"It is interesting to note in this connexion that the foreign component on labour for the first stage of the Kariba project is approximately 22.5%. This should dispel the false impression that sterling is being used to purchase foreign services and equipment. The Federation imports from the United Kingdom over 40% of its merchandise and imports from the Commonwealth as a whole represent approximately 15% of the total imports.

"We are of course, sorry that Britain did not win all the contracts for Kariba, but it is mischievous to give the impression that the Federation is favouring foreign trade at the expense of Britain.

"The Federal Power Board announced on the following day that the Imperial Group had asked permission to sublet some parts of the contract, including £700,000 worth of work to the Cementation Company in drilling and grouting of the dam foundations and the power-house, and a £150,000 contract to Richard Costain (Rhodesia) Ltd. for the construction of a main approach road."

"Sir Richard Costain replied in London on Monday.

"In addition to the £150,000 investment and export business in Rhodesia, by way of the export of cement banks and other materials, the main contract will be assigned to the Imperial Group, which is the largest and wealthiest of the British engineering firms. It is the view of the participants

in its present economic circumstances could not afford to lend East sums for the Kariba project without obtaining the commercial advantages attached to the use of this money which are almost invariably demanded by other countries in similar circumstances.

"British contractors were under a grave disadvantage in tendering for the Kariba dam and transmission line contracts. My own company did not tender for these contracts, and had no influence on those companies who did.

"The award of the Kariba contracts to Italian companies means that valuable experience and prestige have been lost by British contractors. The prospects of British firms securing similar work in the world have been adversely affected, and this in a year of the world when until now a phenomenal rate of development has been sustained almost wholly by British and Commonwealth effort and in very large part by British and Commonwealth finance.

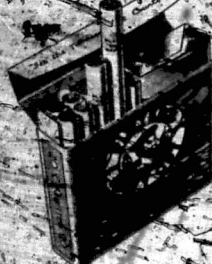
"Before I made my statement in the House of the Export Group I was advised that views I expressed might reflect upon the interests of my contracting company operating in Rhodesia.

"Since Lord Malvern has introduced this personal element into the present discussion, I should state that I am the chairman of the council of the Export Group, committed to express my council's views, especially where, as in this case, the matter is one of very great national importance today and for the future in both Britain and the Central African Federation."

Sir Eldred Hitchcock's Comment

Sir Eldred Hitchcock has written in *The Times* "Rhodesia is intrinsically a poor country. The matter from which it borrows its capital, at this stage of its economy, it cannot sustain the swimming pools of Sir Richard Costain. There can be no prescriptive right to British capital or British workers on such terms. After the war a number of British known United Kingdom contractors established themselves in East Africa. There is now hardly one left for they could not compete on level terms. Those employing U.K. workers did the worst.

"In my experience for technique, economy, and versatility, Greeks, Silas, and Italians are unfitted in our conditions as workers and contractors. The exploitation of Africa as preserve of British industry is now out of date. Such demands add to the difficulties of those of us who are endeavouring to foster a viable Africa."



Player's
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Expenditure in the Commonwealth

U.K. Government's Proposed Economies

PROPOSED ECONOMIES in the Commonwealth Relations Office and the Colonial Offices votes have been announced in the House of Commons by Commander Peter Noble, Under-Secretary of State for Commonwealth Relations, and Mr. A. T. Lennox-Boyd, Secretary of State for the Colonies.

General savings of some £70,000 on administrative costs, including travelling and office expenses and communications.

It is hoped to restrict demands on the Exchequer over this year to the current financial year to £1,320,000, without affecting any individual services. The reduction does not represent a reduction in the total sum available under the Colonial Development and Welfare Acts for development in the Federation and the High Commission Territories up to 1960, nor any slowing down in the rate of development for which provision was made in the estimates.

A saving of the order of £80,000 on Colombo Plan expenditure.

Colonial Office

The economy proposed in Class II, Vote 1, Colonial Services, is a reduction of £1 m. in the provision for loan assistance towards expenditure arising out of the emergency in Kenya.

After a review of its latest financial situation and having regard to the assistance which H.M. Government has given and is continuing to give to Kenya, the Kenya Government decided that it could and should accept a reduction of £1 m. in the loan element out of a total of £2.5 m. grant and £2 m. loan which H.M. Government originally agreed to provide, should the need for it arise.

The proposed economies in Vote 10 do not represent a reduction in the total sum which Parliament has made available under the C.D. & W. Act for colonial development up till 1960, nor do they mean that there will be any slowing down in the rate of Colonial development. The effect will be to restrict demands on the Exchequer in the current financial year to not more than £7.7 m., but it is not expected that this will affect individual projects.

Gangsters Killed

OSMA OTANGO, who has been shot dead near Lusitani, had for months terrorized considerable areas of the Tanga Province of Tanganyika Territory, and had evaded many attempts by the police to recapture him. Soon after arriving in Tanga from Nairobi he was arrested and sentenced to more than 20 years' imprisonment on charges of robbery with violence and shooting with intent to kill. He broke jail, attacked a number of people, conducted successful robberies, and then murdered the Greek manager of Kwafungo sisal estate, making off with the contents of the safe. When he was known to be in the Lusitani district Mr. Ghanje, the D.C., and Mr. Cairns, a police officer, combed the locality, with the result that Otango was shot dead and a gangster companion was shot in the groin and tied up afterwards.

News Items in Brief

The Sudan Government has denied a Cairo report that it has arranged to buy aircraft, tanks, and other arms from Czechoslovakia.

Control of broadcasting in Tanganyika has been assumed by the newly-formed Tanganyika Broadcasting Corporation. Mr. J. F. R. Hill is chairman.

Nairobi fourth community centre has been opened as a combined effort of the Kenya Government, Nairobi City Council, and the Christian Council of Kenya.

An African fisherman had a 90-minute struggle with a Manta ray with a pine-foot snail off Maupe Causeway, Mombasa. The fish pulled the African out of his boat.

£250 has been raised in Hargeisa in the Somaliland Protectorate to help the refugees from the Esa tribe who went there to report their sufferings at the hands of the Ethiopians.

The current issue of the *East African Medical Journal* contains articles on filariasis in Tanganyika by Mr. Peter Jordan, and on neurological disease in Uganda by Dr. P. W. Hudson.

The Vice-Chancellor of Khartoum University, Professor Michael Grant, has announced that its students will in future sit for the university's own degrees, not those of the University of London.

An detachment of the R.A.F. Handling Squadron led by Wing Commander A. A. Brignell will leave Boscombe Down, Wiltshire, on August 2 for a Middle East tour, which will include visits to Kenya. The party will return on August 24.

A 20-kW medium-wave transmitter for "Radio Copperbelt" is expected shortly to arrive in Rhodesia from Holland. It will be the largest of its kind in Southern Africa. The station, at Kimberley, should be in service early next year.

An icon of St. Nicholas found in the trenches after the fall of Sebastopol in the Crimean War, has been given to the new St. Nicholas Church, Dar es Salaam, by the rector and congregation of an Edinburgh church.

For the first time an instruction course for adult Somali women has been organized in Burao. Of the 22 women who started the course, only 10 were still attending at the end of the fourth week. Instruction was confined to needlework and knitting.

Uganda is to send a team of athletes to the Olympic Games in Melbourne. This decision was made at a meeting in Kampala over which the Governor, Sir Andrew Cohen, presided. To send five competitors and a manager will cost about £5,000, and a public appeal for funds will be made.

New charges for treatment at Nairobi General Dispensary and the Jewish School dispensary are to be put into effect. They are 2s. for African men, 1s. for women, and 1s. for children under 10 for each week of treatment for any one disease. They are only a fraction of the actual cost.

Nairobi City Council will now consist of three Muslim and five non-Muslim elected councillors (four of seven Asians), one extra African member, one non-African member in the western part of the city, and one non-African member representing the East African Railway and Harbours Administration.

A Cambridge University expedition has returned to Nyasaland. The members are Mr. M. E. Jones, a student of veterinary science, Mr. E. A. Wilson, a botanist, Mr. E. J. Newman, botanist, and Mr. A. W. Jones, a zoologist. They plan to spend five or six weeks of the year in Malawi, chiefly collecting biological specimens.

Discussions on constitutional arrangements between representatives of the Uganda Government and the Toro Rukoro, which began on July 20, have been discontinued owing to failure to reach agreement. Mr. George Foot, and Mr. David Down, legal advisers to the Rukoro, attended a

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International Finance Corporation Encouragement of Private Enterprise

MR. EUGENE R. BLACK, president of the World Bank last week announced the formation of the International Finance Corporation and the appointment by its board of directors of Mr. Robert L. Garner as president of the corporation. I.F.C. has been established as an affiliate of the World Bank for the purpose of encouraging the growth of productive private enterprise, particularly in the less developed areas of the world. Mr. Black is chairman of the corporation.

Mr. Garner has been vice-president of the World Bank since 1947 and has resigned that office to assume the presidency of I.F.C. He was for four years financial vice-president and a director of General Foods Corporation, and for many years before that had been associated with the Guaranty Trust Company of New York, serving finally as vice-president and treasurer.

Mr. J. G. Beevor, appointed vice-president of I.F.C. has been engaged in preparatory work on its organization since March last, when he was released from his position as managing director of the Commonwealth Development Finance Company, Ltd., London, to join the staff of the World Bank.

Start of Operations

The corporation is beginning its operations with 31 member countries and capital subscriptions amounting to \$78,000m. Its articles of agreement stipulated that the new institution would come into existence when at least 30 countries had subscribed to \$50m. of the authorized capital of \$100m. These requirements were met when France and Germany took final action for membership on July 20. Additional countries which fulfilled the membership requirements between June 15 and July 24 were Colombia, Denmark, Finland, and Japan. Membership is open to countries which are members of the World Bank.

The treasurer, secretary, director of administration, and director of information for the bank have been appointed to the same positions in I.F.C.

The corporation will invest in productive private undertakings in association with private investors in cases where sufficient private capital is not available on reasonable terms. In general, I.F.C. will aim to stimulate and help to create conditions which will stimulate both domestic and international private investment into productive private enterprises.

Investments will be made by the corporation without governmental guarantee. The corporation is not itself authorized to invest in capital stock, but, apart from this one restriction, it can make its investments in any form it considers appropriate. It may, for instance, buy shares which give the right to participate in the profits of an enterprise and which when sold can be converted by the purchasers into capital stock. I.F.C. will usually make all or part of each investment on a basis approximating venture capital. It will not, however, assume responsibility for managing enterprises in which it invests.

The corporation has authority to invest in any kind of productive private enterprise, including agricultural, financial, and commercial undertakings, but its main emphasis is likely to be on industry. It will invest in an enterprise only if it is satisfied that the private interests concerned are contributing their full share of the funds required and that the remaining requirements cannot be met from other sources on reasonable terms. I.F.C.'s investments will supplement private capital, not take its place. The corporation will seek to resolve its funds by selling its investments to private investors whenever it can appropriately do so on satisfactory terms.

The United Kingdom's subscription automatically covers the membership of the Colonies, including the Federation.

U.S.A. and The Federation

MR. GEORGE V. ALEXANDER, Assistant Secretary of State in the U.S.A., especially concerned with African, Near East, and South Asia affairs, recently paid a brief visit to South, Central and West Africa, visiting 17 towns in eight countries in 21 days. He said that he was very impressed with the progress of the Federation, and that the post of the United States Consul-General in Salisbury could be raised to the equivalent of an career Minister's post in recognition of the Federation's emergence to a more independent status.

Of Commercial Concern

At last week's auctions in London 7,507 packages of African teas were sold for an average price of 2s. 10s. 3d. per lb. compared with 10,923 packages averaging 2s. 9s. 4d. in the previous year. This year to date 207,759 packages sold have averaged 3s. 2s. 07d., against 704,150 packages averaging 3s. 6s. 08d. in the corresponding period of the previous year. The highest price reached last week was 4s. 3d. for a consignment from Kenya.

Schweppee, Limited, who have subsidiary companies in East and Central Africa, have obtained Treasury consent to the issue of 205,000 ordinary £1 shares at 50s. each to stockholders in the ratio of one new share to every 10 ordinary stock held on July 27. At the time of the announcement the £1 units were quoted on the London Stock Exchange at 66s. 6d.

The 1955-56 Sudan cotton crop is officially returned as 1,809,777 kantars of 'Sakel' type and 246,505 kantars of American, against 1,547,402 and 330,275 kantars respectively in the previous year. The yields were 3.6 and 2.8 kantars per feddan.

A European foreman in Southern Rhodesia's Native Engineering Department has devised a corner post guide which has enabled his African bricklayers to increase their daily output from 350 to about 1,400 bricks laid, and some of his best workers now lay more.

The Union-Castle Mail Steamship Co. Ltd., has decided to order two fully refrigerated ships of a design developed from the RUSTENBURG CASTLE class. They will be built in Greenock Dockyard, for delivery in 1959-60.

The annual report of the Tanganyika Sisal Growers' Association sisal research station at Mlingano, Ngomeji, reviews the activities of the station. The officer in charge is Mr. G. W. Lock.

Seed cotton sales from last year's crop in the Karamoja district of Uganda amounted to 60,759 lb. against 18,439 lb. in the previous season.

During the past five years the total area under tea in Masailand has increased by 2,200 acres to 25,718 acres, of which 22,037 are in bearing.

Trade union leaders from 13 Commonwealth countries met this week discussing their mutual problems in London.

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Territories Nearing Self-Government

Socialists Want Trade Facts

THE PRESIDENT OF THE BOARD OF TRADE was questioned in the House of Commons last week on the possibility of developing reciprocal trade agreements between this country and British Colonies approaching self-government. He replied that that would be considered as each country attained self-government.

MR. A. SORENSEN (Lab.) thought that an inadequate view of the invaluable nature of the economic link between the Colonies and Great Britain, and asked the Minister to outline some overall plan which, with imagination and generosity, could bridge the economic link between the Colonies and the United Kingdom.

MR. A. W. LOW: "I agree with the hon. gentleman about the invaluable nature of the economic link between this country and the Colonial territories, but I think an agreement entered into during the period of dependence might be liable by that very fact, to be viewed critically by the Government of the Colonial Territory when it became independent. I think it is wiser to go on as we have been doing, trusting in the amount of mutual interest and the maintenance of friendly and good relations between our countries to keep our trade at its maximum."

MR. BODENLEY: "Surely that would not mean that if a dependent territory made a request for a reciprocal agreement the President of the Board of Trade would not encourage such development?"

MR. LOW: "If it was a dependent territory there might be difficulties about that, but in the phrase itself, but we should certainly consider such a request."

End of Trade Boycott

AFRICAN NATIONAL CONGRESS leaders announced at a public meeting in Bululira, Northern Rhodesia, that the boycott of the second-class trading area might end shortly. It is the last of the African Congress boycotts on the Copperbelt.



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Rhodesian Tobacco Sales

AT THE SALISBURY AUCTIONS 91,709,488 lb. of flue-cured tobacco have been sold this season for just over £33m., at an average of 36d. per lb. Up to July 19, when 85,200,287 lb. had been sold, United Kingdom manufacturers had bought 43,822,802 lb., and now that better grades are reaching the market they are taking more than 60% of the offerings. Average prices are now about 37d. per lb., with the best qualities ranging from 60d. to 70d. The sharp rise in this season in the income of tobacco growers, many of whose leaf has been sold at under 30d., is expected to lead to a reduced acreage next year, with probable improvement in the curing and handling. About 63m. lb. of leaf remain to be sold.

Desert Locust Situation

THE ANTI-LOCUST RESEARCH CENTRE IN LONDON reports that in the Sudan there were several medium-sized immature locust swarms during June in the Nile Valley between Abu Hamed in the Northern Province and Khartoum, in the west of the Khartoum Province, in north-western Kordofan, and in western Darfur. In Eritrea there was a small swarm of unknown maturity south of Adi Ugri. Ethiopia was reported clear. In the Somaliland Protectorate medium-sized swarms appeared on the coast between July 3 and 12. British East Africa has remained clear. Summer breeding is imminent in the invaded areas of the Sudan and may also occur in parts of Ethiopia and the Somaliland Protectorate.

Western Uganda Extension

THE WESTERN UGANDA EXTENSION of East African Railways began operating under open line conditions yesterday on the 208-mile stretch between Kampala and Kasere. Because the track is not yet fully consolidated, the maximum running speed will be 20 m.p.h., and the run will at present take about 48 hours. There will be outward trains from Kampala on Mondays, Wednesdays, and Fridays, and return trains from Kasere on Mondays, Thursdays, and Saturdays, the time-tables being arranged to connect with main line arrivals at and departures from Kampala. Traffic from the Kilelesh copper mine is not likely to be available before October.

E.A.C. Training School

THE UNITED AFRICA GROUP OF COMPANIES has arranged to open four new technical schools next year at a cost of more than £170,000, three of them in West Africa. The fourth in East Africa will be in Nairobi, under the supervision of Galley and Roberts, Ltd. It will admit 20 African apprentices, recruited from Government technical centres and technical institutes in Kenya, Uganda, and Tanganyika. This will be one of the first privately run establishments of the kind anywhere in East Africa. The cost is put at £35,000.

Arrivals from the Federation

AMONG ARRIVALS in this country from the Federation of Rhodesia and Nyaland are: Mr. J. M. Biggs, Mr. S. H. Brook, Mr. J. Clarke, Mr. M. J. Collins, Mr. S. G. Cook, Mr. E. Dechow, Mr. H. E. O. Ellison, Mr. & Mrs. G. Gardner, Mr. & Mrs. E. S. Garrett, Mr. J. Gilchrist, Mr. & Mrs. D. J. Gordon, Mr. & Mrs. M. Halcrow, Mr. T. Harrington, Mr. A. G. J. Jones, Mr. J. Mackinnon, Mr. J. D. Marshall, Mr. J. R. Padden, Mr. R. P. W. Parker, Mr. & Mrs. W. D. Esteron, Mr. F. C. Reynolds, Mr. & Mrs. C. G. Rogers, Mr. M. J. Seggie, Mr. D. N. Sellick, Mr. J. S. Sheriff, Mr. J. B. Tyrwhitt-Drake, Mr. & Mrs. H. Veary, Mr. & Mrs. H. Whitford, and Mr. A. T. Wilson.

East Africa's expanding industries — COFFEE



HARVESTING THE COFFEE CROP

The coffee tree is an exacting plant, but the three territories of East Africa provide the combination of soil and climate it needs to flourish. This happy chance of nature was recognised by the pioneers and today coffee is one of the most important exports of East Africa. Coffee has been grown commercially here for a little over 50 years. But now the products of plantations in Kenya, Uganda, and Tanganyika are sent to 50 countries all over the world, and in 1954 exports amounted to 60,000 tons.

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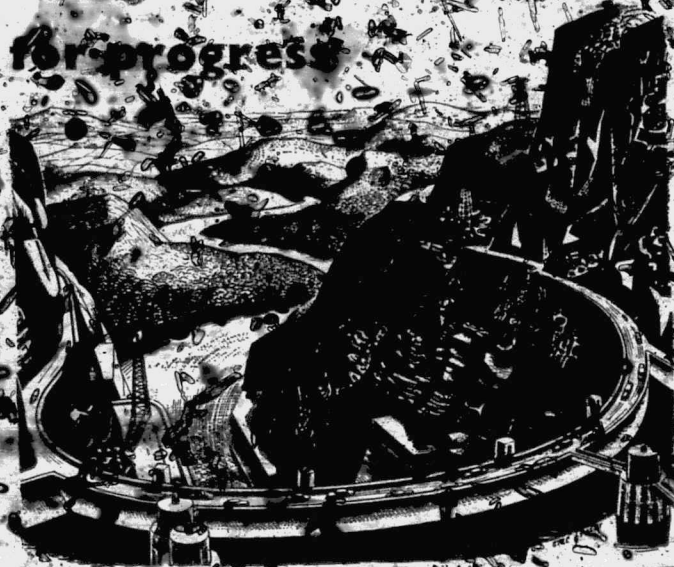
PART OF THE EAST AFRICA HIGH COMMISSION SERVICES

One of the first exports from Uganda was a consignment of coffee in 1903. It was carried on the Uganda Railway. Since then the coffee-growing industry has developed into one of the most important in East Africa. That development has meant increasing demands on the rail services, lake services and port facilities. In 1953 the coffee industry throughout East Africa, by then well established, called upon the railways to transport 60,000 tons of coffee. In 1954 the tonnage transported had grown to 102,000, and this figure had been increased to 187,000 by the end of 1955.

To meet the needs of today, East African Railways and Harbours have 3,432 wagons in service and another 870 on order. The lake services have been improved by the provision of new launches and lighters. And big development schemes at the ports are speeding East African coffee exports all over the world. These exports are vital to East African economy. Railway and dock facilities are vital to the exports — and East African Railways and Harbours are constantly improving and developing the service they provide for the coffee growers, and all those workers, on the land and in industry, who are helping to build a greater East Africa.

Power for progress

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Company Reports

The Standard Bank of South Africa Limited

Catering for Needs of Customers and Countries

Continued Expansion of Business

Position Maintained despite Increasing Competition

A Year of Prosperity and Development in All Territories

FREDERICK L. HOGG ON CURRENT TRENDS AND PROSPECTS

THE 34th ANNUAL MEETING OF THE STANDARD BANK OF SOUTH AFRICA Limited, being the annual general meeting for the year 1953, was held on July 15th in London.

FREDERICK L. HOGG, F.C.S., G.C.M.G., K.C.M.G., Chairman, presided.

The following is his condensed statement:

"I wish to begin this statement by recording the death of Sir Douglas Douglas, who had served the bank with distinction for many years. Sir Douglas' connexion with Southern Africa, and in particular with the territories of Southern and Northern Rhodesia, went back to the time of Cecil Rhodes, and few could rival his knowledge of their history and problems. As president of the Chartered Company, which was the chief of the African interests, he kept us continually informed of conditions there, and his knowledge we kept up to date by frequent personal visits. We miss him greatly, not only for his wisdom but for his outstanding character and courage.

"I am pleased to report that Sir Douglas' place on the board was filled by Mr. C. Comar Wilson. As a director of the Anglo-American Corporation and as the Chartered Company, and of many other companies operating in Southern Africa, with his wide outlook and energetic personality, Mr. Comar Wilson will be a valuable addition to the board, and you will be pleased to confirm his appointment at the annual meeting.

"While referring to matters concerning the board, would draw your attention to the circular issued with these accounts, advising that it was proposed to enable the board to increase the number of its members to 16. The circular fully explains our proposal, and I will not therefore enlarge on it here.

Visits to Overseas Territories

"During the year under review nearly all the territories in South, Central and East Africa, as well as those established have been visited by directors. I myself made a prolonged tour last winter of the East African coast towns, Zanzibar, Tanganyika, Nyasaland, and the Rhodesias, before reaching three weeks in the Union and visiting some of the main centres there. Mr. Hogg paid a short visit to the Federation and the Union last autumn, and Mr. Edmund Ham-Paterson undertook an extensive tour of the Union in the spring.

"Mr. Villiers visited Uganda and Kenya, and Mr. Holland-Martin went to the Federation, as well as to Kenya and Uganda. Mr. Acton undertook a tour of Portugal, Portuguese East Africa, the parts of the Federation.

"We have also had the good fortune to have had visits to London by Mr. Ralph Gibson and Sir Clive Alexander, the chairman of the boards in the Union and the Federation of Rhodesia and Nyasaland respectively.

Administrative Organisation

"The manner of the administration of our Rhodesian offices has been changed in London through our general management in the Union. South Africa. A variety of reasons—the formation of the Federation of the Rhodesias and Nyasaland, the liquidation of a Central Bank, and the growth of our Rhodesian business—has led us to think that the time had come to change these arrangements. We have therefore set up an administrative office in Salisbury, which is now dealing direct with London, though still maintaining, of course, a close liaison with the Union.

"Henceforward the local board will also have wider responsibility for the management of our business in the Federation. It is with regret, therefore, that I have to report that we have lost the services of Mr. C. Acutt, deputy chairman of the Rhodesian Local Board, who has been invited to join the board of the newly-formed Central Bank in the Federation. In Mr. Acutt the central bank has acquired a valuable director, and we are only sorry that under the law it is not possible for Mr. Acutt to serve both institutions. In place of Mr. Acutt the local board have elected Mr. A. E. P. Robinson, who has many interests in Southern Rhodesia, as a director, and Mr. Robert Hudson was appointed deputy chairman.

An Eventful Year

"Once again I am able to report to you that the business of the bank has continued to expand. This will be seen from the year accounts, which show a balance sheet total of £20 million more than last year.

"The year 1953 was, generally speaking, a year of great prosperity and active development in all our territories. Demand was marked by an increasing volume of money and demands for extended credit, with a corresponding increase in the call on our bank for assistance.

"In an endeavour to meet the legitimate day-to-day claims in respect of the productive needs of industry and commerce without disturbing the even flow of the business of our customers, and at the same time to do our best to comply with official policy, we have had to adopt a process of careful selection to ensure that the assistance we could give was evenly spread between the great bulk of our customers.

The Balance Sheet

"During 1953 the issue of two million fully-paid £1 shares at 3s per share was successfully accomplished, increasing the paid-up capital of the bank by £2 million. In addition £9 million was provided, a further £1,500,000 by way of share premium as an addition to the reserve fund, and an additional cash thus brought into our funds has been of great assistance in meeting the requirements of our customers, with which we have been faced.

"As you will see, advances to customers have increased by some £12½ million. These advances have

been well served territorially, \$10 million being attributable to countries with a United currency, \$10 million in the Federation of Rhodesia and Nyasaland, and the balance of which should be mentioned that, of the increase in advances to the Union, a large part was due to the effect of a Government drive to collect tax arrears, and the figure was reduced by nearly £5 million in 1957.

The measure of assistance provided for the money exchange goods is reflected in the increase of bills of exchange purchased, £4 million, and bills discounted, £3 million. The other changes in the balance sheet are all consequential upon these movements and reflect the manner in which the funds were provided to finance them. The total of funds deposited with us by our customers increased by almost £13 million, and the principal changes are reduction in the cash items, investment in securities, advances in transit by approximately £7 million, £6 million and £3.5 million respectively.

Profit and Dividend

From the accounts it will be seen that after the normal and necessary provisions, the profit for the year is £23,359, an increase of about £25,000 on that of the previous year. The balance brought forward from the last year's accounts was £58,704, so we have £82,063 to deal with.

As the result of the issue of shares last year, to which I have already referred, the paid-up capital was increased to £9,000,000, and the reserve funds to £8,500,000. Before this operation the assets fund stood at the same figure as the paid-up capital, and the board considered that it would be desirable gradually to increase the amount of the reserve fund upon a similar position is again reached. Accordingly we decided this year to appropriate £750,000 to the reserve fund. The amount written off bank premises is repeated at £20,000, and after providing for the two items there remains £1,050,000 for allocation.

An interim dividend of 2s. 6d. per share was paid in January last, and it is now recommended that a final dividend of 1s. 6d. per share be paid, making a total distribution of 2s. 6d. per share, that is to say, at the end of the year last year the increased capital of £9,000,000 shares. The gross total of the year's distribution will therefore be £1,125,000, which, after deduction of income tax, will amount to £664,875.

After the appropriations and distributions there will remain £458,127 to be carried forward to the next account.

Standard Bank Finance and Development Corporation

With the Bank's accounts will also be found the balance sheet and profit and loss account of this wholly owned subsidiary. After making a transfer to reserve for contingencies, the profit amounted to £24,178 which compares with £14,057 last year. Together with £64,927 balance of profit brought forward from last year, there is £89,135 available for allocation.

The board of directors have decided to apportion the latest distribution of 2s. 6d. per share paid last year, which after deduction of income tax at 8s. 6d. in the pound will total £143,875 and leave £74,000 to be carried forward to the next accounts.

Banking Competition

In the passing on to brief notes on conditions in the various territories in Africa where we are establishing there are some observations of a more intimate character concerning the Bank which I should like to make.

In all the countries in Africa where we operate, we have seen in the last few years signs of increasing competition. In the Union considerable attention is given to service provided by the bank, but officers have been

branded to bear in order to secure the transfer from us of accounts which we have held for many years. Intense competition in respect of building societies and other non-banking institutions has resulted in an increase in deposit rates, in which the banks have had to follow to some extent in protection of their positions. This increase in rates is unwelcome to the authorities, and it is with regret that we have found ourselves obliged to agree to them.

The Federation of Rhodesia and Nyasaland, where we were the first bank to be established 64 years ago, there has been an increase in the number of institutions which undertake banking transactions in a few cents, without maintaining a network of branches throughout the territories. In East Africa we have also seen new entrants to the banking field.

Despite this increasing competition we have been able to maintain our position, and with the rapid development which is taking place throughout the continent of Africa, I feel confident that the business of our bank will continue to expand.

Branches and Staff Organizations

Meanwhile we have continued our efforts to cater fully for the needs of our customers in all the countries in which we operate. As you know, we maintain offices in the United Kingdom, Germany, and the United States of America. Last year we opened a new branch in London at Sunok House, Park Lane, which should be a convenience to visitors in the area and help to relieve the congestion in our other London branch. We have also acquired new and more central premises for our agency in Hamburg.

Our managers are continually on the alert for opportunities to extend our organization. In my last statement the number of offices was increased from 666 to 673. In watching the development of their districts, managers are assisted by a staff of members of our local boards, who, at the point of contact with branches, wherever possible.

The extension of our branch system, whilst providing more opportunities for promotions, naturally places strains upon our staff. The pressure enjoyed by the countries of Africa has its effect on the labour market, and in countries of overfull employment the wastage of young staff is at a high level, and much more time must be spent on training new recruits than would be otherwise required. In these circumstances we are employing an increased number of women on higher grade duties, and I am glad to say that they have shouldered their increased responsibilities very successfully.

Training Schools

To assist in training junior officers of the bank, and intensifying our training schools, it will be understood that an account of the distances involved in Africa we are obliged to maintain such schools in the branch centres, and it follows that we need a larger staff of instructors than would be required by independent banks in this country. Opportunity has also been given to young men in this country to promoting young men from South Africa, and an exchange system is operated to enable our branch managers to bring their wives to head quarters and provide them with an opportunity of meeting their counterparts and the general management, and of discussing their problems in an atmosphere of mutual respect, periodical conferences are arranged where a section of the senior officers meet one another in Pretoria.

From what I have said you will appreciate that the necessity of a staff of training is a sufficient staff of the bank, and the staff of training.

I will now refer to some of the major developments in Central and Southern Africa, more detailed informa-

tion will be found in our monthly bulletins which we will be glad to send to any shareholders who desire them.

Union of South Africa

In South Africa, 1955 was a good year for farmers and a record year in mining, manufacturing, building, the distributive trade, and transportation, but it may be the limit of the forward surge in the economy during the past few years. It is true that the strength of the economy is shown by the fact that there was a net fall of only £20 million in the foreign exchange reserves, although imports increased by £50 million and the net inflow of capital fell by £66 million.

Early in 1955 there were signs of an inflationary trend developing with a rise in costs and in prices as well as in the volume of money in circulation, and in August the governor of the Reserve Bank requested the commercial banks to restrict credit for fixed capital purposes and for high purchase transactions. This request was reinforced by the increase in the Reserve Bank discount rate from 4% to 4½% on September 29, 1955—a change which was designed also to discourage any substantial outflow of funds to, or the retention of funds in, London. The discount rate was not further raised in February last, when the Bank of England raised its own to 5½%, but measures were taken to restrict certain capital movements from the Union, and recently a Reserve Bank Amendment Bill was submitted to Parliament under which certain additional minimum reserves may be called for by the commercial banks when it is considered necessary in the national interest to curtail bank credit.

Modest Inflationary Trend

The rise in the retail index of prices in South Africa during 1955 amounted to less than 3% as compared with an increase of 4.5% in the United Kingdom. The extent of the inflationary trend in the Union was therefore modest as compared with that in this country. But the rapid development of mining and industry in the Union during the last few years has necessitated the import of capital from abroad on a very large scale, and, with the sharp reduction of this capital inflow and some withdrawal of capital from the Union, there was increased pressure on local savings and on bank advances. This pressure was accentuated by the bountiful harvests of recent years, which necessitated the financing, pending export, of the maize surplus, valued at some £20 million, partly by the commercial banks and partly by the Reserve Banks.

The shortage of skilled labour led to increases of salaries and wages, which also tended to force up the price level. The Reserve Bank, whose firm resolve it is to maintain the soundness of the South African currency, took prompt action to restrain the expansion of credit and, with the similar disinflationary action which has been taken abroad, a very definite stringency has developed in the Union, which is reflected in a falling off of business generally and particularly a sharp reduction in building activity.

After the intense development of the past 10 years a period of consolidation may well be beneficial to the country, and there is no reason to expect that the monetary restraints will be carried further than to secure this. Thus, while 1956 may not be as commercially active and prosperous as the past few years, the difference is unlikely to be great and the general level of trade may well be maintained.

On the long-term prospects, there are a number of factors that promise both protection against any serious recession and powerful reasons for a fresh forward movement in the future. The output of gold rose during the past year from £14½ million to £182½ million,

owing mainly to the development of the new mines in the Orange Free State, and the exports of "prescribed materials" rose in value from £14.8 million in 1954 to £30 million during 1955. The virtually certain growth of these two exports, as well as the progressive development of other mineral and agricultural products, and the rise in public savings, are a good augury for the future.

The financial and economic policies followed by the Government and by the Reserve Bank have, as in the past, been generally conservative and have merited the support of the public.

Influence of Politics

The main question is whether the political and social stresses in the Union, which have recently received widespread publicity, will interfere with the economic progress of the country. South Africa will still for many years require a regular inflow of foreign capital for the further development of its great natural resources, and the possibility of obtaining this inflow of capital will depend to a large extent on maintaining the confidence of investors in the stability of the country for many years ahead.

The solution of the problems which face South Africa will not be found by the application of doctrinaire principles, of whatever character, without regard to the practical requirements of the country, and it may be hoped that in South Africa counsels of moderation may prevail and that abroad the complexity of its problems may become better understood.

Meanwhile, the political polemics which attract so much notice abroad seem to have little or no effect on the course of business in South Africa. To most people, whether European or African, the price of wool or cereals is of more importance than any political question. None the less, for the industrialist the development of the political situation, with its effects on labour-management relations, is of great importance.

The Federation of Rhodesia and Nyasaland

The past year was again one of great prosperity for the Federation, the total value of trade amounting to £310 million, with a favourable balance of nearly £40 million. This was mainly due to the high prices realized by the exports of copper from Northern Rhodesia. But there was also an improvement in both agriculture and mineral production in Southern Rhodesia. In Nyasaland results were more patchy, tea and cotton doing well but the tobacco crop being short. The building industry is intensely busy in the Copperbelt towns and in Salisbury, where indeed there has been a major building boom. Development in all branches of industry continues actively.

The main problem of the Federation is the need of capital to maintain and carry forward this development. The focal point of the Federation's current programme is the Kariba hydro-electric scheme, the first stage of which is estimated to cost some £80 million. To finance this great enterprise, which is of vital importance to the Copperbelt, loans have been and are being negotiated with the International Bank, the Colonial Development Corporation, the Commonwealth Development Finance Corporation, the Copper mining groups, the Chartered Company, and the banks. We have participated to the extent of £2 million as a long-term investment, and we are also helping to finance the contractors for various parts of the scheme during the period of construction.

Many Development Projects

The Kariba scheme, however, is only the most important of many development projects for which the Government is responsible. The improvement of the road network and roads is almost an urgent need

as the provision of power: the Government has announced its intention of spending £25 million on railway expansion during the next three years, but total requirements for railway and road services are likely to be much higher. Housing, education, sanitary, and other public services for the growing population of the towns will entail further heavy demands on Government capital resources.

"There appears to be a significant expansion of local funds available for investment, and the budget can provide a substantial amount for development purposes, but even so, there may well remain a gap which can be filled only by attracting foreign investors.

"Private enterprise is, of course, responsible for much of the development that is taking place. In Northern Rhodesia the copper companies are showing public spirit and foresight in making funds available for a number of projects not directly connected with their own industry but which, ultimately, will redound to the benefit of the country.

"The Southern Rhodesian Government is sponsoring an industrial plan involving an expenditure of £50 million by private enterprise, including among other projects the transfer to private enterprise of the Rhodesian Iron and Steel Company with a view to the extension of the plant and the expansion of its production.

New Countries Offer Such Rich Prospects

"There are few countries in the world which can offer such rich prospects for development as the Federation, but, in present conditions of monetary stringency, the finance may not be readily available. We have already had to adopt a selective policy in our advance business, so that we can continue to support old business concerns and meet new calls on us from the most legitimate types of business.

"A landmark in the financial organization of the Federation was the inauguration last March of the new Central Bank, the Bank of Rhodesia and Nyasaland. On April 1 last it took over the functions of the Central Africa Currency Board, for which we had acted as agents since its establishment in 1953, and it is expected to start full operations in approximately a year's time, when it will assume responsibility for the management of the public debt, and of the Government accounts. This will naturally involve the loss to our banks of certain Government balances which we at present hold, though we should also be relieved of some of the calls made upon us by the Government.

New Central Bank

"Moreover, under its statute, the new bank has been vested with wide powers to control the operations of the commercial banks, including power to require varying percentages up to 25% of their deposits to be kept with it as reserve balances. While the requirements of the new bank must have repercussions on the operations of the commercial banks, we are confident that, under the guidance of its distinguished governor, Mr. A. P. Graffley-Smith, its powers will be used with caution and full consideration given to the need for commercial bank credit in a rapidly developing country, where capital is short, and is likely for many years to remain short of requirements.

"It can be fairly said that the initial period of political and economic stock-taking which followed the inauguration of the Federation is over, and that a general feeling of confidence in its future prevails. Indeed, throughout the three territories that comprise the Federation there is now a growing demand for the revision of its present constitution and costly constitution and for the creation of a unitary Dominion with a single legislature and a homogeneous public service. It

may be hoped that an acceptable settlement of this question may eventually be reached.

"Last year I mentioned that our board proposed to extend to the Federation the operation of our Development Corporation. We found that for this purpose it would be necessary to register the Corporation separately in each of the three territories and to comply with the company law requirements under two different legal systems. While this can be arranged, your board feel that, having regard to the pressure on our resources for normal banking business, it is advisable to defer action until we can see more clearly what our position will be when the Central Bank begins to function and, in the meantime, we hope that the legal requirements may be simplified.

East Africa

"In Kenya the Mau Mau rising has now been reduced to a few scattered gangs in the forests, though the problem of dealing with the internees, numbering about 40,000, remains. In Uganda there is a disquieting element of latent political friction, but, generally speaking, law and order now prevail throughout the three territories and the development of public works continues apace.

"The first development programme of the East African Railways and Harbours Administration, amounting to close on £60 million, is nearing completion, and the Transport Advisory Council is recommending a four-year programme of £34 million for expenditure in 1958 to 1961. The development of Mombasa compares with that of any city in Southern Africa and Dar es Salaam is not far behind. The city of Nairobi approved last December a capital works programme for the next five years involving £10½ million.

"The rate of private industrial development is less striking but is being maintained, and there is exceptional activity in the building industry in all the important

Very Good Season

"The past season has been a very good one for coffee and a satisfactory one for cotton, sisal, and other produce. But the bazaar trade has been unusually tight and money is tight throughout the territories. There has been over-stocking, but the main cause, particularly in Uganda, seems to be that the African is not spending so freely as in the past. Whether this is due to lower returns to the growers or a better appreciation of the value of saving, or to other causes, is obscure.

"The co-operative movement shows marked growth but needs careful supervision; too many cases occur of mismanagement and defaulting. One of the most successful organizations of this kind is the Kihimanjaro Native Co-operative Union at Moshi, through which a crop of 6,000 tons of first quality Arabica coffee is grown and marketed annually. Generally speaking, the Native population needs a great deal more business experience if it is to make full use of the country's natural resources.

"Another factor that cannot be ignored is the increasing demand, on the part of Native organizations, for political rights. In each of the East African territories experiments are at present being tried with a view to giving Africans a limited share in the responsibilities of Government. The results of these experiments will be watched with close interest by the financial markets.

"Large amounts of capital investment and for many years to be required for the economic development of the three territories, and, with the credit squeeze operating in the United Kingdom and a general tendency to tighten credit elsewhere, the prospects of obtaining the capital necessary will be greatly im-

Agency to the extent to which the political organization promises stability for a long period ahead.

Wide Extension of Suffrage Dangerous

"In these circumstances it is not in the interests of the inhabitants of East Africa to press for democratic systems of self-government on the European model before there is more evidence that they are sufficiently experienced in political judgment to undertake such responsibilities. The wide extension of the suffrage is too often regarded in the United Kingdom as the panacea for all political problems; in East Africa such a step at present would, frankly, prejudice the prospects of economic development.

"In concluding this statement I would again pay special tribute to the loyalty and whole-hearted support given by the staff. The constant changes in the junior ranks to which I have already made reference, and the increasing tempo of business activity, place a heavy burden on the senior men and women, and their untiring efforts to train the younger members and render that degree of service which the public have come to expect from our bank are deserving of special commendation."

Company Report

The African Mercantile Company, Limited Mr. W. J. Saunders' Statement

THE FORTY-SECOND ANNUAL GENERAL MEETING OF THE AFRICAN MERCANTILE COMPANY, LIMITED, was held on July 26, 1956, in London.

MR. W. J. SAUNDERS, chairman and managing director of the company, presided.

The following is a summary of his statement, circulated with the report and accounts for the year ended December 31, 1955:—

"In spite of keen competition and notwithstanding higher operating costs, we were able to show a net profit of £166,003, subject to taxation, as compared with £124,644 in 1954.

Increased Profit

"After charging taxation, the profit was £68,046, against £48,651, and, with £52,831 brought in from 1954, together with a small surplus on sale of plant and an adjustment of taxation provided in 1954, the balance for appropriation was £124,133.

"An interim dividend of 5% less tax was paid in February, 1956, on the ordinary shares, and after the transfer of £12,500 to contingency reserve, and £4,000 to staff provident fund, your directors now recommend the payment of a final dividend of 10% less tax, on the said shares. These, together with the net cost of the preference dividends, absorb £57,777, and leave £66,356 to be carried forward.

"Total revenue reserves and undistributed profits amounted to £414,589, and current assets exceeded current liabilities by £1,067,583. After depreciation there was an increase of £19,195 in fixed assets, the net total of which included the amount expended out of the company's funds on its new premises in Nairobi—completion of which is now very near.

Visit to E.A. Branches

"I revisited the company's branches in East Africa towards the end of 1955, and whereas in addition to various major projects, there was also a considerable

amount of building activity, there was already evidence of money in the bazaars becoming tighter and of a fall in demand for certain summer goods. Shortage of ready cash has become more severe since the credit squeeze was also applied in East Africa, and the first part of the present year has seen a more widespread slackening in trade and overstocking of some classes of goods.

Gross Revenue Maintained

"Our own trading and agency business is, however, very diversified, and gross revenue for the first five months of 1956 was at about the same level as for the corresponding period of 1955, but unfortunately operating costs have continued to rise. We shall look for some improvement in our merchandise sales as the economy in East Africa adjusts itself, but it would be unwise to attempt to forecast the result of the company's trading for the current year. Our resources, however, are at present more liquid than at the end of 1955."

Mr. Saunders concluded with sincere thanks to the executives and staff at home and overseas, and the report and accounts were adopted.

Black List

UNDER THE ABOVE HEADING the magazine of East African Railways and Harbours notes that a recent report from the Jinja training school contained the statement: "A seven-foot black mamba applied for employment during the month, but as he was not up to the required educational standard his application was rejected with the aid of a 12-bore shotgun!" It added: "This is the first case on record of an applicant qualifying for his finals without further examination."

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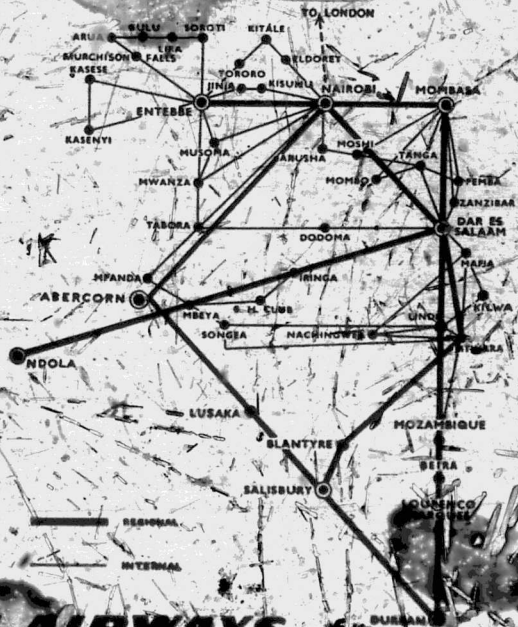
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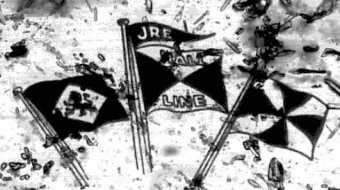
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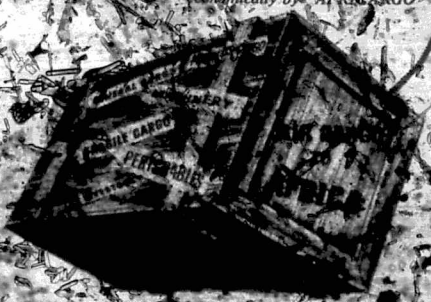
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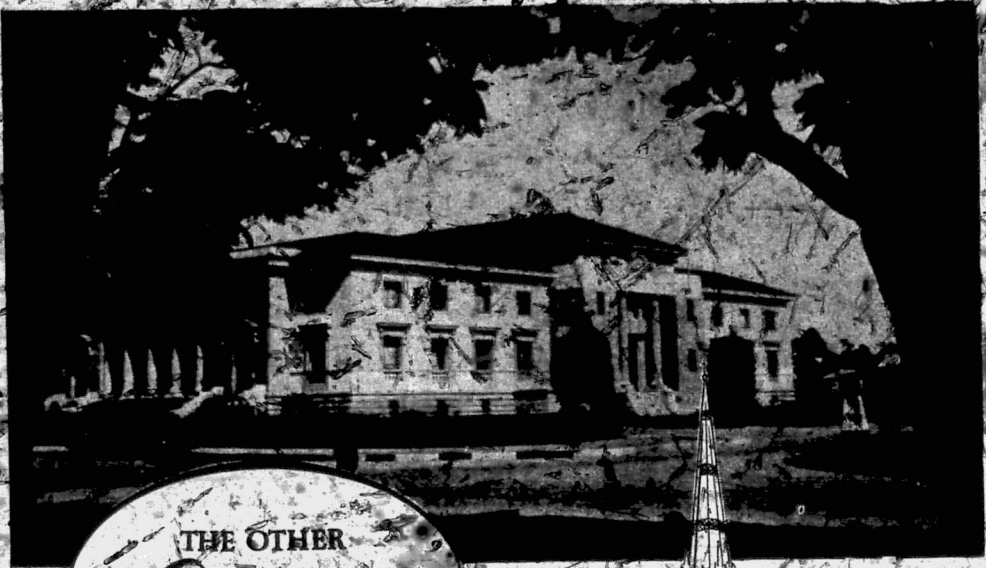
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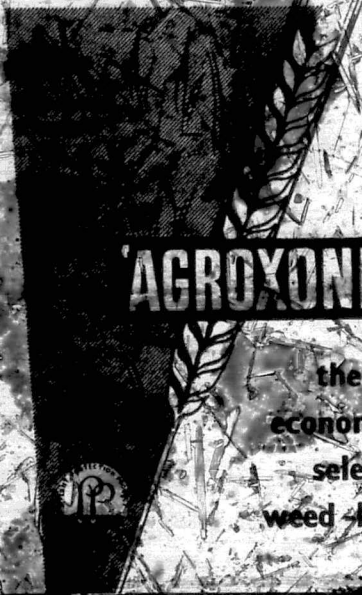
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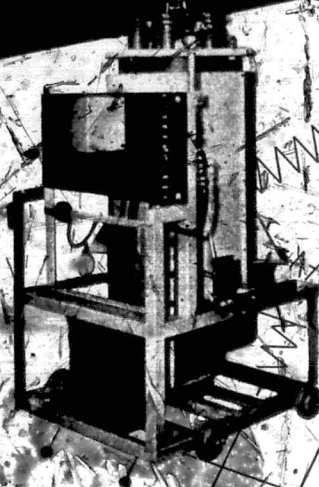
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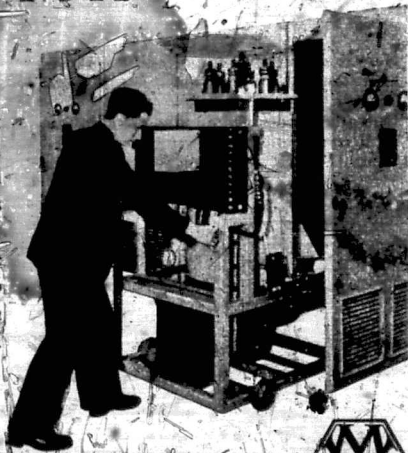
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Founder and Editor:

F. S. Joelson

THURSDAY, AUGUST 9, 1956

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MATTERS OF MOMENT

THE DECISION of the Government of Tanganyika to appoint an impartial committee to consider criticisms of the White Paper on the Serengeti National Park is to be welcomed, for many East Africans feel anxiety on the subject, and considerable pressure, some of it from America, is known to have been put upon the authorities in the United Kingdom and in the Territory itself. There is a salutary objection in principle to any change in the boundaries of any national park, since a Government which once succeeds in withdrawing complete protection in one area is likely to be tempted to similar action in another locality; moreover, other Governments in Africa may use the precedent as an excuse for making inroads upon areas which had been set aside for the permanent protection of fauna and flora. The true needs of human beings cannot, of course, be sacrificed to the presence of game in areas which cry out for development in the general interest, and that elementary fact was presumably taken fully into consideration when the boundaries of each national park were being decided.

The Serengeti National Park.

In the case of the magnificent Serengeti Plains one folly after another has been committed over a long period of years, and it is certainly well to get matters straightened out now, even at the cost of some controversy. Thirty years ago the Government of Tanganyika was strongly urged to demarcate a national park in the game area between Arusha and Lake Victoria, but officialdom was not interested, primarily because the then Governor had no objection to Africans killing game where and how they pleased, even if they made a laughing-stock of the game laws. The licence which Sir

Donald Cameron devised and the attitude which it produced proved extremely difficult to eradicate, and it was not until 1946 that the first national park was established. The Serengeti Park in its present form was constituted by the Legislature only five years ago by an ordinance which preserved to the Masai then present on the land which was incorporated in the park all their rights in the area. Moreover, they were assured by the Government that there would be no subsequent changes without their agreement.

Naively, it was hoped that the provision of new water supplies at no very great distance might persuade the nomad herdsmen to move out of the park and stay out.

Naive Assumptions And Procrastination.

In fact, three years of poor rainfall caused the Masai to move more and more of their domestic livestock into the park, and in consequence of the assurances which they had been given, they resented all attempts by the park authorities to check their movements and the increase in their herds. Whether the Government acted promptly and competently is doubtful. We have been told by those who ought to know that avoidable procrastination encouraged the Masai to exceed the original intentions, and that when they were belatedly taken to task they argued, not unnaturally, that their actions over several years had been ratified by Government acceptance of the position. It certainly does not seem that Dar es Salaam was alert to the difficulties which were developing, or, if the Government was fully informed and gave the appropriate instructions, that they were carried out.

The trustees of the park, increasingly alarmed by what was happening, at length concluded that their initial agreement to the

continued presence of the Masai and their stock was misguided, and suggested that the area of the park should be considerably reduced in favour of the Masai on condition that none of the tribe should then remain in the park. The Masai agreed in principle to such a settlement, but as they firmly refused to accept the boundaries proposed by the trustees, declaring that their minimum requirements would not then be met, the trustees had perforce to compromise still further. Three areas are to be declared true national parks freed from all human rights, namely, the Ngorongoro area of about 450 square miles, the Embagai Crater area of ten square miles, and some 1,400 square miles in the Western Serengeti (situated in the Lake Province). But the great central plains of some 2,600 square miles are to be excised from the national park (though all wild life therein will receive complete protection) and will continue to be available to the Masai for reasonable grazing.

though the Government will prohibit development which might lead to permanent settlement and interfere with the normal use of the land by game. Two other areas, together covering about 500 square miles, one north of Ngorongoro and the other based on the Moru kopjes, are to become development areas, in which the interests of game will be subordinate to those of man. It should be added that the Government already affords protection from hunting to the game in some 9,500 square miles adjacent to the present national park. If these arrangements are disappointing they are nevertheless due to concessions on the part of the Masai, who might have insisted on absolute adherence to promises incautiously made to them. They have taken a much more generous view of the situation than many tribes would have done, and, not being meat-eaters (except on ceremonial occasions), they will do far less damage to the game than almost any other tribe in the Territory would do in similar circumstances.

Notes By The Way

Unprofitable Practice

A FRIEND WITH EXCEPTIONAL KNOWLEDGE of the Colonial Service has told me that he would strongly support the view of EAST AFRICA AND RHODESIA that the term of office of Sir Andrew Cohen as Governor of Uganda should not be extended even if he thought that he had been successful in the office, for the practice of granting Governors an extension of their term has in his experience almost always proved detrimental to the public interest. He could, he said, scarcely recall a case in which events had really justified such a decision, but he instanced a number of cases, some in East and Central Africa, in which such extensions had been manifestly harmful to the country concerned. Apart altogether from the success or failure of Sir Andrew Cohen as a Governor, therefore, he was emphatic that there ought to be no question of keeping him longer in Uganda.

No Need for a Delegation

EVERY COMMENT ON THE SUBJECT which I have seen or heard since the leading article was published has agreed with the views then expressed, but it seems that an inter-racial delegation which favours prolongation of the Governor's term may ask to be heard by the Secretary of State. I should consider that course undesirable. The great Dominions have from time to time asked to retain an able and popular Governor-General, but I am not aware that any of them has ever sent a delegation to London to exert additional pressure. It is to be hoped that Uganda will not proceed with any such intention, which would be unfair both to the Secretary of State and the Governor, for both of whom the customary means of communication should surely suffice.

Indian Leader's Surprising Speech

IF A EUROPEAN had made the charges against the Indian community in Kenya which have been levelled by the president of the Kenya Indian National Congress, Mr. Mangat, the result would have been a torrent of abuse, and it will be interesting to see whether the Indian Q.C. who has reproached his own community so sharply in public will be the subject of intemperance. It seems to me a great pity that his fierce criticisms of his own people should have occurred in a speech which contained some sound practical proposals for a political rapprochement between the Europeans and the Asians in Kenya, for the probability is that attention will be concentrated on his more sensational statements and that his courageous and well-argued pleas on a number of more important matters will receive less notice than they deserve.

Breach with Past Policy

MR. MANGAT, a barrister, has no patience with the idea of inter-racial juries at this stage in Kenya's history; speaking from 30 years' professional experience, he said that to grant Asians the right of trial by a jury of their own fellows would be to impair the impartiality of the courts, and he hinted that verdicts might be influenced by bribery. He objected to inter-racial schools before the adults of the races have succeeded in establishing a common denominator in their social and cultural life; he asks men to advance according to their own ability; he accepts the fundamentals of the apartheid concept; he pleads for "the 10-year-old feud with the European community to be ended and the hatchet buried" and he even defends the British Government and the local European community against charges of "colonialism". I can recall no speech of this kind by any other Kenya Indian.

High Commission's Reply to Royal Commission's Report

Strong Emphasis on the Need for More and More Money

THE EXPRESSION "SELF-SUFFICIENT" has been used by the Royal Commission to describe policies operating on a district, provincial, national, and by implication on an East African basis. It is with this last aspect that the High Commission is concerned.

The object of the High Commission has been to obtain agreement of the three territorial Governments and Ministers to concerted action in certain fields designed to broaden the basis of the East African economy and thus to help the development of the three territories. The Royal Commission has emphasized the weakness of the East African economy, which at present has neither the volume nor the variety of resources necessary to enable it to absorb the economic trends of the same continent, and with a more advanced economy.

It is not clear that any one territory would have a major industry in one or more territories which would have repercussions throughout all three. It is therefore necessary not only to strengthen the present limited resources of the whole area but to open up new forms of production and economic activity which will achieve this object.

The Royal Commission advocates a number of methods of developing the economic potential of the territories, and recognizes that access must be secured to the widest possible market in order that the increased production may be profitably sold and the national income enhanced. While the measures recommended by the Royal Commission are maturing—and all of them are of long term nature—not only must export markets be opened to the greatest possible extent, but steps must also be taken to develop markets within the territories.

The report gives very little guidance on the subject, although from page 17 of Mr. Chabert's report one can visualize that such a market will be available. There is no reason to suppose that by and large East Africa as a whole will not eventually be able to supply its own food requirements. In years of exceptionally bad climatic conditions food shortages will continue to occur, but they have none in spite of the present policy of district self-sufficiency.

The commodities covered in the discussions between the three Governments are wheat, maize, sugar, and rice. In maize there is usually a surplus in East Africa as a whole, sufficient wheat is normally produced to meet the area's requirements, while supplies of sugar and rice are inadequate without importation. Food availability varies from year to year in accordance with climatic and other conditions.

The general policy on which the three Governments have reached agreement is to create a co-operative action the conditions needed to secure a local market in East Africa as a whole for the domestic production of these crops without restricting the normal conditions of either production or consumption. The three Governments recognize that, in so far as this may be possible, the control of imports into and exports from the area as a whole during a transitional period when the East African economy is being expanded and strengthened, that control will have to be exercised with regard to the interests of consumers and to be consistent with international obligations.

Being the salient passages from a despatch from Sir Bruce Hall, Administrator of the East Africa High Commission, as set out in Cmd. 9801.

ent with international obligations. The aim is to secure a local market for the East African production of these crops, and under normal conditions the policy aims at restricting neither consumption nor production.

In East Africa there was little industrial development prior to the 1919-45 war but the last 15 years have seen a great change. Many new industries have started during this period while others have been developed on a far larger scale. This accelerated development has taken place during a period when war-time conditions and more recently the balance of payments difficulties of the sterling area have necessitated the application of controls, frequently in the form of quantitative restrictions which have given, sometimes fortuitous and sometimes deliberate protection to local industries.

Protection of Industrial Development

With changing world economic conditions and the wider implementation of the General Agreement on Tariffs and Trade (GATT) the three Governments have acceded to East Africa's position in so far as the protection of local industries is concerned. It is therefore necessary to consider the reasons why such protection should be considered.

Manufacture of certain commodities and industries is dependent on a number of factors, many of which are not available in the territories. Some of these factors are of a technical nature and are dependent on an advanced scientific and technical knowledge which is not available in the territories. It is therefore necessary to appoint working parties to study the industry in question and to recommend to the Government the most suitable protective measures.

Where protective measures are primarily of a tariff nature, they are framed before the industry is established and the industry in the area, which they have been introduced to protect, has not yet had time to develop. In other cases, as a result of a tariff, it is quite fortuitous whether or not the industry receives protection. In such cases, in order to ensure that raw materials pay a higher duty than the manufactured article, in other cases no protection is provided because originally goods which are now manufactured in East Africa were imported duty free to assist development. For these reasons, periodic reviews of the most individual cases are necessary.

East African economies are in a transitional period and require further development. The system of protection based on new agricultural or mineral products is a system which is of present non-productive value and which is of benefit to East Africa as a whole. It is therefore necessary to be non-productive. The system must be of a nature which is of benefit to the economy of these underdeveloped territories. The system of special methods of protection is necessary.

On the other hand, consideration must be given to the fact which is reasonable to expect that the three Governments will pay for industrial development. It is therefore necessary in order that these problems may be solved. Meanwhile it may be necessary to apply the use of quantitative restrictions for a limited period. It is therefore necessary to be consistent with the interests of consumers and to be consistent with international obligations.

The industrial development of East Africa is a process which is in progress. It is necessary to create a local market for the East African production of these crops, and under normal conditions the policy aims at restricting neither consumption nor production. The system gives consideration to the interests of consumers and to be consistent with international obligations.