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COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES OFFICIAL REPORT

SECOND SERIES

VOLUME XI

1940

Third Session, 1940: 26th November to 19th December

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List of Members of the Legislative Council

President:

HIS EXCELLENCY THE GOVERNOR, SIR HENRY MOORE, K.C.M.G.

Ex Officio Members:

CHIEF SECRETARY (HON. G. M. RENNIE, M.C.).
ATTORNEY GENERAL (HON. W. HARRAGIN, K.C.).
FINANCIAL SECRETARY (HON. C. R. LOCKHART, C.B.E.).
CHIEF NATIVE COMMISSIONER (HON. E. B. HOSKING, O.B.E.).
DIRECTOR OF MEDICAL SERVICES (DR. THE HON. A. R. PATERSON, C.M.G.).
DIRECTOR OF AGRICULTURE (HON. D. L. BLUNT).
DIRECTOR OF EDUCATION (HON. A. T. LACEY, O.B.E.).
GENERAL MANAGER, K.U.R. & H. (BRIG.-GEN. THE HON. SIR GODFREY RHODES, C.B.E., D.S.O.).
DIRECTOR OF PUBLIC WORKS (HON. J. C. STRONACH).
COMMISSIONER OF CUSTOMS (HON. A. W. NORTHROP).
COMMISSIONER OF LANDS AND SETTLEMENT (HON. C. E. MORTIMER, M.B.E.).

Nominated Official Members:

HON. G. H. C. BOULDERSON (Prov. Commissioner, Coast).
HON. H. M. GARDNER, O.B.E. (Conservator of Forests).
HON. C. TOMKINSON (Acting Prov. Commissioner, Central).
HON. S. H. FAZAN, C.B.E. (Prov. Commissioner, Nyanza).
HON. T. A. BROWN (Solicitor General). (1)
HON. R. DAUBNEY, C.M.G., O.B.E. (Director of Veterinary Services).
HON. G. B. HERDEN (Postmaster General). (6)
HON. S. O. V. HODGE (Prov. Commissioner, Rift Valley).
HON. H. IZARD (Commissioner of Mines). (2)

European Elected Members:

HON. S. V. COOKE, Coast.
THE RIGHT HON. THE EARL OF ERROLL, Kiambu.
HON. LADY SIDNEY FARRAR, Nyanza.
CAPT. THE HON. S. G. GHERSIE, Uasin Gishu.
COL. THE HON. E. S. GROGAN, D.S.O., Ukamba.
LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.O., Trans Nzoia.
COL. THE HON. F. S. MODERA, D.S.O., M.C., Nairobi South.
HON. W. G. D. H. NICOL, Mombasa.
LT.-COL. THE HON. LORD FRANCIS SCOTT, K.C.M.G., D.S.O., Rift Valley.
HON. E. H. WRIGHT, Aberdare.
HON. G. S. HUNTER (Acting), Nairobi North. (3)

LIST OF MEMBERS OF THE LEGISLATIVE COUNCIL.—Contd.

Indian Elected Members:

HON. ISHER DASS (Central).
HON. SHAMSUD-DEEN (Central).
HON. R. KASIM (Western).
HON. A. B. PATEL (Eastern).
DR. THE HON. A. U. SHEIH (Acting) (Eastern). (4)

Arab Elected Member:

CAPT. THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G. (R.N.V.R.). (5)

Nominated Unofficial Members:

Representing the Interests of the African Community—

DR. THE HON. C. J. WILSON, C.M.G., M.C.
HON. H. R. MONTGOMERY, C.M.G.

Representing the Interests of the Arab Community—

HON. SHEIKH HAMED BIN MOHAMED BIN ISSA.

Clerk to Legislative Council:

MR. R. P. ARMITAGE (Acting).

Reporters:

MR. A. H. EDWARDS, MR. H. THOMAS.

- (1) *Vice* Mr. A. Phillips, Acting Solicitor General.
- (2) *Vice* Mr. J. C. Mundy, Commissioner of Income Tax.
- (3) *Vice* Major the Hon. F. W. Cavendish-Bentinck, until 18th December.
- (4) *Vice* Hon. J. B. Pandya.
- (5) Died 4th December.
- (6) Mr. G. P. Willoughby, Acting Postmaster General from 4th December.

ABSENTEES FROM LEGISLATIVE COUNCIL SITTINGS

27th November—

Hon. General Manager, K.U.R. & H.
Hon. Shamsud-Deen.
Hon. Arab Elected Member.

28th November—

Hon. General Manager, K.U.R. & H.
Hon. Member for Aberdeen.
Hon. Shamsud-Deen.
Hon. Arab Elected Member.

4th December—

Hon. G. H. C. Boulderson.
Hon. T. A. Brown.
Hon. Shamsud-Deen.
Hon. Arab Nominated Member.

5th December—

Hon. G. H. C. Boulderson.
Hon. Shamsud-Deen.
Hon. Arab Nominated Member.

6th December—

Hon. Shamsud-Deen.
Hon. Arab Nominated Member.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

THIRD SESSION, 1940

Tuesday, 26th November, 1940

Council assembled at the Memorial Hall, Nairobi, at 11 a.m. on Tuesday, 26th November, 1940, His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

The Proclamation summoning the Council was read.

OATH OF ALLEGIANCE

The Oath of Allegiance was administered to: Nominated Official Member, T. A. Brown, Esq., Solicitor General; Acting Elected Members, G. S. Hunter, Esq., Nairobi North, and Dr. A. U. Sheih, Eastern Area.

COMMUNICATION FROM THE CHAIR

His Excellency delivered the following communication from the Chair:—
Honourable Members of Council,

Since we met in August last we have seen the German attempt to obtain mastery in the air over Britain collapse, so that the much-vaunted invasion of Britain still remains for the Nazis an unfulfilled dream. In the meantime, while they have continued their daily and nightly bombing raids over the British Isles, the Axis Powers appear to have

looked round for what they hoped would prove an easier victim, and Italy invaded Greece on the 28th October. The stout resistance put up by the small but gallant Greek army has clearly upset their plans, but none the less these manoeuvres have lent added importance to the Middle East as a theatre of war where serious operations may be expected, and in which the forces within our own borders are eagerly awaiting to play their appointed part. The recent visit of General Smuts, which happened to synchronize with these developments, was all the more welcome on that account, for not only was he able to visit the South African troops here and see local conditions for himself, but also to confer at Khartoum with Mr. Eden, the Minister for War, General Wavell, the General Officer Commanding Middle East, and General Cunningham, to whom I should like to take this opportunity of extending a sincere welcome on his assumption of the East African Command. We can, therefore rest assured that the problems of our local campaign have been thoroughly examined.

The increased requirements of the military forces in East Africa have necessitated a revision of arrangements for the provision of army supplies locally. This has led to the creation of the East African War Supplies Board under the Chairmanship of Sir Philip

[H.E. the Governor]

Mitchell. The functions of the Board have already been explained in an announcement in the Press, and they include the responsibility for obtaining those military supplies which are to be provided from East Africa. The Board has been divided into two sections—a Materials division under Sir Godfrey Rhodes, and a Foodstuffs division under Major W. E. H. Scupham, the Administrative Secretary of Tanganyika. The willingness of the Tanganyika Government to release Major Scupham for these important duties is highly appreciated. On the military side the Army Supplies Commission has been set up and it is hoped that through the medium of these two bodies such difficulties as have been experienced in the past in correlating the military demands with our local capacity for supplying them will be overcome.

In addition, the whole military supply position is being examined on a broader basis at the Delhi Conference, which is being attended by a representative of East African Delegation led by Sir Philip Mitchell. I have as yet received no official intimation as to the date on which the Conference hopes to finish its work, but from what I have heard from private sources I know that our representatives there are working very hard to assist our East African supply position.

Here in East Africa the work of the Supply Board in connexion with the regulation of prices and the control of imports and exports has continued along established lines, but it has been found necessary to extend the control of produce to cover two additional commodities, wool and potatoes. In the case of wool, a satisfactory agreement has been reached with His Majesty's Government as to the sale of the Kenya wool clip, which is to be bought on an f.o.b. basis at Mombasa and to be appraised by experts in England, the wool to be paid for at a rate which represents a thirty per cent increase on last year's prices. In the case of potatoes, the imposition of control has been necessitated by the danger of an inflation of prices as a result of the temporary shortage resulting from military and civilian de-

mands. The Supply Board scheme of control is designed to interfere as little as possible with normal channels of supply so long as the Board's objectives are achieved with economy and efficiency.

In the case of animal products, the Liebig factory has been receiving adequate supplies of cattle to meet the needs of its greatly increased production, and plans are already well advanced to ensure that both Liebig's and the Meat Control organization will have ample supplies on a still greater scale in 1941. While there is still some shortage of bacon, there are indications in the returns furnished by farmers that the necessary expansion of the pig industry to meet our increased requirements is being effected. Dairying prospects generally are favourable, and it now appears that our normal export of butter will be consumed within the Colony.

Military requirements too have made very large demands on our timber resources. Saw-millers as a whole have made unsparring efforts to meet the situation and are to be congratulated on the degree of success they have attained. Our past replanting policy has been justified by the large amount of material which has been available at low cost to meet urgent needs. But it will be necessary to ensure that this policy is continued and strengthened in order to replenish the present exceptional drain on our forest resources.

In regard to agriculture generally, with the exception of sisal and coffee it cannot be said that there is any material change in the position since I reviewed it in August last. I then made mention of the probable effects of the loss of continental markets and possible irregularity of shipping. The disposal of sisal, coffee, maize, hides, skins, and wattle bark is still confronted by difficulties which are unlikely to diminish in the near future. The coffee position continues to cause anxiety, and the necessity for Government control in regard to marketing becomes increasingly clear. In the case of tea it is gratifying to note that conditions have been such as to permit of an increase in the permissible exports

[H.E. the Governor]

under the International Restriction Scheme from ninety per cent to ninety-two and a half per cent of the standard exports for the current quota year.

In my last address I referred to the production survey which had been carried out, and in the interval much attention has been given both by Government and the Settlement and Production Board to the question of what agricultural products are required and the means of securing them. A statement on the subject by the Director of Agriculture and the Settlement and Production Board has recently appeared in the Press. Powers have also been taken under the Defence Regulations to control agricultural production and to vest in the Director of Agriculture the power to enforce, where necessary, the production of certain commodities on suitable farms. In view, however, of the co-operation that the Government is receiving from the farming community generally, it is unlikely that these powers will have to be generally invoked on a large scale.

The references which I have just made to our supply position and the maintenance of agricultural production generally are, I hope, enough in themselves to emphasize the importance which the Government attaches to the maintenance of our agricultural production during the war, but in case there may be any farmers who are still in doubt as to whether the Government is in earnest in wishing them to remain on their farms and to maintain production, I will repeat again what I said in my Communication from the Chair on the 6th August last:—

"I told you in March last that a further survey of the European manpower in the country was being undertaken. That has now been done, and I believe it to be the case that all men who can be spared for the army have by this time been combed out and that it is unlikely that any more men can now be spared from their civil occupations. I must therefore repeat again what I have said on more than one occasion, namely that those who have now been exempted as key men should remain in their civil occupations. By

carrying out the tasks allotted to them, they are doing their duty to the Empire in no less vital a manner than those who have been permitted to join the fighting forces."

I hope, therefore, that the importance which the Government attaches to the maintenance of our farming industry is perfectly clear. But none the less I can very well understand that individuals, both men and women, may well be fretting badly that the lot has fallen upon them to carry on this unspectacular work of production on the farm, instead of joining one of the men's or women's active service units. To all such, and particularly to the many lonely women who are carrying on the work of the farm while their sons or husbands are at the front, I should like to give a special word of gratitude and encouragement.

In this connexion, it may be of interest to give a few figures to illustrate the nature of the war effort in terms of man power which the European population of this Colony has made. In the absence of any recent census figures, I should emphasize that these figures must necessarily be estimated. Of the total European male population over the age of eighteen years, no less than thirty-nine per cent are actually serving with the armed forces; this figure does not include a certain number of men who have left the Colony to serve overseas. In the case of European unofficial personnel, only one hundred and sixty-seven men under the age of thirty are exempted, and no less than forty-seven per cent of the total unofficial male population over eighteen years of age are actually serving. In the case of European officials, if the number necessarily retained in the Police Force for internal security purposes is deducted, twenty-six per cent are now serving with the military forces.

In view of the figures which I have just given you, I can well understand that there is some misgiving in the minds of those interested in the agricultural production of the country as to whether sufficient man power has been left on the land. I have already paid a tribute to the magnificent support which the women of the Colony have given to their men-folk in this respect, and with

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their aid it has been possible to keep production going, though the problems of the harvesting season have made things more difficult. In this respect the military authorities have been very helpful and have done what they can to assist by granting men special leave for harvesting purposes. Actually, there have been fifty applications for this special form of leave and, with very few exceptions, they have all been granted, though not always for as long as period as was applied for.

As far as native labour is concerned, while it cannot be said that there is any general shortage at present, I am aware that there is considerable anxiety among farmers that the increasing demands made by the military on our African man power, whether for fighting units or for the East African Military Labour Service, may create a difficult position. Powers have already been taken under which natives holding key positions on farms may be kept at the work for which they are specially trained, and the question as to whether any further measures are necessary is under careful consideration at the present time. In the case of skilled and semi-skilled artisans, a Board has been set up under the Defence Regulations to fix maximum and minimum wages for the various trades throughout the Colony under the chairmanship of a Judge of the Supreme Court, while the Reserved Occupations Regulations forbid any artisan employed in a reserved occupation from leaving his work without the permission of his employer or of the Director of Man Power.

Before I leave the question of man power, I should like to say a word in recognition of the personal services rendered by so many of the women of this Colony in a voluntary capacity. I have already referred to their work on the farms but in addition to this, members of such voluntary organizations as the British Red Cross, the Order of St. John, the British Legion, the East Africa Women's League and the Kenya Women's Emergency Organization have given ungrudging service both in A.R.P. units and in connexion with all the innumerable forms of activity concerned with the welfare of the troops.

The Railways and Harbours Administration has been called upon to deal with many military demands arising out of the war in East Africa. These demands have included heavy movements of troops which have taxed the capacity of the equipment of the Railway to the limit. They have also included extensive and important orders for military works, both by the Chief Engineer's and the Chief Mechanical Engineer's departments. All these demands have been met without delay or accident. I am sure honourable members will agree with me that this reflects the greatest credit on the General Manager and his staff.

As regards the financial position of the Administration, it may be stated that in April last it was anticipated that there might be a deficit in working at the end of the year of at least £100,000. Owing, however, to the heavy increase in the population of the country, following on the entry of Italy into the war, the financial position has changed for the better and it is now anticipated that there will be a substantial surplus at the end of the year instead of the deficit that had been anticipated.

As has been announced in the Press, the Administration has been able to place at the disposal of the Imperial Government £200,000 free of interest for the duration of the war. In addition, it was recently decided to meet all military demands free of cost up to a total sum of £250,000 in 1940 and a similar amount in 1941. If this amount cannot be met from earnings, arrangements will be made to finance the resulting deficit from reserve funds.

I will now turn to the Colony's financial position.

Our exports of domestic produce for the first nine months of 1940 amounted to £3,157,906, and show an increase of £129,245 or 4 per cent over the corresponding period of 1939. Retained imports cleared from Customs control, excluding bullion and specie, for the period January-August, 1940, amounted to £4,727,779, an increase of £1,641,463 over the corresponding period of 1939, or 33 per cent. This very large increase reflects, of course, the heavy importations

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made for the military authorities. The Customs and Excise revenue position is very satisfactory, and Kenya's allocation to the end of October, 1940, is approximately £779,000, or £175,000 over the proportionate estimate. A proportion of this surplus, however, it should be remembered, represents duty which has been or will be refunded to the military authorities and canteen institutions.

Figures for the first eight months of the current year show that gold production is not only being maintained but that a slight increase is expected on the full year's working. In view of the reduction in European personnel owing to the number that have joined His Majesty's Forces, and other difficulties inseparable from wartime production, this result is most satisfactory. I need not repeat that the maintenance of our gold production at as high a level as possible is a work of great importance.

The provisional estimates for 1940 envisaged a deficit of £51,000. The present indications are that the working of the year will result in a surplus that is at present estimated at just under £100,000. This result has been achieved in spite of a heavy increase in extraordinary expenditure, which was inevitable on account of the extension of the war to East Africa.

The revised revenue estimates indicate that we are likely to receive £358,000 more than was estimated in this year's budget. For reasons which are explained in the Memorandum to be laid on the table this morning, only about £250,000 of this large increase arises under the revenue heads proper and it is attributable, first, to the additional revenue measures which were enacted last August, and secondly, to a substantial increase in Customs and Excise revenue, the original estimate having been exceeded on revision by about £160,000. The main reasons for the revised estimate of Customs revenue, apart from the surcharges imposed last August, are the increase in the European population of the Colony, with a consequent increase in spending power and the fact that, contrary to expectation, it has been generally possible to obtain adequate supplies of imported goods at reasonable prices.

On the expenditure side, the revised estimates for 1940 show an increase of £211,000 over the original estimate, after making due allowance for savings on departmental votes. Of this amount, £165,000 is on account of extraordinary expenditure consisting, for the most part, of expenditure attributable to the war.

Honourable members will recollect that when I invited their approval to the additional war taxation in August last I stated that its object was twofold: first, to wipe out the estimated deficit on the budget; secondly to provide a surplus of revenue over expenditure the proceeds of which could be presented to the Home Government as a free gift towards the cost of the war. I am sure you will agree with me that it is most satisfactory that by the end of the present year we should be in a position to make a contribution in the neighbourhood of £100,000. Whether or not that sum should be earmarked as a contribution towards local military expenditure is a matter for consideration. The possible objects to which this money could be devoted are—

- (a) A grant to Army funds in respect of road expenditure for military purposes.
- (b) A grant to the Air Ministry towards the cost of the Kenya Auxiliary Air Unit.

Turning to the draft estimates of revenue and expenditure for 1941, I do not propose to refer to them in any detail this morning as they are already in the hands of hon. members. The usual memorandum has been circulated and the figures will be fully explained when the budget is introduced.

Two additional revenue measures are, however, proposed. The first is a new personal tax, which takes the place of the non-native poll tax, and is estimated to bring in an additional £17,500 a year. The amount payable under this tax is based on income, but it is not a graduated poll tax in the old sense of the term, for there are only three categories of taxpayers. The first category, who will pay twenty shillings, are those whose personal income does not exceed £60 a year; the second, those whose personal income exceeds £60 a year but does not exceed £120, will pay forty shillings; the third

[H.E. the Governor] category comprises those whose personal income is £120 or over, and they will pay sixty shillings. I should make it clear that these tax rates include an additional war surcharge: the corresponding standard rates proposed for normal conditions are fifteen shillings, thirty shillings and forty shillings respectively. The measure will be fully explained on the second reading of the Bill, and I would only make two further observations upon it. The first is that a new body of taxpayers, who are not liable under the Non-Native Poll Tax Ordinance, becomes liable for this tax; they are single women, and married women living apart from their husbands, whose personal income is £120 or more. The second is, that the tax is payable by all persons not liable to native hut and poll tax, irrespective of race, the only criterion being ability to pay.

The other new revenue measure is a proposed war surcharge of fifty per cent on all trade licences, with the exception of commercial travellers', commercial agents' and hawkers' licences. This addition is considered to be justified by present trade conditions in the Colony, and in view of the powers of remission in particular cases which are already vested in revenue collectors, any cases of individual hardship can be mitigated.

The revenue estimates have again been framed on conservative lines, and allow under the genuine revenue heads for total receipts of £112,000 less than we now anticipate to receive this year. The Government feels that this policy of caution is fully justified by the uncertainty regarding the general prospects for 1941. Import control has now been in operation for over a year, and is gradually becoming more effective. Apart from the possibility of reduced importations, there are the difficulties in the disposal of our produce to which I have referred and which include the loss of the continental European market. Reduced spending power, resulting in part, as I hope, from increased saving, must be expected, and the Government does not consider that in these circumstances it would be prudent to adopt anything but a conservative view of the revenue prospects for 1941.

On the expenditure side, the estimates provide for the maintenance of existing

services on an economical basis as is compatible with a reasonable degree of efficiency, and for such new services as are necessary on account of the war. These new services have, as far as possible, been shown under one head, War Expenditure, Civil, for which it is necessary to appropriate £127,500.

The result has been that it is just possible for us to present a balanced budget. It may be proved in the event that the Government has been unduly conservative in regard to the revenue estimates; it may equally well be that we shall have to pass considerable supplementary expenditure which cannot be foreseen at present. Should we have the good fortune to realize a surplus it will be devoted to war purposes in the same manner as the surplus we expect this year.

Before leaving the estimates, I am glad to be able to announce that His Majesty's Government has agreed to the allocation of naval expenditure at Mombasa on the lines approved in respect of military expenditure; that is to say, our liabilities are fixed at the provision for recurrent expenditure in the estimates for 1939, plus twenty-five per cent.

The question of expenditure already incurred on the Kenya Auxiliary Air Unit is still under consideration. The Unit has now been disbanded and most of its members absorbed in the Royal Air Force. As this Government was responsible for the formation of the Unit, it was considered equitable that its members should not suffer financially through transfer to the Royal Air Force, and for this reason a sum of £6,000 has been inserted in the estimates to make up the Royal Air Force pay of the individuals concerned to the pay which they were drawing when the Kenya Auxiliary Air Unit was disbanded.

During this session hon. members will be asked to consider twelve new Bills, the most important of which are the War Risks Insurance Bill and the War Loan Bill. It is regretted that it has been impossible to publish the War Risks Insurance Bill at an earlier date, but various bodies and persons conversant with this type of business have had an opportunity of seeing the Bill and criticizing its contents in the course

[H.E. the Governor] of its preparation. It will be necessary now to carry the Bill through all its stages under the Suspension of Standing Orders, since Uganda, who is our partner in the scheme, finds it imperative to pass the Bill immediately in order that her cotton crop may be marketed, to say nothing of the fact that every week's delay means the loss of thousands of pounds to the fund. The Bill in its present form has been drafted in close collaboration with the Uganda authorities, and it is hoped that it will not be necessary to alter the Bill in any material particular in this Council, since it would mean several weeks' delay before the scheme could be brought into operation. The Bill is based upon the English Act and is only varied in order to meet local conditions.

Honourable members will also be invited to consider a Bill enabling a war loan to be issued in East Africa to be re-lent in full to His Majesty's Government in the United Kingdom for war purposes. The prospectus for this issue will be published and subscriptions will be invited on the 17th December. The loan will be East African in character and extent, but it has been agreed that the issue shall be made in Kenya and managed by this Government, the expenses of management being shared by the other Governments concerned. I need not elaborate the merits of such a loan both in the national interest and as a medium for saving and thrift in this Colony. Both standpoints have been stressed by hon. members at previous meetings of Council, and will have, I am sure, their fullest support. The Empire war effort relies very largely on public savings for its success, both to finance war expenditure directly and to reduce the demand on production for non-essential purposes. By reducing their personal expenditure and investing in this loan, individuals here will be making a material contribution to the common effort while effecting, I hope, at the same time a wise provision for their own future needs. I repeat once again that I feel sure Government can rely with confidence on a generous public response to this, our own, East African War Loan. In this connexion, a committee has been appointed to inaugurate and carry through a savings campaign which will be primarily

designed to secure publicity for this loan issue.

Another Bill which is being introduced at the suggestion of the commercial community provides for the alteration in customs tariffs and excise duties by the Governor in Council, with the usual proviso that such alterations shall be laid before Legislative Council within eight weeks of their coming into force. The enactment of this legislation will bring this Colony into line with Tanganyika Territory, where a similar Ordinance has been in force for some years. The disadvantage of the present system in Kenya lies in the fact that the commercial community is necessarily aware of the meetings of Legislative Council some weeks in advance and can usually foresee when further revenue is likely to be raised, with the result that there is much speculation in commercial circles as to the possible new tariffs, which leads in turn to dislocation in business and, on occasions, to loss of revenue in the event of intelligent anticipation.

The Bill to amend the Land and Water Preservation Ordinance requires special mention in that it already appears in the form of Defence Regulations in the laws of the Colony. The reason for this lies in the fact that it was a matter of urgency and it was not thought necessary to summon members of Council to a special session to consider a Bill which was thought by my advisers to be non-contentious. As soon, however, as this Bill becomes law the corresponding Defence Regulations will, of course, be repealed.

There are various other amending Bills which are not of sufficient importance to mention in this Communication, but which will be explained to members of Council in due course on their second reading.

Honourable members, in opening this session of Council, I earnestly trust that, with the blessing of Almighty God, its deliberations may lead towards the promotion of the prosperity and welfare of this Colony and Protectorate.

MINUTES

The minutes of the meeting of 14th August, 1940, were confirmed.

PAPERS LAID

The following papers were laid on the table:—

- By MR. RENNIE (Chief Secretary):
Kenya Police Annual Report, 1939.
Prisons Dept. Annual Report, 1939.
Report on Audit of Accounts, K.U.R. and H., 1939, with Transport Despatch No. 68 of 1940.
2nd Supplementary Estimates, 1939.
1st Supplementary Estimates, 1940.
Estimates of Revenue and Expenditure, 1941, of K.U.R. & H.
Memorandum on proposal to realign and regrade main line between Gilgil and Nakuru.
- By MR. HARRAGIN (Attorney General):
Report of Committee appointed to consider steps to be taken to control grass fires and draft any necessary legislation to give effect thereto.
- By MR. LOCKHART (Financial Secretary):
Draft Estimates of Revenue and Expenditure for 1941 and Memorandum thereon.
S.A.P. 5/1939 and 3/1940.
- By MR. HOSKING (Chief Native Commissioner):
Annual Report on Native Affairs, 1939.
Comparative Table of Revenue and Expenditure of Local Native Councils, 1939.
- By DR. PATERSON (Director of Medical Services):
Medical Department Report for 1938-39.

- By MR. BLUNT (Director of Agriculture):
Agricultural Department Annual Report, 1939.
- By MR. MORTIMER (Commissioner for Lands and Settlement):
Land Grants Return, July-September, 1940.
- By MR. GARDNER (Conservator of Forests):
Forest Dept. Annual Report, 1939.
- By MR. DAUBNEY (Director of Veterinary Services):
Veterinary Department Annual Report, 1939.

BILLS

- On the motion of Mr. Harragin the following Bills were read a first time and notice given to move the subsequent readings later:—
- Employment of Servants (Amendment) Bill,
Local Government (District Councils) (Amendment) Bill,
Shop Hours (Amendment) Bill,
1939 Supplementary Appropriation Bill,
Native Authority (Amendment) Bill,
Native Tribunals (Amendment) Bill,
Widows and Orphans Pensions (Amendment) Bill,
Land and Water Preservation (Amendment) Bill,
Customs and Excise (Provisional Collection) Bill,
Traffic (Amendment) Bill.

ADJOURNMENT

Council adjourned till 10 a.m. on Wednesday, 27th November, 1940.

Wednesday, 27th November, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 27th November, 1940, His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

MINUTES

The minutes of the meeting of 26th November, 1940, were confirmed.

ORAL ANSWERS TO QUESTIONS

No. 19—AIR MAIL RATES IN EAST AFRICA

MR. KASIM (Western Area) asked:—

(a) Has the hon. Postmaster General received a representation from the Mombasa Indian Association in connexion with the raising of the air mail postage rate from 20 cents to Sh. 1/30 per half ounce between Zanzibar and Kenya, Uganda and Tanganyika Territory?

(b) If the reply is in the affirmative, is he aware that such high air mail postage rate hampers business relations with the Zanzibar Protectorate, especially during the war when the maintenance of trade between the adjoining territories as well as the export trade is of the utmost value?

(c) Will the hon. Postmaster General consider reducing air mail postal rates for the Zanzibar Protectorate from Kenya, Uganda and Tanganyika in view of the very short distance and in the interest of the export trade?

MR. HEBDEN (Postmaster General):
(a) The answer is in the affirmative.

(b) Although the importance of rapid communications in relation to trade has not been overlooked, it must be the policy of my joint department to maintain uniform postage rates, whether for air or surface correspondence, within the three recognized postal spheres, viz:—

- (i) Inland.
- (ii) Empire, which includes Zanzibar.
- (iii) Foreign.

(c) It is regretted that the answer must be in the negative, as if an exception is made for Zanzibar it would be impossible

to resist similar requests from sectional interests for the introduction of reduced postage rates based on radial distances to other Empire countries.

No. 24—CONSCIENTIOUS OBJECTORS

MR. NICOL (Mombasa) asked:—

1. Will Government inform Council of the number of conscientious objectors in Kenya and what percentage of the European population they make up?

2. Have Government taken steps to see that conscientious objectors in Kenya of military age are put into some non-combatant unit?

MR. HARRAGIN: 1. There are at present sixteen persons in the Colony who have been granted exemption from combatant military service on conscientious grounds, representing approximately one-quarter of one per cent of the man power available for military service.

2. Of these, two are employed in work of national importance, one is medically unfit, five are serving in a military capacity, and eight are lay missionaries who have been exempted from all forms of compulsory service in accordance with the procedure adopted in the United Kingdom.

No. 25—ENEMY ALIEN WIVES

MR. NICOL asked:—

(a) Will Government inform Council the number of officials who are married to German or Italian wives?

(b) Will Government inform Council if they will take steps to intern such wives or alternatively have such officials removed?

MR. RENNIE: (a) From the Information at the disposal of Government, the number is four.

(b) The answer is in the negative. As the hon. member is aware, the question of the internment or restrictions on the movements of suspected persons is under the constant review of the Commissioner of Police and a committee which has been appointed to advise him.

No. 30—LABOUR COMMITTEES**MR. COOKE (Coast) asked:—**

Will Government state—

(a) The authority by which the non-native and native Labour Committees were set up?

(b) Why the appointment of these committees was not formally gazetted and the personnel stated?

(c) To whom these committees report—to His Excellency the Governor or to Legislative Council?

(d) The amount of money spent to date—the approximate sum will suffice—in respect of the sittings of the committees and to what vote these moneys are chargeable?

(e) By what authority the expenditure, if any, was incurred?

(f) The precedent, if any, for such committees and such expenditure, if any?

(g) Whether the full findings of these committees will be made public?

MR. RENNIE: (a) His Excellency the Governor.

(b) The notification in the Official Gazette of the appointment of such committees is not a necessary formality.

(c) His Excellency the Governor.

(d) A sum of £71 had been expended up to 2nd November. Costs are charged to Head 23, Item 6, in the current Estimates.

(e) Provision is made annually in the Colony's Estimates for the expenses of any committees which may be appointed.

(f) The appointment of such committees and the charging of the necessary expenditure incurred by them to the above vote are normal practices in Colonial Dependencies.

(g) The report of the Committee on Native Labour has been published in the Press and copies have been circulated to members of the Legislative Council. The Committee on Non-Native Labour recently submitted its final report and a communique embodying the substance of the recommendations has been published in the Press.

No. 31—CUSTOMS COMMISSION REPORT**MR. COOKE asked:—**

Will Government state whether they intend to make public the report in full

of the Customs Inquiry Committee and, if not, will they state the full reason why this valuable report is being withheld from the public?

MR. RENNIE: As the hon. member is aware, the conclusions of the Committee have already been published and laid on the table. The hon. member will also be aware that the report containing these recommendations is a lengthy document. It is not intended to publish the report at present for the reason that it is not considered to be in the public interest to do so, but a sub-committee of the Executive Council has been appointed to consider the recommendations of the report and will also consider the possibility of publishing suitable extracts from it.**No. 33—OFFICERS' LEAVE****MR. COOKE asked:—**

In view of the possibility of the prolongation of hostilities, what arrangements are Government making for the sending on leave of those officers who have already done long tours?

If the question of the extra expense to those officers arises through the necessity of spending their leave in one of the Colonies or Dominions, will Government consider the expediency of granting special allowances to cover that extra expense, having regard to the fact that in many cases these allowances might more than balance any loss that otherwise might be sustained by Government through the impairment of the health or efficiency of officers called upon to undergo prolonged tours?

MR. RENNIE: The Government is alive to the leave difficulties that may arise if the war is prolonged, and has the problem under active consideration. Leave is granted at present on medical grounds and in special cases.

The second part of the question does not arise at present.

No. 34—DEFERRED ARMY PAY**MR. COOKE asked:—**

Will Government consider the expediency of advising the Imperial Government to adopt the system of deferred pay in respect of European officers and men serving in Kenya detachments in the present campaign?

MR. LOCKHART: The question of the introduction of a system of deferred pay in respect of European officers and men serving in Kenya detachments in the present campaign has been discussed by this Government with the military authorities and is now under consideration by the War Office.**SCHEDULES OF ADDITIONAL PROVISION****No. 5 OF 1939 AND No. 3 OF 1940****MR. LOCKHART:** Your Excellency, I beg to move that Schedules of Additional Provision No. 5 of 1939 and No. 3 of 1940 be referred to the Standing Finance Committee.

No. 5 of 1939 is the Schedule for winding up the accounts of the year. All the additional expenditure is covered by revenue as the accounts in 1939 balance. No. 3 of 1940 sets out on the front page a summary of the position.

MR. HARRAGIN seconded.**MR. KASIM:** Your Excellency, in Schedule of Additional Provision No. 3 of 1940, item 131, an additional sum of £697 is required for the Kenya and Uganda trunk telephone line extension. Can the hon. Postmaster General inform Council when telephonic communication between Kenya and Uganda will be opened to the public?**MR. HEBDEN:** It is hoped that the telephone line between Kenya and Uganda will be opened early in the new year.

The question was put and carried.

AGRICULTURAL ADVANCES WAIVED**MR. LOCKHART:** Your Excellency, I beg to move that this Council approves of recovery being waived in respect of a sum of £7,199-17-33 advanced under the provisions of the Agricultural Advances Ordinance, 1930.

Hon. members will, I think, be familiar with the history of this Ordinance and the present position under it. We did write off the accounts of the territory the total of outstanding balances, but it was agreed that for any bad debts which had to be waived Government would seek the

approval of Council. The scheme is still continuing and recoveries are made from time to time. The position is that at the beginning of the last accounting period ended September, 1939, the outstanding balance was £65,636, which was reduced to £60,834 at the end of the period. This was an improvement of £4,802, and the scheme has now got a cash balance in hand to the extent of £8,600. An analysis of the outstanding amount is: accounts which the Land Bank expect to collect in full amount to £5,895; those in which it is anticipated that there will be a total or partial write-off, £47,739; and the debts which the bank is satisfied are irrecoverable amount to £7,200, which is the figure which forms the subject of this motion.

MR. HARRAGIN seconded.

The question was put and carried.

K.U.R. & H. LOAN TO LAND BANK**MR. LOCKHART:** Your Excellency, I beg to move that this Council approves, pending the raising of loan funds, the borrowing of a sum not exceeding £80,000 from the Kenya and Uganda Railways and Harbours Administration and the re-lending to the Land and Agricultural Bank of Kenya of the money so borrowed.

The position is that loans which have been raised as a part of the Colony's loan provision for re-lending to the Land Bank have been exhausted and it is necessary for the bank to obtain further capital funds. The Colony does not propose during the war to issue a colonial loan and in seeking an alternative we have made an arrangement with the Railway Administration to borrow up to £80,000, which should supply the Bank's needs for some time to come. The rate of interest proposed is 3 per cent.

MR. HARRAGIN seconded.**LORD FRANCIS SCOTT (Rift Valley):** Sir, I should like to rise in support of this motion, as I think it is a very good principle that the surplus funds of the Railway should be invested in the Colony itself.

The question was put and carried.

COFFEE CONTROL: OVERDRAFT GUARANTEE

MR. LOCKHART: Your Excellency, I beg to move that a sum not exceeding £60,000 be made available from the revenue of the Colony to guarantee a maximum overdraft to the Kenya Coffee Control of £20,000 each with the National Bank of India Ltd., the Standard Bank of South Africa Ltd., and Barclays Bank (Dominion, Colonial and Overseas).

Hon. members will be aware that a scheme of coffee control has been instituted and the Control pays planters advances in respect of coffee delivered. The initial advance has been fixed by the Control at half of the estimated provisional sale proceeds. As the crop comes in larger quantities, these advances for the time being are expected to exceed the first sale proceeds received from the sale of the crop, and it was necessary therefore to find the finance to make advances against later deliveries. It is proposed to do that by guaranteeing bank overdrafts.

The reference in the motion to revenue merely indicates that should the worst happen and it is necessary to increase the overdraft, then that will fall against internal revenue. But the Government has, of course, the security of the coffee itself and the risk involved can fairly be regarded as negligible. It was decided to spread the business over the three banks because they are in the ordinary course of events interested in coffee financially, and it was thought reasonable to give them an equal share of the business. The interest rate would amount to 1 per cent above bank rate, which is at present 2 per cent. As I stated, the security is there in the form of the coffee itself, and I think the necessity of this finance to assist the planters in the sale of their coffee will be appreciated by all hon. members.

MR. HARRAGIN seconded.

The question was put and carried.

PENSION: MR. R. PATEL

MR. LOCKHART: Your Excellency, I beg to move that this Council approves the payment of a reduced pension at the rate of £12-3-8 a year with effect from

13th February, 1941; inclusive; and a gratuity of £40-12-6 to Mr. R. Patel, in respect of his temporary services in the military establishment from the 1st May, 1916, to 7th April, 1919, both days inclusive.

We have had a series of motions of this character covering these cases which arise when those concerned become due to retire. The necessity arises because those pensions come under the Superannuation Acts which were superseded in 1932 by the Non-European Officers' Pensions Ordinance. Nevertheless, the people concerned are entitled to pensions under the Superannuation Act, and therefore it is necessary to obtain the specific approval of Council in each case.

MR. HARRAGIN seconded.

The question was put and carried.

ENTERTAINMENT TAX ORDINANCE, 1931

MR. LOCKHART: Your Excellency, I beg to move that the Entertainment Tax Ordinance, 1931, shall remain in force until the 31st December, 1941.

This is one, and the only one, of our taxes which require to be re-voted annually. Hon. members will I think agree if the time ever comes to cease imposing this tax it is certainly not this year.

MR. HARRAGIN seconded.

The question was put and carried.

EMPLOYMENT OF SERVANTS (AMENDMENT) BILL**SECOND READING**

MR. HARRAGIN: Your Excellency, I beg to move that the Employment of Servants (Amendment) Bill be read a second time.

This Bill is being introduced at the request of the Arab community at the coast. It has been under the consideration of Government for a very long time. There are, of course, advantages in being excluded from the principal Ordinance, but there are also disadvantages, and Government has taken the greatest care to see that the disadvantages of exclusion have been carefully explained to the Arabs at the coast, and all to whom the question has been referred have replied

[Mr. Harragin] that they prefer to be excluded in spite of the disadvantages. This Bill merely excludes the Arab community from the purview of the principal Ordinance.

MR. BROWN (Solicitor General) seconded.

The question was put and carried.

LOCAL GOVERNMENT (DISTRICT COUNCILS) (AMENDMENT) BILL**SECOND READING**

MR. MORTIMER: Your Excellency, I beg to move that the Local Government (District Councils) (Amendment) Bill be read a second time.

This Bill is designed to give effect to a few small improvements in local government machinery.

Clause 2 deals with the Governor's power of nomination to fill vacancies on district councils. As the law stands at present, when a vacancy occurs on a district council and no candidate stands for election for filling the vacancy, Your Excellency has power under the Filling of Vacancies Rules, 1929, to fill it by nomination. Although the power given in the rules is optional, yet in effect a district council would be improperly constituted unless the Governor did fill the vacancy. Occasions might arise, not only during the war, but in peace time, when, for exceptional reasons, it is not desired to fill a vacancy at any particular moment. This amendment will give Your Excellency the option of nominating to fill the vacancy or leaving the vacancy unfilled without affecting the legal constitution of the district council.

Clause 3 deals with vacancies arising out of the default of members in their failure to attend three consecutive meetings of a district council. As the law stands at present, not until the fourth meeting can the vacancy be declared by the chairman. This means in the case of councils which meet only once in three months that a whole year elapses leaving a ward without any representation on the council. It is now proposed to give the chairman of a council power to declare a vacancy at the end of the third meeting instead of at the beginning of the fourth meeting, thus reducing the time in which the ward is without representation by one quarter.

Clause 4 and clause 5 (a) provide for a district council establishing and maintaining pounds and charging fees for the use of such pounds. This power is already possessed by municipal councils and boards.

Clause 5 (b) provides for what it is hoped will be a very valuable malaria prevention measure. It has been found that one of the most prolific sources of mosquito breeding is in used and disused quarries in and near municipalities and townships. Municipal councils and boards already have power to pass by-laws to prohibit, regulate or restrict quarrying within their areas. These powers it is proposed to use, and Nairobi Municipal Council in particular now contemplates passing by-laws which will give it greater powers than it has hitherto possessed for regulating quarrying. But one of the difficulties that has been found to exist is that many quarries are outside municipal boundaries, and if effective control is to be obtained it can only be by giving to some authority power to control those quarries outside municipal boundaries. The Health Ordinance and the Malaria Prevention Ordinance have been found not to give adequate powers, and it is therefore proposed to give district councils powers to pass by-laws regulating and restricting quarrying within their areas.

Clause 6 provides for the legal charging of fees for the services of the Local Government Inspector. It has been the custom since 1932 to charge district councils fees on the same lines as fees charged to municipal councils for the services of the Inspector, and this agreement has been honoured by all concerned. It is desired now, however, to take the opportunity of putting that charge on a legal footing and to provide in the Ordinance for a statutory charge. Hon. members will note that the charge has a maximum limit of one per cent of the gross revenue of a council. The charge hitherto made, and there is no intention of altering it, has been half of one per cent.

All these amendments have either been asked for or have not been objected to by district councils who will be affected thereby.

MR. HARRAGIN seconded.

The question was put and carried.

SHOP HOURS (AMENDMENT) BILL SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Shop Hours (Amendment) Bill be read a second time.

This Bill is being introduced at the request of various public bodies, including Nairobi Chamber of Commerce and Nairobi Municipality.

The first amendment of any importance is to be found in the definition section, of the words "shop assistant", who is defined as "any person wholly or principally employed in a shop in connexion with the serving of customers or the receipt of orders or the despatch of goods". Under the law as it stands at present, a shop assistant is defined more widely, with the result that people like accountants and others engaged in that type of work in a shop are unable to remain in the shop after closing hours because they have to keep the hours laid down in the principal Ordinance for shop assistants. It is alleged that this causes great inconvenience in the work of these people, as it really begins after the real shop assistants have left the shop for the day. The amendment now under consideration means that the term "shop assistants" shall be confined to persons in a shop who actually serve the customers.

I will be frank with Council and tell hon. members that although this amendment may be very desirable to the commercial community it makes it extremely simple to evade the law. Hon. members will realize the position of a policeman going along to a shop and finding perhaps half a dozen people working in the shop, not actually serving, and whereas to-day the policeman would be able to immediately charge the employer with employing his assistants after permitted hours, now he will be told, "This is the cashier, or the accountant who makes up the books," and it will be extremely difficult to obtain a conviction. Nevertheless, Government feels that as the commercial community have asked for it, and although this difficulty was apparent on the face of the definition, they are entitled to have it, and the amendment is made as you see it in the Bill.

The other amendments deal with the question of the long week-end. At present,

for the purpose of stocktaking and provided certain things are done—such as notifying the police—it is possible for the owner of a shop to detain his employees for a long week-end for the purpose of stocktaking. The commercial community point out that employees have a real grievance and that stocktaking can be done in different ways which will not be so onerous to those employees. The way now laid down in the amendment—again subject to notification to the proper quarter—is that shop assistants may be called upon to do an extra eight hours for the purpose of stocktaking in a particular week, provided they do not have to work longer than sixty hours, and they may also be kept working on a Saturday afternoon and Sunday, but in no case will they be allowed to work during what is called a long week-end.

In clause 5 is proposed an addition to section 18 under which, in spite of the shop being closed, the shop assistant will be permitted to enter the shop to procure spare parts necessary for machinery which has broken down, whereas at the present time a business might be unfortunate enough to be out of action for perhaps forty-eight hours because a shop could not be opened. Clause 6 excludes from certain sections of the Ordinance sellers of motor fuels. For reasons that are obvious, hon. members will appreciate that petrol and oils are necessary even on a bank holiday.

MR. BROWN seconded.

MR. ISHER DASS: Your Excellency, I rise to oppose this Bill.

In the "Objects and Reasons" it is stated, "This Bill has been drafted to give effect to recommendations made by the Nairobi Chamber of Commerce, the East African Traders' Association and the Nairobi Municipal Council." I respectfully submit that so far as Nairobi Chamber of Commerce is concerned, it does represent the commercial community but not the shop assistants in any sense at all. So far as the Traders' Association is concerned, out of the number of shops in Nairobi there are only forty or fifty owners who are members, and they are the large firms in Government Road and the Bazaar area. They have all along opposed the introduction of the Shop Hours

[Mr. Isher Dass] Ordinance by representations and memorials to Government. As far as the Municipality is concerned, it can hardly be said that they represent the shop assistants.

On this Council there are five representatives of the Indian community, and we are unanimous in that we strongly oppose this Bill on two counts. One is that up to this time the principal Ordinance has been enacted to safeguard the interests of the shop assistants only. Now, if the definition of a shop assistant is changed, it will exclude all except those who are working behind the counters. It will exclude *karanis*, clerks, typists, accountants, or accounts clerks, all except those who serve behind the counters. I think it can easily be verified that in the big shops in the Bazaar or Government Road hardly one or two serve on the counters. As the hon. and learned Attorney General has suggested, it will be impossible for the police to take any prosecution against any firm if they find half a dozen people working in a shop after hours, because they will be called clerks, typists, *karanis*, and so on.

This definition of shop assistants does not meet with the approval of shop assistants as a whole, although it does of the big commercial community in Nairobi and elsewhere.

The second count on which we oppose this Bill is contained in clause 4. Up to this time the practice has been that shops, including those of Indians, have closed on certain public holidays, such as Christmas, Boxing Day, Good Friday and Easter Monday; the Indians have closed in the afternoons but not in the mornings. Under this clause, if you make it compulsory for all shops to be closed on Sundays and public holidays, why not have holidays observed by the Indian community, so that European firms shall be obliged to close their shops on those days and the Indian firms close their shops on their festivals? These are New Year's Day in November, the Diwali, and the two Ids which are celebrated by Mohammedans and Arabs and other communities. Those are the holidays on which every Indian shop is closed, and if the Indian community is compelled by this legislation to close the Indian shops on days which only concern the Christian community there

is no reason why the European shops should not close on the four days which do not concern them directly but which are days observed by other communities, so that the position remains equal and neither can grumble that one loses while the other gains.

Those are the two grounds of our objection to the Bill.

Someone may accuse me of bringing this issue on a religious basis, but I have no time for any religion; it is the feeling of the people I represent. Until I can persuade everyone not to believe in any religion I have to represent their views. I think the hon. and learned Attorney General would do well, if the Bill cannot be referred to a select committee, to defer it to some other day, so that he will be in a position to receive memoranda from the different bodies who have given me their assurance that they wish to present a case, such as the Indian Association of Nairobi and other bodies.

MR. HARRAGIN: Your Excellency, I can only express surprise that a Bill which has been before the public in one form or another for so long has escaped the notice of the Indian community which the hon. member has referred to, and that they have been unable for once to express themselves in words by sending in any objection or representation against the Bill. This is one of the few Bills which have come before this Council recently which has received apparently not only the support of Nairobi Chamber of Commerce, the East African Traders' Association, and Nairobi Municipality, but also of Nakuru Municipal Board, so that it would appear that even people outside Nairobi have been taking an interest in this matter. In every case they have asked for the provisions now before Council.

The hon. member made two points. His first point was that the Bill was not in the interests of the shop assistants because they are now to be defined as only those who serve the public and will exclude cashiers and others of that ilk. Of course, the answer is obvious, that the remedy lies in their own hands. When I pointed out to Council the difficulty of the police, I naturally presupposed collusion between employer and employee in that they would say, "No, we are not shop assistants; we

[Mr. Harragin]

don't serve behind the counter, we merely do the books," or whatever it might be. In the case pointed out by the hon. member, if they are in fact persons who serve behind the counter they have only got to inform the police and promptly a case can be brought, and the magistrate will be in a position to convict the employer.

The other point made by the hon. member is that he seems to object that there are not more public holidays than those already mentioned in the appropriate Ordinance. Well, that is a question for consideration at another time and in another place. Nowhere in this or the principal Ordinance do we find the definition of a public holiday, nor do we set out *seriatim* what shall be public holidays. If the hon. member can persuade Government to introduce the other public holidays to which he referred I have no doubt that those whom he represents will be duly grateful. But how he can take exception to this Bill as it stands I do not know, when it merely makes it clear that the persons he says he represents, namely the shop assistants, will not under any circumstances be permitted to work on what we now call public holidays; whether these should be Hindu festivals or whatever he is referring to is quite beside the point.

As far as the Bill goes, we are merely saying that where a public holiday has been declared no shop assistant shall be employed on that day, and for that I would have thought that the persons he represents would have been extremely grateful to Government in protecting them from their employers.

The question was put and carried.

1939 SUPPLEMENTARY APPROPRIATION BILL

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move that the 1939 Supplementary Appropriation Bill be read a second time. This is required to give approval to expenditure in excess of that provided for in the Appropriation Ordinance for 1939. This expenditure has all been covered by revenue, and the accounts for 1939 have been balanced.

MR. HARRAGIN seconded.

The question was put and carried.

NATIVE AUTHORITY (AMENDMENT) BILL

SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Native Authority (Amendment) Bill be read a second time.

This Bill legalizes what I am told is the existing practice on the coast in that it seeks to associate the liwalis and mudirs more closely with the Administration. I personally am not familiar with the work of the liwalis and mudirs, but if any information is required on that we are fortunate in having on the Council the Provincial Commissioner of the Coast Province, who will be able to explain the position.

In short, the Bill makes it possible for liwalis and mudirs under the particular sections which are mentioned to take the place of district officers, and I am informed that this will have the effect of expediting matters in the districts and relieving the overworked district officers of a certain amount of work which they have to do at the moment. It does not mean that each and every one of the liwalis and mudirs will be given these powers, because in the last clause of the Bill you will find that only certain of them, chosen by the Provincial Commissioner of the Coast, will be permitted to exercise the powers given under this Bill.

MR. BROWN seconded.

MR. MONTGOMERY (Native Interests): I only rise to support the motion. After a long experience of the coast, I know that these Arab officers have been useful and can still be useful, and, as the hon. and learned mover says, this Bill legalizes what has been going on for quite a number of years.

MR. COOKE: Your Excellency, I do not often find myself in agreement with Government members on the other side. Therefore it is an added pleasure to-day to say that from experience I have had on the coast I should like to express agreement with the Bill. A few years ago in this country a few reactionary people rather wanted to do away with Arab officials, but fortunately wiser counsels prevailed because, of course, they know far more about the coast natives than we can hope to.

[Mr. Cooke]

I do not know who is responsible for this Bill, but I imagine the hon. Provincial Commissioner for the Coast Province is, who has done so much to raise the status of the Arabs on the coast, and I should like to congratulate him on the Bill at last being brought in.

As one who was an official on the coast, I should like to pay my own tribute to the efficiency and honesty and devotion to duty of the liwalis and mudirs for the last fifty years. In fact, I think they are probably the brightest feature of the coast administration, or one of the brightest features. (Laughter.) It would be a good thing if we could recognize the good work done by these people, who have a position to keep up and now are being given added responsibilities, but whose pay is not very high. If my hon. friend the Financial Secretary (who seems to be interested) could see his way, perhaps, to assenting to a slight rise in their salaries, that would be much appreciated.

The question was put and carried.

NATIVE TRIBUNALS (AMENDMENT) BILL

SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Native Tribunals (Amendment) Bill be read a second time.

This measure follows on the one which has just passed its second reading, and gives to the liwalis and mudirs the right to hear appeals from the native courts within the area of their jurisdiction. Again, not every liwali and mudir will be permitted to hear these appeals but only those selected by the hon. Provincial Commissioner for the Coast. As hon. members are aware, a further appeal lies of course to the district commissioner and then to the provincial commissioner, but in view of the fact that the liwalis are alleged—and I have no doubt they do—to know a great deal more about the customs of natives on the coast than anybody else, it would appear to be a wise provision to give them at least one opportunity of reviewing cases on appeal from native tribunals.

The only other amendment I should like to refer hon. members to is in clause 3, where the opportunity has been taken, as this is an amending Bill, to permit native tribunals to award costs and compensation in cases where it is considered

necessary. As the law stands at present, for some unknown reason, when the tribunals were first appointed no provision was made in the Ordinance with regard to costs and compensation. The provision now made follows similar provision in other courts Ordinances, and gives tribunals power to award costs and compensation in the cases therein set out, which is in common form.

MR. BROWN seconded.

The question was put and carried.

WIDOWS AND ORPHANS PENSIONS (AMENDMENT) BILL

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move the second reading of the Widows and Orphans Pensions (Amendment) Bill.

The necessity for this Ordinance arises by the creation by the Railway Administration of a new superannuation fund, which includes among other things provision for the widows and orphans of deceased members. Therefore it is desirable to exclude from the East African Widows and Orphans Pensions Fund scheme the new entrants to the Railway Superannuation Fund and also remove from the necessity of continuing paying contributions those members of the Superannuation Fund who subscribe to the present fund.

MR. HARRAGIN seconded.

The question was put and carried.

LAND AND WATER PRESERVATION (AMENDMENT) BILL

SECOND READING

MR. BLUNT: Your Excellency, I beg to move the second reading of the Land and Water Preservation (Amendment) Bill.

It will be recalled that the previous Land and Water Preservation Bill, as put before Council in April last, was altered very considerably in select committee, and as a result of the short time available full consideration of all the implications of the alterations then made was not possible. It was found in practice that certain parts of the Ordinance needed a good deal of clarification, and that the financial regulations then inserted were not quite complete. Amendments called for were made under the Defence Regulations, and

[Mr. Blunt]

the present Bill now before Council is intended to replace those Regulations.

The second clause of the Bill provides for two additional definitions: that of a bank, since the Land Bank is now brought into the picture; and the definition of a catchment area, which is of great importance in dealing with matters of land conservation.

Clause 3 deals with the rule-making powers of the Governor in Council, and although it does not alter or add in any important respect to the rule-making powers under the original Ordinance, it does clarify and set out in a more orderly manner the rule-making powers.

Clause 4 is possibly the most important clause of the Bill. Hon. members will recall that in the original draft Bill no provision was made for advances to enable owners or occupiers of land to carry out the orders made under the terms of the rules under this Bill if they had no resources of their own. Such provision was inserted in select committee and it took the form of empowering the Governor in Council to make regulations for certain purposes as specified. On further consideration on the exact means whereby such advances should be made, it was clear that certain points which might be of importance had not been fully covered. Clause 4 now provides that advances shall be made and funds provided by this Council, and provides also for the fixing of the rate of interest and the period over which repayment should be made.

Clause 4b is a particularly important clause. It provides that where advances are made these advances shall be a charge on the land on which the money is advanced and that they shall take priority over any other charge or mortgage on that land. At first sight it may appear to place the holder of any prior charge on that land at a considerable disadvantage, but I feel sure that Council will agree that this is not really the case and it is only right that the preservation of the land should be the first charge against that land. Any orders that may be issued under the rules under the Ordinance will be given for the sole purpose of preventing that land from deteriorating. They will ensure that the lands to which they apply will have a greater value after a lapse of

time than they would have had had orders not been applied. In consequence the holder of the prior charge will find that the estates will have improved and therefore will form a better security than would have been the case otherwise.

This is no mere theory, because only recently a case was brought to my notice in which a man had advanced a considerable sum of money on what was, some years ago, very valuable property. He came to me to say that this property had now deteriorated to such an extent due to soil erosion over a period of years that it was incapable of producing crops which would meet the mortgage charges on it. On going into the case, I found that it was perfectly correct, and that the estate had deteriorated to such an extent owing to soil erosion that it could not meet these charges, and I suggest that if that kind of thing can happen it is only right that anything which will prevent such deterioration should be a first charge against the land.

Clause 4c provides for the registration of advances without any charge.

Clause 4d gives power to make regulations, and these powers again are the same as those appearing in the original Bill, with one condition—providing for the appointment of advisory boards to make recommendations in regard to applications for advances. Clause 4e is merely a re-draft of the corresponding section of the principal Ordinance.

MR. HARRAGIN seconded.

MR. COOKE: Your Excellency, when this Bill came up a few months ago I ventured to describe it as a feeble and emaculated document, and it rather seems to me that my words have proved correct because, after a very few months, it has come up again. Of course, it is said that it is in need of clarification, but personally I cannot see any need for clarification—why was not that done in select committee? I wonder what the feelings of the late Solicitor General—now nursing among the clove trees at Zanzibar—will be when he learns that this Bill, this marvellous creation of his, has had to be re-created after a very few months! Of course, the real reason for this Bill is not to clarify but, if I may mix my metaphor, to put up a smoke

[Mr. Cooke]

screen since the Government has issued an illegal order under the Emergency Powers Act and now want to put this right in that respect.

Of course, the legality of any action taken under that order is liable to be contested before a magistrate. And in any case I would like the hon. and learned Attorney General to tell me how he can justify the issuing of that order under the Emergency Powers Act when we were under the impression that the Orders issued under the Emergency Powers Order in Council must be those immediately or in some way concerning the war. I do not see how he can possibly say that this Bill, which takes away powers granted under the original Ordinance, has anything to do with the war whatever. It is all really eye-wash. And to my mind the hon. Attorney General has had a tremendous burden taken off his shoulders and placed on those of the Director of Agriculture.

As I have said before, and I say so still, what we really need is a comprehensive Ordinance rather on the lines of the Water Ordinance, so that people could know exactly what they had got to do and what they had not got to do. I think that there should be established a board such as the Water Board, which would have the management of soil conditions in this country, composed of a number of gentlemen who would not be afraid of criticism and the responsibility should be borne by them rather than by our hon. friend.

We have been told—during the reading of this Bill several months ago—that the presence of officers might be resented and in that case you cannot expect officers to inspect European farms when they are open to attacks from farmers who resent their presence. I do suggest, therefore, that we should put the working of this Bill under a Land Preservation Board similar to the Water Board.

MR. HARRAGIN: Your Excellency, the hon. Member for the Coast at the beginning of his speech appeared to abrogate to himself a great deal of legal knowledge, and had the audacity to tell this Council quite erroneously that the Defence Regulations were illegal.

MR. COOKE: Your Excellency, on a point of order, I of course did not say that the Defence Regulations were illegal. I said that this particular regulation was illegal.

MR. HARRAGIN: The Defence Regulations dealing with this question now before Council were illegal—and he has just repeated it. It would be very interesting to know on what grounds he would endeavour to convince any court that that was so. I can assure this Council that they are not in any way illegal. Provisions are made under the Emergency Powers Act to make these regulations, and there is nothing that restricts these regulations to matters only affecting the war effort provided they are essential to the life of the community. The only restriction is that they shall not amend an Ordinance passed after the 27th of May, 1940, in which case it will be necessary to bring in the usual amending Ordinance before this Council.

As I was responsible for advising you, Sir, that you should issue the regulations and at the same time and in the same Gazette as the draft Bill, I should explain that this was in order that everyone would realize that they would in fact have the opportunity of criticising what in effect was in the first instance a war regulation. I should explain that it was done merely in order that the hon. Director of Agriculture could do what the Council wanted to be done, namely, get on with the job (hear, hear), and that in order that people like the hon. member who has just sat down would have the opportunity of criticising this regulation I advised you to issue it at the same time as the Bill in order to avoid unnecessary correspondence in the local papers.

The only reason really why this amendment has been necessary—and it is an amendment which could not wait a considerable time—is to be found in the rule-making powers under Clause 4. There, if you will look at sub-section (2) (e) you will see that the Governor in Council may make regulations providing for—

“the manner in which advances may be secured whether by way of a first charge having priority over all encumbrances or otherwise.”

[Mr. Harragin]

Now, this Council-intended by that just exactly what is done in the present Bill. But in fact, on the wording it might well be that Your Excellency in Council was only given power to direct the Land Bank as to whether they should lend only on charges or not. Now, in interpreting an Ordinance of this description, where you override legal rights as you know the courts are very loath to interpret anything except in favour of the man holding the original right.

It was necessary in very specific language to lay down the fact that the rights of the first mortgagee and the first charges were being taken away when advances are made under this Ordinance for the reasons given by the hon. mover. As that had to be done we took the opportunity of clarifying section 3 which, strictly speaking, is not in a very good drafting form. If you just glance at the present section you will see that the Governor in Council may make rules for "any of the following purposes", one of which was "constructing contour banks and terraces." Well, that was not the intention of the rules and you will find on the opposite side of the page a clearer reading on the subject.

There is also another important amendment, and that is in the definition of catchment area which occurs in section 2, and which means an area declared by the Director by a notice in the Gazette. I was told that from the point of view of practical working it was absolutely necessary to give the Director that power and that was why it was inserted. I can assure hon. members that the only reason that this amendment is necessary and has come before you is with regard to the question of priority, making it perfectly clear that an advance under this Ordinance takes priority over all other charges.

DR. WILSON (Native Interests): Your Excellency, there is only this one point I wish to refer to. It is the definition of a catchment area. It is now entirely for the Director of Agriculture to say what is a catchment area, and presumably he becomes a law unto himself. What interests me is, what proportion of a native reserve, for instance, might

be included in the definition of a catchment area? I do not know whether by this it is intended to include only the head waters of small streams or the banks of streams or the banks of all the rivers. This might be a very serious matter, as cultivation may be prohibited in a catchment area. It seems to me that there is the possibility of a dictatorial Director of Agriculture including a considerable proportion of the native reserves as a catchment area.

MR. BLUNT: Your Excellency, in reply to the last hon. member who suggested that a catchment area, particularly in a native reserve, might be taken to include very wide areas, if he will consider the rules that have already been made under the existing Ordinance he will find that in these rules the question of stream banks is dealt with by a special rule stating the width on either side of the stream that is required to be kept under vegetation for the purpose of protecting the stream. I think that will indicate to him that a catchment area will be used only for the important headwaters of such streams.

The question was put and carried.

CUSTOMS AND EXCISE DUTIES (PROVISIONAL COLLECTION) BILL

SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Customs and Excise Duties (Provisional Collection) Bill be read a second time.

This has been under consideration by Government for several years, but it has now come particularly to the notice of Government as a result of representations from the commercial interests in this country and also of representations from the hon. European elected members. The Bill in effect does exactly what is done in many other territories, more particularly in Tanganyika Territory, our nearest neighbours, in providing that the Governor in Council may impose customs and excise duties.

I will not repeat, Sir, what you have already explained in your Communication from the Chair with regard to the reasons for the Bill, namely, that it is to

[Mr. Harragin]

avoid intelligent anticipation by the commercial public, but I will merely say that, if this Bill is passed, customs and excise duties amendments can be made by order of the Governor in Executive Council, and that such order will be put into the form of a Bill and submitted to this Council within eight weeks of the order coming into force; the order will become null and void if the Bill is not put before Council within at least ten weeks, or if the Bill which embodies the order is rejected by this Council or adjourned *sine die* and, of course, it becomes null and void when the Bill comes into force.

I may say on behalf of Government that we welcome the suggestion coming from the commercial community and are only too happy to put it into practice.

MR. NICOL: Your Excellency, it gives me very great pleasure to second the motion, more especially because I think I am correct in saying that I originated this suggestion some years ago in the Association of Chambers of Commerce of Eastern Africa.

As the hon. and learned mover has said, the commercial community has been very anxious to eliminate as far as possible the speculative effect of intelligent anticipation of changes in the customs tariff, not only from the point of view of revenue protection but because numbers of traders have, by clearing goods in anticipation, found themselves subsequently in financial difficulties which has caused loss to other merchants.

I should like to take the opportunity, on behalf of the commercial community, of expressing our thanks to the elected members for waiving their previous objections to the proposals now before us and thus enabling the measure to become effective and so meeting the request of commerce.

MR. COOKE: Your Excellency, I am sorry that I find myself in disagreement with my colleague, but I rise to oppose this Bill for two reasons. The first reason is—it is rather an obsession with me, I know—because it seeks to take away from the authority of the Council, and the second is that in any case it cannot accomplish what it proposes to accomplish.

In the first place, I note that any order made must come before this Council in eight weeks, but what possible effect can that have? Is it possible that Government which has made the order will consent to that order being amended or changed? I therefore contend that such retrospective legislation as this is quite useless, as there will not be any security whatever that any order made will really come before this Council to be fairly and accurately judged, especially when four members on this side of Council are really members of Government.

I do not want to go into any theory, but we know that most of the severe battles in English constitutional history have raged around the House of Commons' right to initiate taxation and to control money, but here we have people in this country proposing to put this matter to the test. Well, I don't know what the feelings are of this Council, but I feel the feelings in the country are that they will not tolerate any kind of dictatorship, autocracy, or oligarchy, because that is what this Bill seems to aim at.

I oppose it, too, because I do not think it will accomplish the purpose it sets out to. After all, why should we wish to do away with intelligent anticipation? On the stock markets people who indulge in intelligent anticipation buy for a rise and sell for a fall—they are called bears and bulls I believe—but nobody thinks the worse of them. I believe my hon. and learned friend the Attorney General sometimes puts a modest shilling on the table in the intelligent anticipation—sometimes unintelligent anticipation—of backing a winner, but nobody thinks the worse of him. Then why should we try to stop this quite legitimate form of speculation? Sometimes, like my hon. friend, people who bank on customs changes in the tariff will draw a blank. Take a merchant who takes tobacco from bond in the anticipation that there will be a rise in the tariff on tobacco, and there is a rise, and he gets away with it. More power to him. But the same merchant might decide to take whisky from bond, and there may be a fall in the tariff on whisky, and he does not get away with it. What one gains on the swings one loses on the roundabouts.

[Mr. Cooke]

or, to borrow the jargon of the crown and anchor gentlemen you pay your money and take your choice. So I do not see any reason why this intelligent anticipation should not be permitted in the future as in the past.

I do not quite see why this legislation is necessary. Has there been any loss in the past, or has there been any leakage in the past, an ugly word? and, if there has been a leakage, who has been responsible for it? The only people in the know are Your Excellency's confidential advisers, and God forbid that they should be responsible for anything like that. This Bill will not in any way guard against leakages of that nature, for if anybody wants to betray secrets there is nothing in the Bill which will prevent them betraying them.

Is it really intended to stop intelligent anticipation? Take a very unintelligent person like myself, if I were interested in trade financially—which thank goodness I am not—I should go across to a club of which my hon. friend the Financial Secretary is a member. I should take a seat somewhere where he was, order myself a large whisky and soda, and then say "I think it is an outrageous thing, this proposed extra duty on whisky!", and should watch the reaction on my hon. friend's face. If my hon. friend said, as he probably would, in that decisive tone he sometimes uses, "You don't know what you are taking about!" I should conclude that there was going to be no extra tax on whisky. If, on the other hand, I saw passing across his handsome features that sphinx-like expression he is wearing at the moment, I should conclude that possibly there was going to be a tax on whisky, and probably I should not be very far from the mark. (Laughter.)

That is intelligent anticipation, and there is nothing in this Bill that I can see to do away with it.

Actually, let us call a spade a spade. What we want to do away with is not intelligent anticipation, but intelligent calculated fraud which has been going on in customs. We have all this subterfuge and camouflage to hide what we think.

Those distinguished gentlemen, the signatories to the Customs Fraud Commission Report, including the hon. seconder, Mr. Nicol, wanted to do away with this defrauding of customs duties, but for some extraordinary reason Government refuses to publish their report.

HIS EXCELLENCY: I would ask the hon. member to speak to the motion.

MR. COOKE: I was developing my argument, Sir. There may be many reasons, of course, for not publishing the report. Far be it from me to say that lack of paper is the only reason, for that lack does not affect other departments. But whatever the reason may be, it is not the reason, I submit, given by Government, and the reason appears to me, and I think to many other people, for not publishing it is because this report is a reflection on certain people. However, I will go no further into that matter, but I would ask Government to consider the matter again because, after all, how can you do away with intelligent anticipation? By what possible means can you prevent people from intelligent or unintelligent anticipation? What you really want to do is to get down to the matter of customs frauds, which is a serious matter, and the publication of the report, which will give people a chance of seeing how the evidence was balanced and weighed. After all, the public pay the piper and they have every right to call the tune.

It is because of these two reasons: that I do not think this Bill will accomplish what it sets out to do, and because I think it is actually taking away from the authority of this Council, although I know the noble lord does not agree with me; nevertheless I think it is one of the things disturbing the country at the present moment, and I therefore oppose this Bill.

MR. HUNTER (Nairobi North): Your Excellency, the remarks of the hon. Member for the Coast lead me to rise and support this Bill.

He objects to it on two main grounds: one, constitutional, the other, that speculation is a desirable thing. I am in entire agreement with him that we on this side of Council should oppose any measure

[Mr. Hunter]

which tended to reduce the responsibilities of this Council. But he also said in his remarks "Let us call a spade a spade", and he referred to subterfuge and camouflage to hide what we really think. What really is the position in regard to changes in the customs tariff? We are partners with Uganda and Tanganyika in a customs union. It is therefore evident that an agreement must be reached in advance with the partners to that union before any change in customs is made. It is equally evident that, having reached an agreement, Government must of necessity use its official majority to see that such agreement is put into force. If we are going to call a spade a spade, as the hon. member suggested, I suggest that we should face that fact and realize that so long as the present constitution remains in this Colony to suggest that this particular Bill is reducing the authority of this Council is quite ridiculous. In fact, to my mind, to make that suggestion is lowering the dignity of the Council by a refusal to look facts in the face.

A further ground on which he asked that the Bill should be opposed was that speculation, or intelligent speculation, was beneficial to the community. Insofar as speculation fulfils a want or leads to additional stocking of commodities in foreseeing needs that may arise, I agree, but that is not a fact in this case. It is merely the withdrawal from bonded warehouses of goods already in bond. Speculation in the needs of the community is obviously desirable, but speculation as regards customs tariff can have nothing to recommend it. Furthermore, he overlooked the point that one of the great abuses arising under this is not entirely a question of speculation as to changes in the tariff, which often has proved wrong, but a tendency on the part of merchants to withdraw large quantities of goods from bond, thereby tying up an undue proportion of their capital and failing on that account to meet their ordinary commercial obligations.

I therefore trust that we shall face the facts and support the Bill in the knowledge that it does not reduce the authority of this Council by one jot or tittle.

LORD FRANCIS SCOTT: Sir, the hon. member who has just spoken has put the case so fairly that it saves me the trouble of saying something I was going to say, but I should like to make the position clear.

I entirely agree that we should oppose anything which really takes away from the practical powers of this Council. It was because I felt it did so in the past that I opposed such a measure as this but, in actual fact, what it takes away from the Council is theoretical and not practical because, as the hon. member has just said, the matter is all settled beforehand by the respective Governments, and the way it was done by the old method was that it was passed through by the Government majority, whatever we might say here, and by the new method it will be put through by the Government in the method proposed.

The real objection to the present method is that as soon as it is known that all three Legislative Councils are to meet on the same date, people jump to the conclusion that there is going to be an alteration in the customs tariff, and this speculation commences. Intelligent anticipation may cause Government a certain loss of revenue, but it does not do very much harm in other respects. It is the unintelligent anticipation that upsets business in the way that the hon. Member for Nairobi North has just said, by keeping money tied up and dislocating ordinary commercial transactions in that way.

I think the hon. Member for the Coast sort of insinuated that Executive Council, under the old method, knew something about these changes and might let out secrets—

MR. COOKE: On a point of explanation, what I meant to say was that Government, by bringing in this Bill, the implication that Government themselves conveyed, by thinking such a Bill was necessary reflected on Your Excellency's advisers.

LORD FRANCIS SCOTT: As far as Executive Council is concerned, we were not even told what was going to happen about changes in the tariff until the morning when the Bill comes into this

[Lord Francis Scott]

Council. The real trouble is that the date of the meetings of all the Legislative Councils has been known and caused speculation.

I am one of those who have not been in favour of this Bill in the past, but I have been satisfied from arguments put up to me by many commercial friends who have better knowledge of these things than I have that it is a necessary measure, and from a practical point of view I am prepared to support the Bill.

MR. ISHER DASS: Your Excellency, I beg to oppose this Bill because I sincerely feel that the reasons given in the "Objects and Reasons" are not very sound, and the one advanced by the hon. and learned Attorney General, that because Tanganyika has a similar law in order to have conformity we must also have it, is no reason at all. If, unfortunately, Tanganyika has done a certain thing it is not necessary that we should follow in their footsteps. We have enacted a certain number of Bills and Tanganyika has refused to come into line with us, and therefore it is not necessary that if Tanganyika has made a mistake we should do the same.

Another reason advanced by the hon. members for Mombasa, Nairobi North and the Rift Valley is that some people, not by intelligent anticipation but unintelligent anticipation, spend a lot of money in taking goods out of bond, thus putting themselves in financial difficulties. If this argument has any sound basis, the hon. members who have advanced it should give the Council facts and figures as to how many commercial firms by this unintelligent anticipation have brought trouble on themselves. Have they gone bankrupt, or have they indicated to the hon. members their difficulties, or have they been informed by the banks that their bills could not be met? Just saying that some commercial firms have got themselves into financial difficulties is not enough, but if facts and figures were advanced in support it would be all right. Otherwise it is the most unsound reason I have heard in this Council.

In view of the fact that the Bill does interfere with a good deal of the

privileges of this Council I cannot agree to support the Bill. There is also one thing which amuses me. In clause 3 (2) it says that "Every such order shall expire and cease to be in force", and in (a), "on the rejection by the Legislative Council of the Bill in respect of which such order was issued, or on the withdrawal of such Bill, or on the consideration of such Bill by the Legislative Council being adjourned *sine die*". The hon. and learned Attorney General is well aware that with the steam roller system with the majority of official members no Bill can be rejected if Government has made up its mind to pass it. Therefore, the point of the rejection of the Bill in this clause does not hold any ground at all. Once Government introduce anything or any legislation and it comes up for the approval of Council, it is sure to be passed; there is no question of its rejection. Such a suggestion in the Bill, in view of the official majority of members, means that Government is certainly taking away some of the privileges enjoyed by Council, and I therefore oppose this Bill.

MR. LOCKHART: Your Excellency, I should like to make clear the nature of the speculation in relation to the removal of goods in anticipation of increased duties. As everyone knows, when increased customs duty is imposed, the prices of those goods rise generally, and in some cases legitimately so because the full duty has been paid. When increased duty has been anticipated, and is made a component part of the selling price, instead of going to the public revenue it is paid by the purchaser and goes into the pockets of the wholesale firm. If the hon. Member for the Coast regards that as desirable, I am quite sure that that view is not shared in any other quarter of this Council. Moreover, it is not, as he said, a case of "I may win or lose" because if the duty does not go up the firm concerned will merely have paid the ordinary duty and may suffer some temporary inconvenience but no financial loss. The effect of anticipation is that the public is paying what it believes to have gone to the Colony's revenue but which finds its way into the pockets of those who do not deserve it.

MR. COOKE: Before the hon. member sits down, can he explain how the Bill prevents intelligent anticipation? a point which has not been answered.

MR. KASIM: Your Excellency, I rise to support the Bill. I wish to associate myself with what the hon. member the noble lord has said. The Bill will not only stop these speculations but will stop the stagnation of trade which happens between the gazetted date of a meeting of Legislative Council and the actual meeting. There are so many speculations that, as a matter of fact, people refuse to sell anything.

MR. RENNIE: Your Excellency, perhaps I may attempt to answer the question which the hon. Member for the Coast addressed to the hon. Financial Secretary. It appears that the hon. member is still not very clear how this Bill will stop intelligent anticipation. Perhaps the significance of the three words "at any time" in clause 2 of the Bill has escaped the notice of the hon. member. The point there is that, under this proposal, if the Governor in Council at any time approves the introduction into Legislative Council of a Bill, the Governor in Council may forthwith issue an order to the Commissioner of Customs. In other words, under the proposed arrangement no one is able to say, because he is aware of a forthcoming meeting of Legislative Council, that the probability is that increased customs duties will be coming along. For instance, the Governor in Council could, immediately after the passing of this Bill and three months before the next meeting, or at any rate seven weeks or so before it, make up his mind that the customs duties should be increased. I hesitate to suggest that the hon. Member for the Coast would be in a position to frequent Nairobi Club every day of the year with a large whisky and soda waiting for the hon. Financial Secretary to pass and to put such a question as he suggested to him when he does pass. (Laughter.) I think I have made it sufficiently clear that the chances of intelligent anticipation are much less likely under the proposed procedure than under the present one.

MR. HARRAGIN: Your Excellency, in view of the replies already given to

criticizers of the Bill, I will not waste the time of Council any further, except to point out that much has been said about taking away the authority of this Council, and then they proceed to point out that in view of the Government majority it really does not matter what unofficial members may do or say. The fact that hon. members have a chance of saying it eight weeks after the order has been issued would appear to me to make very little difference to their authority on the other side of Council.

Quite apart from that, provision is made in the Bill, if hon. members will look at clause 4, whereby if by any chance Government does vary the order which was made, in the subsequent Ordinance there is provision for the necessary refunds, thereby showing that it is anticipated that in certain cases refunds might be necessary.

The question was put and carried.

TRAFFIC (AMENDMENT) BILL

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move the second reading of the Traffic (Amendment) Bill.

This Bill has to deal with a question that has been under consideration both in East Africa and elsewhere for a considerable time, that is the fact that the fuel that heavy oil vehicles use is not subject to import duty and the petrol consumption tax, and it was considered that some steps should be taken to equalize the position of heavy oil vehicles and put them on an equality with petrol driven vehicles. The question has been considered in the East African Governors' Conference, and as it was found that Uganda, Tanganyika and Kenya could not be brought into line on the subject it was agreed that separate action should be taken.

In Tanganyika they have imposed a flat rate of duty or licences on these vehicles. But as the consumption of fuel depends on the engine power of the vehicles and therefore is related to their size, it was thought by this Government that it would be more equitable to maintain the structure of the present tariff. The extent to which there should be an increase is very difficult to assess because the mileage of

[Mr. Lockhart] these vehicles varies, but it was considered that double the licence fee of petrol-driven vehicles would be a fair and, indeed, a generous settlement of the matter.

From the revenue point of view it is not of great consequence. Actually, the number of these heavy oil vehicles has recently rather diminished, and I believe there are 86 only on the road which are liable to a licence fee. It is only fair and proper that they should be made to pay something to balance import duty, and I do not think that anyone could suggest that these licence fees are excessive on that account.

MR. HARRAGIN seconded.

The question was put and carried.

BILLS

IN COMMITTEE

On motion of Mr. Harragin, seconded by Mr. Brown, Council resolved itself into committee of the whole Council to consider the above-named Bills clause by clause.

Shop Hours (Amendment) Bill.

MR. ISHER DASS moved that clause 2 (b) be deleted.

The question was put and negatived.

Land and Water Preservation (Amendment) Bill.

MR. HARRAGIN moved that clause 3 be amended by the substitution on lines 9, 11 and 13 of (x), (y), (z) for (i), (ii), (iii). The question was put and carried.

MR. HARRAGIN moved that the latter two Bills be reported with amendment and the remainder without amendment, and the question was put and carried.

Council resumed its sitting.

HIS EXCELLENCY reported the Bills accordingly.

THIRD READINGS

MR. HARRAGIN moved that each of the above Bills be read the third time and passed.

MR. BROWN seconded.

The question was put and carried and the Bills read accordingly.

ADJOURNMENT

Council adjourned till 10 a.m. on Thursday, 28th November, 1940.

Thursday, 28th November, 1940

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 28th November, 1940, His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

MINUTES

The minutes of the meeting of 27th November, 1940, were confirmed.

PAPERS LAID

The following paper was laid on the table—

By MR. LACEY (Director of Education)—Kenya Education Department Annual Report, 1939.

ORAL ANSWERS TO QUESTIONS

No. 26.—ALIEN WOMEN AT LARGE

MR. NICOL asked:—

(a) Will Government inform Council of the number of German and Italian women still at large?

(b) Will Government inform Council if they are prepared to intern such women forthwith?

MR. RENNIE:—

(a) (i) Germans, 225, of whom 191 are Jewish refugees; (ii) Italians, 165, of whom 147 are nuns concentrated at mission headquarters.

(b) No wholesale internment is contemplated, and the general policy of Government in this matter was stated by Government spokesmen at the last meeting of the Legislative Council.

SUSPENSION OF STANDING ORDERS

Under Standing Rule and Order No. 108 and with the consent of His Excellency, on the motion of Mr. Harragin, seconded by Mr. Lockhart, Standing Rules and Orders were suspended to enable the War Risks Insurance Bill and the War Loan Bill to be passed through all their stages this day.

WAR RISKS INSURANCE BILL

FIRST READING

On the motion of Mr. Lockhart, the War Risks Insurance Bill was read a first time.

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move that the Bill be read a second time.

[Mr. Lockhart]

This Bill is designed to enable a scheme for insurance against war risks to be introduced covering this Colony and the Protectorate of Uganda, on the general lines of the scheme in force in the United Kingdom. The Bill now before Council differs in certain respects from that which was published for information and criticism some time ago in the Official Gazette. The only difference I will refer to now is that the Bill is now on a Kenya and Uganda and not on an East African basis. At a later stage certain amendments will be suggested in committee which will eliminate the present reference to the East African Governors Conference.

In clause 2, definitions, the first point is with regard to goods, and it is made clear later in the Bill that insurance will only apply to goods owned in the course of business and not to personal property or to goods taken out of the scope of the scheme for various reasons. "King's enemy risks" against which insurers are protected are described. The only point here is that this does not include the loss or damage of goods seized by the enemy in consequence of an invasion. There is a distinction drawn between "a seller of goods" and a "supplier of goods". That means, broadly speaking, that a seller is one who sells goods in a completed state, and a supplier one who under contract converts goods into a finished state. It will be seen that a seller includes an agent.

Under clause 3 provision is made to set up a board. It must be remembered that this is a Government organization dealing with the receipt and expenditure of public money. That being so, it is considered necessary that the board should contain an official majority, although only a slender margin is provided in the shape of the chairman's casting vote. Although we need an official majority, Government does of course welcome and require the advice of representatives of commerce, producing and insurance interests, and that is provided for in this clause. There is to be an amendment to (c) and (d), replacing the secretary of the Governors Conference as such by an official to be appointed jointly by Your Excellency

and the Governor of Uganda. The principal insurance interests will be similarly nominated. We shall thus have two official members dominated by the Governors of Kenya and Uganda respectively, two unofficial members representing commerce and producing interests similarly nominated, and one official and one unofficial, an insurance member, who will be nominated jointly.

We will then have what I think hon. members will agree is necessary for a board that will have a definite administrative function, a workable number of people selected for their qualifications, and they will work with a quorum of four.

The board has under this clause authority to employ not only officers but also agents, and it is intended to use insurance companies for the collection of dividends and issue of cover notes, although the issue of the policies will actually be done by the board. For that purpose it is proposed to create a branch office in Uganda.

Before leaving the point of the board, it is contemplated that the official member to be nominated jointly will be a whole-time post, and the Government of Uganda have very generously placed at our disposal the services of an officer who we think is very suited to that purpose, and I should like to take the opportunity of paying tribute to the co-operation and help from the Government of Uganda over this Bill.

There will be a later amendment to clause 3 (4) substituting Your Excellency "with the concurrence of the Governor of Uganda" for the Conference of East African Governors.

Having set up the board, its first duty will be to prepare a scheme of insurance. That will, of course, have to comply with the conditions of this Bill. Apart from that, there is also the direction that the scheme shall follow as nearly as possible the scheme now in existence in the United Kingdom. As the board has yet to be set up, I cannot of course indicate or give any undertaking as to what that scheme may be, but there has been some preliminary work done, and what is at present in contemplation in regard to policies will be a general commodity policy which will cover all goods and be subject to a

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(fixed premium; a declaration policy to be issued in certain approved cases, which will insure goods on possibly a fortnightly or monthly declaration; and also a transit policy intended for goods for export only and in which the interest will be transferable. That policy would in some cases be issued as a normal cover for a premium, but in other cases a transit policy covering exports would be issued free provided it came under the general goods policy and with, of course, a writing down of the value of the policy by endorsement.

Clause 5 sets up the fund to which the premiums collected will be paid and from which all expenses and settlement of claims will be made. I will call special attention to sub-clause (2), which provides that should there be a deficiency on the fund resulting from excess claims at any time, that deficiency will become a charge on the revenues of the Colony and of the Protectorate of Uganda. The question of obtaining a guarantee from the Treasury is under consideration; that will require action by Parliament. I think that insurers under the scheme will probably console themselves with the thought that, assuming the worst happens, and there is a deficiency on the fund, which the local revenues could not meet, some expedient would have to be found to prevent the fund falling to meet its obligations.

Clause 6 is the operative clause as far as insurers are concerned. It provides for compulsory insurance of all goods owned in the course of business provided the aggregate value exceeds £1,000. Hon. members will see that in the case of anyone carrying on business in this Colony that that compulsory insurance applies to goods owned by that business whether in Uganda or Tanganyika, so that businesses in Tanganyika—although the Tanganyika Government is not participating in this scheme—will be covered, and covered compulsorily under the Bill. Insurance is compulsory, and up to the full value, and in the case of under insurance, apart from the penalties in sub-clause (2), the policies will of course provide that the insurer will be his own insurer for any excess in the event of assessment of claim and be subject to average. Sub-clause (3) may at first sight seem peculiar. The point

is that if there is under-insurance or non-insurance the fund suffers the loss of the premiums which ought to have been paid, and it would not be much consolation to the board to know that the person concerned had been fined by the courts and that the fine had gone to general revenue. The simplest way of getting over that is to provide that such fines shall become part of the revenue of the board.

Compulsory insurance applies to stocks exceeding £1,000, but under clause 7 provision is made for voluntary insurance of goods of values under that figure.

Clause 9 deals with the ownership of goods and liability for insurance. Broadly speaking, ownership is provided for in the case of goods vested in an individual or in one who is entitled to require that ownership shall be vested in him. Later in the clause provision is made defining ownership in the case of goods being owned by a person outside the Colony. In that case, ownership for the purposes of the Bill will be deemed to be that of the person at liberty to dispose of the goods by sale. That is designed to deal with the cases of goods sent for sale on consignment. Later on in the clause is provision for the point at which ownership passes. In the case of a seller of goods that is not specifically provided because it is in the present law, the Sale of Goods Ordinance, but there is special provision in the case of suppliers of goods, and ownership is then shown to pass when those goods are made part of the goods belonging to the person to be supplied or have been delivered at his premises.

Under clause 10, as is provided in the compulsory scheme, the board has no discretion to refuse insurance provided the essential conditions have been complied with in good faith.

Under clause 11 there is the necessary power for investigation of facts by the board or its officers, and also the burden of proof to be placed upon a trader who is unable when requested to do so to produce a policy of insurance.

In connexion with the proceedings under clause 10, it will be seen that any proceedings become a matter for the board itself to institute.

Clause 14 is the rule-making powers, and here again there is to be an amend-

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ment to substitute approval of the board's rules by Your Excellency and the Governor of Uganda jointly instead of by the East African Governors' Conference. Under the rules, (a) makes it necessary for the board's scheme to be so approved; (b) is made from the point of view of flexibility, because, subject to covering approval, it enables the board to amend the schedule which has the effect of bringing in or removing from the scope of the scheme any particular goods.

Under clause 15 there is power for a final winding up of the scheme and the disposal of any surplus which may remain.

Turning to the schedule, as hon. members will no doubt gather who have read it, down to item 41 it has been taken very largely from the schedule in the home Act. It may require, both on consideration by the board when appointed and experience, some revision. As to item 41, if any hon. member wishes to ask how electric current can be damaged by a bomb, I would say at once that I am unable to tell him! After item 41 are definitions put in to meet local conditions. They are tentative because, as I say, the question has only been examined in a preliminary way and most of us are not yet formally appointed to do it, but to the best of our information that is the basis upon which the board will wish to proceed.

In conclusion, I will say that hon. members have seen that it has been necessary to suspend Standing Orders to pass this Bill to-day, and similar action is being taken in Uganda. I do not think the necessity for haste will be lost sight of by any hon. member. We must get the board set up and the scheme devised and get it into operation. It will be extremely difficult, in view of the procedure under which this is to be a joint scheme operated as one but under the authority of two different Ordinances, for Government to accept any amendments on point of detail. Hon. members will appreciate how highly inconvenient that would be. But Government is satisfied that there is a public demand for this Bill and that it is an extremely urgent matter, and I trust therefore that hon. members will feel disposed to vote for it without asking for

amendments on points of detail which, after all, can only be settled by experience of the board in getting down to operate the scheme, which I trust it will be possible to do in a very few days.

MR. HARRAGIN seconded.

MR. NICOL: Your Excellency, I very naturally welcome this Bill. It is very different in structure from the original one published for information, and has to a large extent met most of the suggestions put up by various bodies. But I must express concern at the fact that Tanganyika Territory would not come into partnership. I, like a number of other people, have considerable interests in Tanganyika, and as far as commerce is concerned it is impossible to look on East Africa as three separate countries. Kenya, Uganda and Tanganyika are one economic basin, and no matter how many dotted lines you put on the maps they still continue to remain one economic basin as far as trade is concerned. It is on occasions like this that one sees the absolute necessity of bringing the three territories under one administrative head as soon as possible. Here we are in East Africa, in Kenya, with the war actually in our Colony, but because our friends to the south of the Kenya border feel that they are secure from even possible spasmodic attack they will not come into this scheme which will benefit East Africa as a whole and which by their concurrence might enable the board to lessen the premium burden on all concerned.

In regard to the premium burden, it is difficult, of course, to make any suggestion, unless it is to remark that the Mombasa Chamber of Commerce asked me to express the hope that it will be found possible not to make it higher than the Sh. 5 per cent rate applicable in the United Kingdom.

There is one point I am not clear on, and that is this. Can, for example, a Tanganyika concern, if they wished to be wise and insure—would an application from them to insure their goods be accepted by the board in Kenya and Uganda?

Another point is on the question of the insurance of goods held in Tanganyika by Kenya concerns. Take a company such as mine. My head office is in Kenya; I have a branch or branches in Tanga-

[Mr. Nicol] nyika. For the purpose of this Ordinance, are goods held by those branches in Tanganyika deemed to be actually owned by the Kenya head office?

There is one point which seems incongruous. That is to insure goods but not the buildings in which they are stored. I do hope that Government will introduce either a new Bill or be able to bring it within this scheme some method of covering the insurance of war risks on properties. There is very grave concern at the non-availability of such cover.

Another point is the question of concerns who do not necessarily sell or supply goods but sell services. For example, the Bus Company has a considerable amount of valuable property in buses spares and their carriages, and they sell service. Is there any means by which they could insure against damage by war risks to their buses by which they maintain the service they sell?

Turning to the Bill, in the definition in line 10, goods to be insured compulsorily are all goods not included in the schedule. I am not clear whether goods so excluded may be insured on a voluntary basis. For example, coal is excluded. Is there any reason why I cannot insure coal stacks at Mombasa, if I wish to make application, on a voluntary basis?

As the hon. Financial Secretary said when moving the Bill, this primarily deals with sellers and buyers of goods, but it would all add premiums to the fund if people could insure their personal property or household goods if they wish to by making application to the board.

Turning to clauses 4 and 6, I suggest that after the word "Colony" appearing in line 24 on page 2, and after line 21 on page 3, and after the word "Colony" in lines 3 and 6 on page 4 the words be added "and Protectorate of Kenya" to make it quite clear that Mombasa comes within the scope of the Bill. In clause 6 I would also like to include after the word "Territory" on line 22 the words, "and Zanzibar".

With regard to the schedule, Item 43, I understand that Dukoba coffees do not necessarily pass through curing works, and it has been suggested that the words "or received into godown" be added after the words "curing works".

I support the motion.

MR. HUNTER: Your Excellency, in 1825 a select committee of the House of Commons reported as follows:—

"Whenever there is a contingency, the cheapest way of providing against it is by uniting with others; so that each man may subject himself to a small deprivation in order that no man may be subjected to a great loss. He upon whom the contingency does not fall, does not get his money back, nor does he get for it any visible or tangible benefit; but he obtains security against ruin and consequent peace of mind. He upon whom the contingency does fall, gets all that those, whom fortune has exempted from it, have lost in hard money, and is thus enabled to sustain an event which would otherwise overwhelm him."

In the course of the present war we here, who are actually in a theatre of war, are sharing with the people of the United Kingdom the contingency of having our goods lost or damaged by the King's enemy risks. Fortunately for us, except in minor cases, up to date the contingency remains a contingency, whereas with many of those in the United Kingdom it has been an actuality. But the contingency remains, and it remains in such a form that its impact might bring ruin to many of us, and the mere presence of that contingency in a form as yet unshared may have repercussions and serious loss not only to those directly affected in the ownership of goods but also to those who look to them for sources of supply, and particularly so when in the modern world the great majority of those goods are financed by third parties.

The passing of 115 years has not altered the fact that the best way of securing peace of mind in facing this contingency is by uniting with others; in other words, insuring against the risks. The ordinary commercial channels of insurance have been unable or unwilling to underwrite the contingency, and therefore a clear case for Government setting up an agency to facilitate sharing the risk is clearly established. It might be held that it would be sufficient to provide the means whereby those persons who so wished could unite in sharing this risk and that those people prepared to face ruin or who did not seek peace of mind

[Mr. Hunter] in this direction could be admitted if they so desired. It must, however, be remembered firstly that the suppliers of goods have certain obligations to the public; secondly, as I have already mentioned, they are usually financed by third parties; and lastly, that as the extent and incidence of the risk is largely unknown, any scheme of insurance of this nature to be feasible must be widespread geographically and comprehensive as regards the goods included. Consequently, although it must be presumptive for me as a mere acting member of this Council to put words into the mouths of so august an assembly as a select committee of the House of Commons, I venture to suggest that, faced with a similar problem, they might have added to their report some words to this effect:—

"And where the interests of a large section of the general public may be affected by the willingness or otherwise of persons more directly affected to unite, and where the feasibility of such unity is dependent on all or the great majority of the persons so affected uniting, then it is the duty of the legislature to insist upon such unity or such degree of unity as may be necessary for the common good."

Therefore, in facing this contingency to which I have referred, I think there is a case not only for the establishment of an insurance scheme but for compulsion to be applied.

The Bill has defined, and I think with success, the goods which ought to be included, but the geographical sphere is a matter for argument and in some respects is beyond the scope of this Council. The hon. Member for Mombasa has already referred to it so far as the local aspect is concerned. Yet the extent of this sphere is so linked up with the principles upon which the scheme ought to be worked that I cannot refrain from commenting upon it.

It might be held that this risk is but one risk attendant on fighting a total war, and therefore the proper course would be for a scheme of this nature, and perhaps still more so a scheme which includes building property, etc., should be on an Imperial basis, and thus all throughout the Empire should assist in meeting the

contingency wherever it happens to fall. I believe I am correct in saying that the United Kingdom was not willing and did not agree that commodity risk insurance in East Africa should be included in its own scheme, so we must face the facts. There are two ways of sharing these risks. The first is by the ordinary method of taxation and by the Government settling by compensation any damage which may be involved. Possibly, however, there is one great objection to that method, because, for one thing, the Board which it is proposed to set up under this Bill is a body capable of suing and of being sued, whereas the King can do no wrong and the Government cannot be sued. Consequently, if the Government is handling the matter on the ordinary basis of payment the delay which might well be consequent will probably not go with the peace of mind it is sought to establish.

Under clause 6 it is stated that any person carrying on business as a seller or a supplier of goods when the goods are of value in excess of £1,000, whether in Kenya, Uganda or Tanganyika, must compulsorily insure those goods. Under the definition dealing with the question of ownership, it is made clear, and the hon. mover made it still clearer in his remarks, that an agent shall be construed to be the owner of the goods. Now the Government of Tanganyika, for reasons (whether we approve or otherwise) presumably considered sufficient, have refused to become a party to this measure. I believe I am correct in saying that that refusal is based to some extent upon the representations made by the sisal industry amongst others. The sisal industry in Tanganyika felt that the insurance or premium was too high, with certain difficulties which the sisal industry was now facing, to enable them to compete. Now, it is a fact that a very large proportion of the produce in Tanganyika is handled on an agency basis held by firms in Kenya or Uganda or both territories. This Government is therefore seeking either to establish compulsory insurance upon persons in Tanganyika regardless of their wishes and in defiance of the decision of the Tanganyika Government, or, alternatively, it is seeking to place merchants and firms with places of business in Kenya and Uganda in such a position

[Mr. Hunter]

that they can no longer handle the produce and business in the territory of Tanganyika.

The hon. mover asked that we should not propose amendments on matters of detail to this Bill. This, however, to my mind, is a matter of major principle and not one of detail. I regard it as that in either of the cases mentioned—that is to say, either that of this Government seeking to compel persons in Tanganyika to ensure their goods against their wishes, or seeking to drive out of business any Tanganyika firms with places of business in this Colony. I am unable to agree to his wishes, and I must oppose this measure if he does not accept meanwhile an amendment to the effect that the inclusion of Tanganyika shall be on a voluntary basis.

I do not wish you to think that I am in disagreement with the remarks made by the hon. Member for Mombasa. On the contrary, I am entirely in agreement with him. It is therefore more unfortunate that as this is one of the first measures propounded by the East African Economic Council it should not be accepted in its entirety by the Customs Union of the three territories. But I do submit that an attempt on the part of the Government to compel the citizens in Tanganyika is not the best way of bringing about such co-operation as desired.

If I may revert for one moment to the question of the general principle of the Bill, Your Excellency, in your Communication from the Chair, mentioned that any delay in introducing this measure meant a loss of valuable revenue to the scheme. Now, this is an insurance scheme and presumably the revenue is based upon the risks attendant upon it. Your Excellency's remarks, with great respect therefore, I submit are capable of two interpretations. One, and I hope that it is the true one, that Your Excellency takes an optimistic view during the next few weeks of the damage likely to be done, and the other, and a more sinister one, especially if it is coupled with the paragraph which with unusual candour was inserted in the original Bill submitted to the Association of Chambers of Commerce, that with the concurrence of the Secretary of State any surplus funds

might be divided amongst the Governments of the three territories with no particular reference to the fact that the premium should first be adjusted in accordance with the experience obtained from the scheme. We are all anxious that every reasonable revenue should be raised for assisting the war effort either here or in the United Kingdom, but I do suggest that under this scheme it should be merely a scheme as envisaged by the select committee in the House of Commons for uniting together to face this particular risk, and if it is desired to obtain revenue, I suggest that this would be one of the worst ways of doing it. I hope in his reply the hon. mover will give us a most categorical assurance that this is strictly an insurance scheme and nothing else.

If I may refer to two small details in the Bill? One is under the definition of "supplier of goods"; this deals largely with the question of contractors. In the case of a public utility company, such as one which supplies electrical energy, it may hold a large stock of goods but only a very small proportion of these goods are directly for sale to the public or for contract work for outside parties. The great majority of it is held for their own main lines and so on and for purposes connected with their own consumption. If there is any danger of such being compulsorily included, especially large quantities of hardware stock not readily liable to air raid damage, there is some danger of the consumption by the public being affected by increased rates. I hope therefore that that point will be made clear.

The other point is merely one of convenience. If you take, for example, the Supply Board Coffee Control—the Coffee Control makes arrangements for marine and inland insurance for planters, and I think it would be a matter of convenience if also they were in a position to undertake similar insurance in respect of the risks envisaged by this Bill—now, it is clearly stated that either the owner or the seller of goods, acting as an agent, must perform that duty. The Supply Board Coffee Control can scarcely be described as a seller in view of the fact that the Defence Regulations provide that no person shall sell except to the Supply

[Mr. Hunter]

Board, which clearly, to me at any rate, demonstrates that the Supply Board is the buyer and not the seller or agent.

There is one other small point. In paragraph 6, to which I have previously referred, it stated that no person shall carry on business and have goods in Tanganyika or elsewhere in excess of £1,000. There is no limitation that that person shall be resident in Kenya or Uganda. It would appear to me that a person carrying on business in Tanganyika and visiting Kenya would be liable to the laws of Kenya and would be committing an offence and liable to a fine of £500, and if he had been there for some considerable time he would also be liable to a fine of £100 a day in addition.

Subject to those two small points and the major principle on the question of the voluntary instead of compulsory inclusion of Tanganyika, I have much pleasure in supporting the Bill.

MR. PATEL (Eastern): Your Excellency, I rise to support the general principles of the Bill. The Federation of Indian Chambers of Commerce and Industry on behalf of the Indian commercial community welcomed this Bill, but at the same time they expressed very strong feelings that on any board constituted under this Bill they should have representation. It is true that as this scheme has been organized by Government, Government will take the responsibility of nominating the members of the board, but at the same time it is quite clear that any business communities who are affected by or interested in this insurance should have a direct voice on the management of the board and have a proper voice in the management of the scheme. I would specially state that if the scheme is to ensure confidence in the minds of the Indian commercial community who have very large interests in Kenya and Uganda they should be given representation without hesitation.

If we examine the provisions of section 4, the board is given large powers under sub-section 3 in regard to different forms of policies, different periods of duration and different rates of premium, and it will be unfair that the section of the population which is going to be most affected by these forms of

policy and rates of premium should not have time to consider them. Furthermore if there are no Indian members on the board to represent the Indian commercial interests, it is likely that they will have to send to the board various memoranda and protests against the working of the board with regard to the points where they feel that their interests and voice have not been properly listened to.

I hope Your Excellency will take into consideration the feelings of the Indian commercial community when constituting the board. It is clear from what has been said by the hon. mover that the Bill has been introduced in the Uganda Legislature to-day and that it is likely that it is not possible to make any amendment in the constitution of the board, but I hope Your Excellency, who will nominate the members, will take into consideration the feelings of the Indian commercial community, and in consultation with the Governor of the Protectorate of Uganda something will be done to see that Indian commercial representatives are appointed on the board.

In regard to the details of the Bill, though it is not possible to make any amendment, I would like to draw attention to one or two matters. I am not yet clear about the wording of section 6 particularly on account of one reason and that reason is: that no person shall carry on any business unless he has in force a policy of insurance in respect of goods. I am quite sure that there will be some time taken before the issuing of policies after the scheme has come into force and, if my opinion is correct, if any dealer makes any contract or sells any goods on credit between the period of the scheme coming into force and the issuing of the policy that will be an illegal sale on credit and the sale will be non-enforceable—that is, the trader is not entitled to the recovery of the money if he has sold any goods between the period of the scheme coming into force and the issuing of the policy.

I remember an instance where a stock trader applied to the District Commissioner for a licence and that office took some time, say about 15 days, to issue the licence. Meanwhile he sold his cattle

[Mr. Patel]

before he got his licence. Then he found that he was not entitled to do so and that the sale was illegal because he had not got a licence. I may say that this sort of thing might happen in this case.

A second point I desire to draw attention to is the one which the hon. Acting Member for Nairobi North pointed out, that in the second line of that clause, in my submission the words "in the Colony" should be added after the word "business" so that there will be no doubt whatsoever in regard to a visitor coming here and he will not be held liable to be fined.

In regard to premiums I entirely agree with what has been stated by the hon. Member for Mombasa. It has been the considered opinion of the Mombasa Chamber of Commerce and also of the Indian Merchants Chamber that the premiums shall not be in excess of what have been charged in the United Kingdom. I can go further and state that it is quite possible that we should have a less premium in this country because, if we can judge the circumstances of our enemy on the border, I think he has not got the power and means to attempt air raids on our important towns, and I believe that they will have still less power and less means as time goes on, and therefore, in this country, I believe that if the board is not going to make revenue out of this and it is not intended to make it a revenue proposition but that it is honestly being run as a business concern, the premium that should be charged should be less in this country than that in the United Kingdom.

In any event as experience will point out the rate of premium should be revised and it should be made less if it is shown that such a high premium is not necessary.

At the same time I may point out that the Indian commercial community and also the Mombasa Chamber of Commerce would welcome very much the inclusion of the insurance of buildings under this scheme and it is regretted that it has not been found possible to do that. With these words I support the general principle of the Bill, and I hope the Indian commercial community will

have representation on the board in due course.

MR. KASIM: Your Excellency, I would like to support the Bill before Council, but I would like to associate myself with the remarks of the hon. Indian Member for Eastern Area with regard to the composition of the Board as mentioned in the Bill in clause 3 (1) (f).

That—

"One member representing the commercial and producing interests to be nominated by the Governor of the Colony."

I think that in the ordinary course of events if only one commercial member is to be nominated on the Board the choice would invariably fall to the Europeans and not to the Indians, who have vast commercial interests both in Kenya and Uganda, and hundreds of thousands of pounds will be contributed by them to this fund.

The Board has been given wide powers of administering the scheme and also to form rules and regulations and, in my view, it is imperative that an Indian member should be appointed on the Board, otherwise grave dissatisfaction is likely to be caused among the Indian community.

COL. KIRKWOOD (Trans Nzola): Your Excellency, I am in general support of the Bill before Council. Most of my points have already been spoken on by previous speakers, but I am not quite clear about clause 6—the compulsory insurance clause. Does it only impose compulsion in Tanganyika on goods owned by people in Kenya? Otherwise I do not see where you get the authority to impose it in Tanganyika seeing that the Tanganyika Government is not participating in the scheme.

Also, as regards clause 6, there is one more point. It seems to ignore the possible existence of prior insurance. It does say with regard to a policy:

"Unless there is in force a policy of insurance in respect of all such goods for a sum not less than the value thereof for the time being, issued to him by the Board under the provisions of this Ordinance."

Well, if there is a prior insurance what happens to it?

COL. MODERA (Nairobi—South): Your Excellency, I support the principle of this Bill and associate myself with the remarks of another hon. speaker who regretted that it was not found possible to apply compulsory insurance to immovable property. I would invite the hon. mover in his reply to tell us whether there is any significance in section 15 of the Ordinance, in the last three lines in the words:—

"with the prior approval of the Secretary of State."

It does not appear to me that it should be necessary to make that reference.

MAJOR GROGAN (Ukamba): Your Excellency, I do not know whether it is intended in the definition of "King's enemy risks" to include sabotage. It would be a good thing if the point were made clear, because I would say that in the majority of these territories there is more risk from sabotage than from outside attack.

We have heard a lot about the principles of the Bill. I am entirely in accord with the objects of the Bill but, as far as the principles of it are concerned, there do not appear to me to be any principles at all. A very large amount of this insurance is necessarily applied to the produce of the land of the country, and it is quite obviously wrong that the Bill should apply to the produce of this country in the form in which it is presented, for these reasons: that this insurance inevitably is an added cost, and we all know from bitter experience that every cost is passed, sometimes with considerable additions, back to the primary producer, resulting in a net decrease in the value he receives for his produce. A very large proportion of the produce of the country only in a titular sense belongs to the man who produces, because we know from bitter experience of a considerable number of years that the gross market value of the value of the value of produce when realized is divided among a lot of rapacious elements, with the result that the gentleman producing generally gets nothing at all. As the produce of the country is the basis upon which the whole of the gigantic elaboration depends and the net amount to the primary producer is negligible and the

cost of insurance will be passed back to him, obviously there is no equitable principle in the Bill at all. It is quite clear to me that the burden of this insurance should rest on the entire community which lives on the produce, rather than be thrust back on the producer. There is no measure of principle in the Bill at all in its major application, and I am opposed to it on those grounds.

MR. LOCKHART: Your Excellency, to deal first with the points raised by the hon. Member for Mombasa.

He pointed out the inconvenience arising from the fact that Tanganyika was not participating in the Bill. But it is only fair to say that their decision was entirely influenced by representations made to that Government by representatives of commercial interests. I suggest that it is a more fitting task for the hon. member—and the hon. Member for Nairobi North, who advanced the same criticism—to convince those commercial interests of their error than it is ours.

Another question raised by the hon. member was that rather difficult question of goods owned in Tanganyika. But that section applies only, of course, to persons resident in and carrying on business in Kenya. We cannot legislate for what individuals may do in Tanganyika; we can only impose obligations upon the citizens of this Colony, persons doing business here, but we can extend these obligations to their property in Tanganyika or indeed to anywhere else in the world.

Regarding risks on immovable property, we are quite alive to the desire for some insurance provision for such property, but a scheme in that regard has not yet been introduced in the United Kingdom, and I am afraid that we cannot attempt to legislate in advance of that country where the risk is at least as great as in Mombasa.

The point regarding services to which the hon. member referred, such as that of the Bus Co. services, the goods involved are not covered in the Bill. The obligation to insure is only on the seller of goods and not on the seller of services. The Bill could not, of course, apply to buses without taking in other forms of transport also.

[Mr. Lockhart]

The hon. member inquired whether, in the case of goods excluded from the definition by reason of their inclusion in the schedule, insurance could be voluntary. I am advised that it cannot be. The exclusion is exclusion for all purposes under the compulsory and voluntary parts of the Bill. Nor can there be any voluntary insurance in respect of personal property. As the hon. member said, if we allowed persons to insure household effects it would put up the premium amount. It would also increase the risks to the State which this fund involves, and it is considered necessary to confine those risks to commodities handled in the course of business.

With regard to the alteration in various clauses where the hon. member wanted to include protectorate as well as colony, I am advised that colony does include protectorate under the Interpretation Ordinance.

The hon. member asked for Zanzibar to be included in the external risks. That point was considered, but there is not, as far as we can gather, any general demand for such inclusion, and while I would not say that it is necessarily ruled out for all time, I am afraid that I cannot now accept an amendment to that effect without some further examination which we are unable this morning to give to it.

The particular item 43 to which the hon. member referred, coffee, and the position of Bukobas, that point will be considered by the Board, but that item was actually put in by the Tanganyika representative here, and we assumed it did meet their desires and difficulties.

Turning to the speech of the hon. Member for Nairobi North, he advocated this Bill in general terms, and also generally on the lines that it would lead to peace of mind. I hope that will be the general effect, but for some of us our peace of mind is not likely to be made more placid in the next few weeks as the result of the Bill.

The hon. member raised the point of the impression which the Bill made on his mind—not, I might say, on ours—in regard to trade in Tanganyika. He spoke of this Government seeking to

impose this and using drastic powers. The fact is that Government does not seek in this Bill to impose anything on anybody if they do not want it but they are trying to meet the wishes and desires of the commercial and producing community. On the question of the position of agents here selling Tanganyika sisal, I should hardly think the hon. member wishes to pursue his suggestion that the Bill is framed with the deliberate attempt on the part of Government to interfere with a legitimate occupation. Whether there is any force in his contention, I did not think so when the Bill was considered, and I am unable, in this short time, to consider it. But what I will say is this—and I appeal to the hon. member to withdraw his suggestion of moving an amendment to the Bill making insurance in Tanganyika on goods owned in Kenya voluntary, which I can assure him would lead to difficulty in application: that the point will be considered by the Board and by our legal advisers, and as we are likely to prolong this session for some weeks yet there would be time before we break up to introduce an amendment making Tanganyika insurance voluntary, if the Board and its advisers and the Government are satisfied with the force of the contention put up by the hon. member to-day. I am not at this stage in a position to rebut his contention in detail. I believe myself it is ill founded, but if he proves right and I am wrong we will put the matter right, and I trust the hon. member and his colleagues will leave the matter there so far as the present proceedings are concerned.

The hon. member then dealt with the question of premiums, and asked whether this was a means of raising revenue or an insurance scheme pure and simple. It is not a means of raising revenue, and I would point out that in any insurance scheme pure and simple there is the principle that he who takes the risk is entitled to the profit, and if public revenue takes the risk of meeting a deficiency on the scheme it seems to me not entirely unreasonable that it should also take the profit if there happens to be one. But I can assure the hon. member that it will not be the policy of Government to weight the scales in their

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and if experience does show that the premium rates require amendment it will be up to the Board to make representations to that effect. They have been amended in the United Kingdom.

Perhaps this is the moment to bring in the point referred to by the hon. member Mr. Patel in comparison with the United Kingdom scheme. In the United Kingdom, premiums have been paid on the whole of those commodities for a period of nearly 12 months before the risks arose. In this country, we hope before 12 months have elapsed that the risks will finally disappear, and if premiums are on a relatively high scale to begin with it must be remembered that we are starting from scratch and with no accumulated reserve at the expense of insurers.

The hon. Member for Nairobi North also raised the rather difficult question regarding stocks of commodities held by a public utility company, not all for sale but in connexion with its services. I think that is a point which will have to be covered in the scheme. We have had it put to us by the Electric Light Co.

In the case of Coffee Control—I do not quite follow the hon. member's contention in regard to the Control not being a seller because it was a buyer. I did think instances occurred in commerce when people were both buyers and sellers, and although the Control is engaged in buying they can certainly make contracts to sell. I do think there is a case for special arrangements in regard to Controls, and we have had that point under consideration, and I am quite sure the Board will be able to come to a working scheme for the convenience of producers of commodities in all these control schemes.

The hon. member also raised the point referred to by the hon. member Mr. Patel—the liability of some gentleman coming up from Mombasa for a few days holiday and being fined £500 on disembarkation because he was a business man from Tanganyika or in some such walk of life. I do not think that that risk is likely to bar many people coming from Tanganyika. If my hon. and learned friend on my left thinks later that some amendment to the Bill

is necessary to prevent an occurrence of that nature, I can assure hon. members that it will be done immediately.

The hon. member Mr. Patel referred to the question of Indian representation on the Board. Government is quite alive to the considerations he raised, and I think the hon. member and his community can rest assured that they will receive full consideration by the Governments concerned.

The questions raised by the hon. member in regard to premiums and immovable property I have dealt with; I have also dealt with the point raised by the hon. Member for Trans Nzoia in regard to Tanganyika. We do not seek to impose any obligation on Tanganyika citizens, but only the citizens of this country. And I think the answer to the point of the hon. member as to what would happen in the case of prior insurance is that there is no prior insurance against these risks. They have hitherto been uninsurable.

The hon. Member for Nairobi South asked what significance, if any, was to be attached to the inclusion of the words "Secretary of State" in clause 15. Well, we should not have included him in the clause if it had no significance. I assume that as there might well be some difference of view as between the Governments of Kenya and Uganda as to the division and disposal of the fund, reference would be made to the Secretary of State and his approval sought for its disposal. It is obviously an important issue and it seems to me that that safeguard is necessary.

Turning to the speech of the hon. Member for Ukamba, sabotage is not covered under the provisions of the Bill. On the point the hon. member raised that there is no principle in the Bill and that the obligation for insurance will fall on producers, it seems to me the Bill embodies a simple principle: that the premiums are paid by the person upon whom the loss would fall and whether a man is a producer or anything else the principle that if he is compensated for the loss which would otherwise fall on him it is out of his own pocket that the premiums should be paid, which is a principle both simple and equitable.

The question was put, and carried.

WAR LOAN BILL

FIRST READING

On the motion of Mr. Lockhart the War Loan Bill was read a first time.

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move that the War Loan Bill be read a second time.

This Bill, as hon. members will see, is an enabling measure and it enables registered bonds to be put on sale in the Colony and provides that the money so raised should be re-lent to His Majesty's Government in the United Kingdom for the prosecution of the war.

In clause 4 "The principle moneys represented by the bonds and interest thereon are hereby charged upon and shall be payable out of the revenues and assets of the Colony." But although it cannot be provided for in the Bill in fact the loans will be covered by a certificate of indebtedness issued to the Governor of the Colony by the Lords Commissioners of the Treasury so that the investments will have the effect of the consolidated Fund of the United Kingdom.

It is proposed in the committee stage to deal with clause 5. One of the objects of that clause when it was put in was to provide, if necessary, for exemption in the case of non-residents of income tax on the interest on these loans as is done on equivalent loans in the United Kingdom but it is not now desired to provide such exemption, and as the deduction of income tax at source, is already provided for in the Income Tax Ordinance there is no longer any necessity for this clause to be in the Bill.

Clause 7 gives power to make regulations which will govern the terms and conditions of issue. Your Excellency has already announced that the issue will be made on the 17th of December and I cannot now give any information or details to hon. members as to what the terms of that issue will be, for it is obviously improper to do so in advance of the publication of the prospectus which will be published on the 17th of December and becomes open to subscription on that date. It is unnecessary for me to add anything more as to the necessity and advantage of this measure which has been pressed for by hon.

members of this Council and outside the Council.

MR. HARRAGIN seconded.

LADY SIDNEY FARRAR (Nyanza):

Your Excellency, I rise to support the Bill before Council, a Bill which I feel sure will be welcome throughout the country where there has been an urgent desire to see the introduction of some form of war loan over a period now of many months, a desire which has been voiced in this Council by a number of the elected members who have been urged to do so by their constituents.

Not only will this war loan give an opportunity for the absorption of moneys now lying in deposit accounts which have been awaiting the introduction of some such opportunity of investment, but also it will give opportunity to many persons in this country of all communities who are urgently desirous of assisting financially in the prosecution of the war. As is well known, the country as a whole has already given in various ways, and as free gifts, very large sums of money. Unfortunately, it is not possible for many persons to continue to do so entirely as free gifts in the interests of the country, and persons in this country who as a whole have their own future and that of their children to consider will welcome this chance of increasing their contribution in a manner to which they are perhaps entitled by their circumstances.

I hope also that this war loan will receive the warm support and practical encouragement of the military authorities. There is no doubt at all that at the present moment the introduction of and urging towards saving among the members of the Forces is of considerable urgency. Good money is being paid to all personnel of the East Africa Forces and this money is undoubtedly being very freely and somewhat rashly spent as soon as it is paid.

Many of us who have the interests of this country and the people at heart realize that the time will come when we shall all of us, have to meet a period of considerable financial anxiety after the war, and if some measure of war savings can be introduced and an opportunity given for all members of the Forces, whether European, Indian or native, to

[Lady Sidney Farrar] share in these savings, it will go far to mitigate the difficulties we shall meet in the post-war period. I am sure meanwhile that the Government will find an immediate and instantaneous response and support from all members of the community.

I appreciate the remarks of the hon. Financial Secretary that it is impossible to give more details of the loan which is going to be floated in the near future. I should however like to ask if it is possible for him to tell us whether this loan will be in such small denominations that we can feel sure that all sections of the community can be certain that they will be able to share in the benefits of the loan.

In conclusion, I must refer to the disappointment that has been obvious in the country at the long delay in the introduction of this measure, and I feel sure that the Government will find that there was little need for anxiety on certain points which apparently led the Home Government to delay giving their consent to the floating of this loan. I feel sure that I am voicing the feelings of all communities in welcoming the introduction of this Bill and in supporting it in full measure.

MR. LOCKHART: Your Excellency, I did not intend to be drawn into any discussion on the details of the loan, but if the hon. Member for Nyanza in speaking of the loan being in units which will appeal to all classes of the community contemplates such low units as the Sh. 15 savings certificate which is in use in the United Kingdom, I would say that it is not proposed to put on sale units of that order.

The question was put and carried.

BILLS

IN COMMITTEE

On the motion of Mr. Harragin, seconded by Mr. Brown, Council resolved itself into Committee of the whole Council to consider the War Risks Insurance and the War Loan Bills clause by clause.

WAR RISKS INSURANCE

MR. LOCKHART moved that clause 3 (1) be amended by deleting paragraphs (c) and (d) and substituting:—

"(c) One official member to be nominated jointly by the Governor of the Colony and the Governor of the Protectorate of Uganda;

(d) One member with special knowledge and experience of insurance to be nominated jointly by the Governor of the Colony and the Governor of the Protectorate of Uganda."

The question was put and carried.

MR. LOCKHART moved that clause 3 (4) be amended by deleting "Confederation of East African Governors" and substituting "Governor of the Colony; with the concurrence of the Governor of the Protectorate of Uganda."

The question was put and carried.

MR. LOCKHART moved that clause 8 be amended by the addition of: "or a war risks policy issued under Part I of the War Risks Insurance Act, 1939."

The question was put and carried.

MR. LOCKHART moved that clause 14 be amended by deleting the first four lines and substituting: "14. (1) The Board may, with the joint approval of the Governor of the Colony and the Governor of the Protectorate of Uganda, make rules—"

The question was put and carried.

WAR LOAN

MR. LOCKHART moved that clause 5 be deleted with a consequential re-numbering of clauses 6 and 7 as 5 and 6.

The question was put and carried.

MR. HARRAGIN moved that the two Bills be reported to Council with amendment.

The question was put and carried.

Council resumed its sitting. His Excellency reported the Bills accordingly.

THIRD READINGS

MR. LOCKHART moved that each of the Bills be read a third time and passed.

MR. HARRAGIN seconded.

The question was put and carried and the Bills were read accordingly.

ADJOURNMENT

Council adjourned till Wednesday, 4th December, 1940, at 10 a.m.

Wednesday, 4th December, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 4th December, 1941, His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

ADMINISTRATION OF THE OATH

The Oath of Allegiance was administered:—

G. P. Willoughby, Esq. (Acting Postmaster General), Nominated Official Member.

DEATH OF ARAB ELECTED MEMBER

HIS EXCELLENCY: Hon. members, it is with the deepest regret and a sense of personal loss, which will be shared by all hon. members, that I have to announce the death at 4 o'clock this morning of the Hon. Arab Elected Member, Capt. Sir Ali bin Salim, K.B.E., C.M.G.

This melancholy event marks the passing of a figure in the public life of this Colony, the like of whom we shall not see again. While Sir Ali was always the champion of Arab interests on the Coast, his sympathy and generosity knew no communal boundaries, and he was devoted to the furtherance of the prosperity of this Colony as a whole.

I feel sure that you would all wish that we should this morning pass a resolution in token of our respect, and also of our sympathy with his relatives; with the agreement of Council I will ask the hon. Attorney General to move the suspension of Standing Orders in order that a resolution to that effect may be passed this morning. I suggest that when the time comes to pass the resolution we should pass it by standing and in silence in token of respect to the late hon. member.

With the consent of His Excellency, and under Standing Rule and Order No. 108, Mr. Harragin moved that Standing Rules and Orders be suspended to enable a resolution of respect to the late Hon. Elected Arab Member and of sympathy to his relatives to be passed.

MR. RENNIE seconded.

The question was put and carried.

MR. RENNIE: Your Excellency, I beg to move:

"That this Council has learnt with the greatest regret of the death of the Hon. Sir Ali bin Salim at 4 o'clock this morning, and desires to put on record its appreciation of the distinguished public services rendered by Sir Ali during his long career, and to convey to his relatives its deep sympathy at the passing of one whose memory will long be cherished by all communities for his loyalty to the Crown and open-handed generosity in the furtherance of every good cause."

Your Excellency, there is little that I need add to the terms of the resolution and to the words just uttered by you. My own acquaintance with Sir Ali bin Salim has been a very short one, but even before I came to Kenya, while still on the Gold Coast, I was informed by a former Kenya official of this outstanding personality. Since I have come to Kenya I have been struck by his great generosity to the Kenya War Welfare Fund and the Kenya Central War Fund, and also by the great regard in which Sir Ali was held by all sections of the community. There is little more that I need add, and I beg to move.

LORD FRANCIS SCOTT: Sir, I rise to second the motion.

In doing so I feel that I can very justly speak for the whole of the unofficial community of the Colony. I have had the privilege and honour of Sir Ali's friendship for the last 20 years, and I think we all know what a magnificent part he has played in East Africa. He has been renowned for his unstinted patriotism and his magnificent generosity to all purposes of benefit to these territories, as well as great generosity as a personal friend to so many. By his passing East Africa has lost a great patriot and a man of unbounded generosity.

MR. PATEL (Eastern Area): Your Excellency, on behalf of the Indian elected members I beg to support the motion before Council, and I entirely associate myself with the sentiments

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expressed by Your Excellency as well as by the hon. mover and the noble lord. The passing of Sir Ali is a great loss to all East African territories but in particular to the Coast. His charities on the Coast have become proverbial and, as was rightly stated, it knew no boundaries or races or religions. All the communities in this country and particularly on the Coast are under a great obligation to Sir Ali for institutions which are being run to-day from funds provided by him. I again say his death is really a great loss not only for Kenya but the whole of the East African territories.

MR. MONTGOMERY: Your Excellency, for a good many years I was associated with Sir Ali in the administration of the Coast, and knew him personally as a friend, and I always found him invaluable in his assistance to the administration. I beg to support the motion.

The question was put and carried by Council rising and standing in silence.

MINUTES

The minutes of the meeting of 28th November, 1940, were confirmed.

PAPERS LAID

The following paper was laid on the table:—

By **MR. HARRAGIN:**
Vehicles Licensing (Amendment No. 2) Regulations, 1940.

ORAL ANSWERS TO QUESTIONS

No. 29.—**K.D.F. CLASSES CALLED UP**
COL. MODERA (Nairobi South):—

(a) Of the age classes called up by proclamation for military service under the Kenya Defence Force Ordinance, what was the number of civil servants liable to be called up, the number called up, and the number exempted?

(b) Will Government also give the amount saved to the Kenya Exchequer through the total amount of military pay and emoluments received by the civil servants who have joined the military forces in cases where there has been no replacement?

MR. RENNIE:—

(a) The position at 15th November, 1940, was as follows. Of the age classes called up by proclamation for military service under the Defence Force Ordinance, the number of civil servants liable to be called upon was 545. Of these 199 are now serving with H.M. Forces and 343 have been exempted by the Kenya Defence Force Exemption Tribunal. Applications for exemption for the remaining 3 officers have been made. In addition to the 199 officers who are now serving with H.M. Forces, it has been found possible to release 29 officers exempted under the Schedule to the Defence Force Ordinance, while a further 14 officers, all of whom are over the age of 45 years, have also been released for service with H.M. Forces. The total number of officers serving with H.M. Forces is therefore 242.

(b) So far as the exigencies of the public service have permitted, officers have been released for military duty from time to time in accordance with military requirements. Officers so released began to draw military pay on varying dates, and without examining each individual case it is not possible to give the amount saved under "Personal Emoluments" during the current year in respect of civil servants who have joined the armed forces. Staff is not available to carry out such an examination. The amount which will be saved by the Government in 1941, on account of the salaries of officers who are serving with the armed forces is estimated at approximately £62,000. It has, however, proved necessary to include in the estimates a sum of approximately £16,000 to provide for reliefs in certain cases. The net amount likely to be saved is therefore approximately £46,000.

MR. COOKE: Arising out of that answer, Your Excellency; is it not a fact that the vast majority of officers would serve if released by Government? Would the hon. member make that clear?

MR. RENNIE: The answer to that question, sir, is in the affirmative.

No. 35.—FLORA AND FAUNA OF KENYA

MR. COOKE:—

(a) What practical steps are being taken to afford protection to the price-less flora and fauna of this country in view of (i) the presence of a large number of troops of all races and (ii) the presence of a large number of refugees of the hunting tribes on the Usao Nyiro, Kinna, and Tana Rivers?

(b) Is Government satisfied that the position is satisfactory and that the matter is under control?

MR. RENNIE:—

As regards the first part of the question the Government is not of the opinion that the indigenous flora of the Colony requires any special measure of protection as a result of the presence of a large number of troops of all races, and no special steps are contemplated.

In so far as the fauna of the Colony is concerned the military authorities have issued stringent orders against the unlawful shooting of game, and have also appointed an officer to the post of Military Game Warden to work in the military areas. Moreover, in order to ensure better control over the shooting of game and the catching of trout, the Government has recently provided special "Active Service" game and trout licences for members of His Majesty's Forces.

As regards the second part of the question the Game Warden, who has recently returned from an extensive tour in the forward areas, states that the present position is satisfactory and that the problem is now well under control.

MR. COOKE: Your Excellency, arising out of that answer, have Government taken steps to see that the military camps do not do excessive damage to the flora of the country, because I have seen with my own eyes that a great deal of damage has been done which might be avoidable or unavoidable. I do not say it is, but I am simply asking if Government will take steps to see that as far as possible no damage is done.

MR. RENNIE: I did not quite catch the point—there seems to be a statement as well as a question.

MR. COOKE: I should like to get an assurance from Government, arising out of part of the reply, that the flora is protected where the military have their camps, that is shady and useful trees.

MR. RENNIE: That is a matter which I can take up at the next staff talk on the lines indicated by the hon. member.

MR. COOKE: Thank you.

DRAFT ESTIMATES, 1941

MR. LOCKHART: Your Excellency, I beg to move: That the Draft Estimates of Revenue and Expenditure for 1941 be referred to the Standing Finance Committee.

In view of the modest increases in taxation which are proposed and the very minor changes which appear in the Estimates (under departmental heads, it should take but a short while this morning to explain to hon. members the more salient features in the financial position, and also to explain points which were not dealt with in Your Excellency's Communication from the Chair and in the memorandum which hon. members have before them.

To deal first with the question of reserves, we started the war with a surplus revenue balance of £400,000, and in view of the undertaking to devote to war purposes any surplus realized during the war we shall end the war with no more than that amount. We must ensure that we end with no less because, considered in relationship to the annual revenue—which is now approaching three million pounds—the sum of £400,000 is a very slender margin with which to face the possibility of post-war depression and with which to assist in making good those arrears in maintenance works with which we must undoubtedly be confronted. We must not only preserve our surplus but we must preserve it in a liquid form, and avoid tying it up in any long term commitments.

Your Excellency reviewed in brief in your Communication from the Chair the results which are now anticipated for 1940. The revised estimated revenue is £358,000 over the original estimate, but

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this includes items totalling £114,000 which are merely cross entries balanced by corresponding expenditure, chiefly on account of strategical roads and on Abyssinian refugees. If these items are excluded, the true increase amounts to £244,000. Of that sum, £30,000 is revenue of a fortuitous character which will not recur. The main increase is £160,000 under customs revenue; the cause of it Your Excellency explained in your address. It was very difficult a year ago to foresee the trading conditions which were likely to obtain during the present year, and I for one find it equally difficult to-day to foretell trading conditions likely to prevail during 1941 and to look to the end of that year.

We expect this year to receive £170,000 in income tax, which is about £16,000 over the estimate, and the revised estimate under traffic licences and petrol tax is also put up by £34,000. This is due in part to the increase in the rate of the tax, and very largely due to the fact that the number of vehicles which were either kept on the road or put on the road this year is very much more than we thought likely a year ago. The other variations in the revenue estimates are not of much importance and, indeed, the figures seem to be panning out rather better than one might have expected.

The revised expenditure total for 1940 shows an increase of £211,000. As far as ordinary recurrent departmental expenditure is concerned, the present estimated saving is about £10,000, but it is quite possible that this also will be exceeded when the actual results of the year are known. Extraordinary expenditure therefore shows an increase of £221,000, and when you take from that expenditure corresponding to the unanticipated revenue of £114,000 to which I referred, the remainder of the increase is accounted for by £69,000 which it was necessary to vote by special provision under War Expenditure, Civil, owing of course to the outbreak of war with Italy; £20,000 capital expenditure on the Posts and Telegraphs Department; and £31,000 under Public Works Extraordinary for a variety of unavoidable buildings and

roads. A saving of £13,000 has been made on Colonial Development Fund grants.

That revenue improvement and the additional expenditure I have just described results in an estimated improvement on the year of £147,000, and it thus converts the anticipated deficit of £52,000 into an estimated surplus on the year of £95,000. That, as Your Excellency announced, will be devoted to war purposes. The exact objects remain for consideration, and the matter can hardly be brought to finality yet and must necessarily wait until the accounts are closed when they will show more accurately than is possible to-day what the sum available will be.

Dealing with the revenue estimates for 1941, it will probably be more informative to contrast these figures with the revised figures for 1940 which I have just given rather than with the original estimate for 1940 which appears in the Estimates. The total of £2,721,921 is the total of the Kenya revenue—I am ignoring throughout cross entries and joint services. This shows a reduction of approximately £242,000 on the latest revised total for 1940, but here again, for purposes of comparison it is necessary to eliminate reimbursements and special grants offset by corresponding expenditure and also the fortuitous revenue for 1940, to which I have referred, of about £30,000. When this is done, the actual reduction in the revenue estimates compared with the revised figures for 1940 amounts to £82,000.

That is probably accounted for as follows. The customs and excise estimate has been reduced by £150,000, which is equivalent to about 15 per cent of the revised figures for 1940. This may at first sight seem a somewhat drastic reduction, but we cannot rely on the present population of the Colony remaining on its existing level throughout 1941. It is difficult to form an accurate appreciation of the effect upon our revenue of the military expenditure, both public and private. So far as public expenditure is concerned that of course, is either incurred from bond or else the duty paid is refunded, but a considerable part of the private expenditure of the personnel is the goods

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obtained through the Expeditionary Force Institutes—that is “Efy”, formerly “Naffy”—and is also duty free. My own view is that it is easy on the basis of superficial appearances, to over-estimate the benefit to revenue of military expenditure which takes place at present, but it is really impossible, with the statistical facilities which are at our disposal, to get accurately at the facts. Indeed, I will say in passing that the statistical information in this Colony is at all times somewhat sketchy: there has been no department to deal with it and it is inclined to make a clear judgment on these matters rather more difficult. But whatever movements in population there may be during the year, it is extremely unlikely that the supply position is going to get any easier, and it is certainly desirable that the purchase of non-essential articles by the consuming public should be limited and discouraged as a matter of official policy and in the general interests, whatever the effect on the customs revenue may be. That is a point to which I will return later.

Still dealing with the customs estimate, to reach the figure of £716,000 under customs duties requires a monthly average collection of £60,000, and although that average has been exceeded in 1940 there have been some recent months in which it has not been reached. The excise figure, which is less dependent of course on external factors, is I think possibly on the conservative side, and it may be possible to make some small increase there. But not in the customs duty estimate. We have also allowed for a reduction of £10,000 on the revised figure for motor vehicles, as here again I do not think one can rely on the number of vehicles now on the road being maintained throughout 1941.

I must emphasize continually that hon. members must remember that we are dealing with conditions for a year ahead, and we cannot contrast what is likely to be the position in a year's time with what we see around us to-day.

As against this and other minor deductions, we expect increased revenue in 1941 over the revised figures for this year which total £90,000. It will be seen that an increase of nearly £13,000 will

be under personal tax. Your Excellency indicated that the receipts from this revised form of taxation in a full year was £17,500, but we had an unusually good collection this year under the non-native poll tax and it was thought prudent to allow for some falling off in 1941. Under income tax, an increase of £65,000 brings the total expected in 1941 to the substantial figure of £235,000. This increase in income tax results in part from the higher rates imposed and also to an improvement in the standard profits for the period for which the tax was assessed. There is a further increase of £6,000 under Posts and Telegraphs, mainly from telephone revenue.

Other amendments in the revenue estimates are unimportant in character and more or less balance each other, with the exception to which I have referred, the £6,000 under trade licences, which results from the proposed surcharge of 50 per cent referred to in Your Excellency's Address. It is not claimed that this represents any scientific attempt to graduate taxation in strict relationship to ability to pay nor, on the other hand, is it claimed that £6,000 spread over the whole of the commercial trading community represents a very serious matter to them or a very onerous charge. There are already powers for exemption in particular cases, but the general trading conditions have been and still are favourable, and profit margins have improved, but if there are cases which form an exception to that general rule they can be dealt with.

I am aware that there are representative trading bodies and representative commercial interests who regard trade licences as a taxation measure as being wrong in principle. If the stand is taken on a question of principle, it falls to be dealt with in that light and the principle is not, I suggest, affected by a variation in one direction or the other of the scale on which the licence happens to be fixed. We consider that present trading conditions, with the provision to which I have referred in dealing with hard cases, makes this a legitimate form of additional revenue as a purely temporary war surcharge, and the same view has been taken in Uganda, where the same step has been taken.

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Turning to the Expenditure Estimates, there is nothing under the recurrent heads which really calls for detailed comment as they have been drawn up merely to maintain the existing services as economically as may be done. But, taking the position broadly, the cost of the general administration, in which I have included the Judicial, Police, Prisons and Public Works, other than capital works, and also the cost to the State of Local Government, in that general group there is an over-all reduction of £10,000. Our social services, that is the Medical and Education Departments, are down by £8,000. The economic services, that is Lands, Mines, Agriculture, Veterinary and Forests, are down by £20,000. The Pensions Head is reduced by £4,000 and the Colonial and Development Fund and Parliamentary grants by £28,000. An important factor of course in these departmental reductions is the saving on the salaries of officers in the armed Forces, but in regard to the figure of £46,000 given in an answer this morning by the Hon. Chief Secretary, I should like to make it clear that these reductions to which I have referred are the reductions as between the 1941 Estimates and the 1940 Estimates, and the 1940 Estimates themselves include some part of the saving which is due to the transfer of officers to the Armed Forces. It is difficult to get out the exact figures because, as hon. members know, and no one better than the hon. and gallant member who asked the question, the position is changing every day, and the salaries of the officers also are being altered. But say at a rough guess the saving on the 1941 Estimates as compared with the 1940 which we are dealing with is somewhere between £30,000 and £35,000.

There is also to be borne in mind in considering these reductions that the cost of the Administration has in some directions increased as a result of the higher prices, both here and overseas, particularly in the important item of shipping and insurance costs as far as imported goods are concerned. It must also be remembered that, amongst other things, there is no reduction in the attendance at the schools or in the

applications for admission to the boarding schools, and the number of patients presenting themselves at the hospitals and dressing stations does not show a decline, nor does the prison population, which has reached an all-time high limit.

Closer administration in the native areas under present conditions is more necessary than ever, while an ever increasing burden is being placed on the administrative staff in the settled areas. Our communications whether by road, telegraph or telephone have become no less necessary nor any cheaper or easier to maintain. The production of the country still needs all the assistance which it can obtain from the departments concerned. Litigation has not diminished and the calls on the Police services are growing and if there has been any reduction in the volume or variety of questions which reach the headquarters of Government for decision or discussion I may say that it has not been noticeable to me.

And finally, the revenue stills needs to be collected and the accounts of the Colony have to be kept and audited. There can be very few if any large business organizations which have to carry out to-day the full services which they performed before the war at the same cost to themselves and if there are to be any further reductions and economy in the cost of the Government of this country I feel it can only be done by some elimination or certainly some severe curtailment in the services which the public now receive.

Turning to the other side of the picture, debt charges have increased by £5,000, the Posts and Telegraphs by £5,000, against which there is a substantial increase in revenue, civil aviation by £5,000, the Military, Naval and Air Force contribution by £11,000—this is accounted for in part by the payment to the personnel of the Kenya Auxiliary Air Unit transferred to the Royal Air Force. The figure which I quote here and which appears in the Estimates is £6,000 and it is the figure mentioned in Your Excellency's address, but I learnt yesterday that it will only be £4,000 that we shall have to meet. The rest of this increase consists of a special grant to the

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military authorities towards the cost of the Kenya Defence Force; though the proposals are not yet settled the offer still stands.

Civil War Expenditure is a big item. This is up by £72,000 and the provision for capital works—that is roads, bridges, telegraphs and telephones is up by £37,000. The net result for 1941 over 1940 is £65,000, which results in a total of £2,721,665, which is a mere £256 within the revenue estimate.

I will now refer in more detail to the two items last mentioned—Civil War Expenditure and Capital Works. The figures under the War Expenditure head are shown under a one-line vote but full information will be found on page 12 of the Memorandum on the Estimates.

Item 1—Import Control Staff—has been increased in order to take over some of the work formerly performed by the Customs Department which they can no longer undertake. Provision in the maintenance of hospitals is provided for civil air raid casualties. The Internment of Enemy Aliens and Detained Persons shows an increase of £28,000. That item is accounted for partly by the additional number of internees and partly by the cost of the guards which it was hoped would be provided by military personnel, and the fact that the maintenance of internees in South Africa is somewhat more expensive than was allowed for here.

There is a new item—Maintenance of the Dependents of Internees. This is because cases arise in which dependants who are still at large, with the heads of the families interned, have become destitute. In such cases small subsistence allowances are granted at the discretion of the Police.

"Item 5, Supplementary Police Force; and Item 6, Criminal Investigation Department": It is considered undesirable to publish details of these establishments in view of the work upon which they are engaged and I am sure no hon. member will question the necessity for both these heads.

Under Air Raids Precautions, an increase has been made of £11,560, which brings the total up to £12,000. This

figure is exclusive of the charges met directly from their own revenue usually on a fifty-fifty basis by the local authorities. The expenditure has been carefully scrutinized and I think hon. members will agree that this is an item of expenditure on which we cannot afford to take any risks.

Under censorship there has been a deduction, that is because in 1940 we made special provision for the staff decoding commercial telegrams. In practice it has been found unnecessary to decode them and it is not necessary to employ a special staff for that purpose. In Posts and Telegraphs this item provides for additional staff in dealing with the congested circumstances of the traffic arising from military requirements and also to provide an all-night service.

Coming to the Supply Board, there is here an increase of £2,200, bringing it to a total of £4,000. But an increase of £750 in this is accounted for by the transfer from head 24 of the salary of the secretary. The position is that the Supply Board continues to extend its scope and in some directions, notably in the price control work, it has had to be intensified. When the activities which the Board covers are considered, I suggest that the cost of £4,000 can hardly be considered to be excessive and it certainly would not be kept at that figure were it not for the assistance the Board obtains from the public spirited services as controllers of local business men who carry out that work without any remuneration whatever. As Chairman of that Board, I cannot speak too highly of the assistance which I have received and the confidence and reliance which I have placed upon them. I would also like to associate with those remarks the Imports Distribution Advisory Committee and the help I have received from His Majesty's Trade Commissioner for East Africa, the Commissioner for South Africa and, prior to his departure to India, the Indian Trade Commissioner.

The Petrol Rationing expenditure is necessary for the engagement of additional staff. When one considers the volume of work involved and the detailed work necessary I think the figure of £1,350 is a very modest amount

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indeed. The necessity for petrol rationing has been questioned and recently it has been considered and it has been referred to the United Kingdom authorities and we are assured that so far from the necessity having diminished it is the policy to extend and intensify petrol rationing in the colonial dependencies mainly for currency reasons. The hardships we suffer here are only light compared with those in England and very much lighter still when compared with those in Europe. And now that we have been assured of the necessity of petrol rationing by those in authority to advise us I am sure that no one here will suggest that in Kenya we should not play our part.

Item 14, the Information Office, shows an increase. I am not in a position to give hon. members full details as to what this increase stands for because the future organization of this office is still under consideration and it will require to be very closely considered by the Standing Finance Committee. In the meantime I have put £12,000 in the Estimates, but I may say that the figure submitted by the office itself was in excess of that.

In the Meteorological Service we have a new item, £1,200. That is for additional services due entirely to the war and chiefly in connexion with aviation. It is really war expenditure of a service character and this Government had a reasonable claim to have it treated as such but it is not easily allocated and it was decided to regard it as part of our war contribution as the personnel is civilian.

The next item is £2,500 which is the bill of costs which we have put in to carry out a publicity campaign to stimulate investment. As Your Excellency has already announced this is the cost of the Savings Campaign which will be under the direction of a committee appointed for this important duty not only in connexion with the East African War Loan but also in regard to savings as such for their own sake.

I would spare Council a long dissertation on the subject of inflation but its relationship to personal saving is one

which must be kept in view. In normal conditions the availability of commodities responds at once to the availability of purchasing power and the commercial stocks in hand at any time. I did not suppose that my observations on this point would achieve universal approbation on the other side of Council but I will repeat that under normal circumstances the availability of goods does respond and responds at once to the availability of the purchasing power and the commercial stocks in hand are normally completely sufficient and very much more than sufficient to meet all the demands of the public.

Now, sir, in war time when productive capacity is diverted to produce war materials the production of ordinary consumption goods declines, and when stocks are diminished and when they tend to become exhausted, if the public demand for these commodities is maintained then a state of acute scarcity arises. And if supply and demand operate normally there is an acute strain on the price structure and even, as in Kenya to-day, where there is some artificial price control that strain is still there. This simple economic truth has become very obvious to us in Kenya to-day in connexion with our price control system and it is quite obvious that a strain is placed on that system if the public is willing and indeed in some cases anxious to pay higher prices in order to obtain the goods which they require. Now, by diverting this income, this purchasing power, to savings rather than to purchasing commodities that strain is relieved, and it is for this reason that the public in the United Kingdom have been exhorted to save and economize and it is for this reason—and I can assure hon. members that this is operating in this country to-day—that we are being exhorted in this country likewise. It would be wrong to suppose as some would have us believe that in purchasing British exports we are assisting the British war effort. We are assisting nothing when we purchase in this country any goods which we are in a position to manage without.

Turning to capital expenditure, there are obvious reasons why construction

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should be restricted as far as possible and that work should be confined to work in connexion with the prosecution of the war or on economic questions related to it. It is proposed to consider the extension of the Cool Stores at Kilindini to deal with the export of butter at a cost of £2,600. The additional classrooms for the Nairobi European School are to replace the buildings which have been taken over by the military and the temporary censorship building to deal with the congestion there which has become quite intolerable. The opportunity is to be taken to bridge the Voi Drift which, as hon. members know, is liable to become impassable and even dangerous, by removing to it the suspension bridge which was recently replaced at Sagana. The increase of £5,000 under mechanical plant for the Public Works Department is largely in connexion with a scheme for the improvement and maintenance of roads for military traffic in regard to which discussions are taking place with the Military authorities.

Under Posts and Telegraphs we have put in a sum of £12,000 for extensions and improvements which, although they will be of utility in the post-war period, and even to the civilian population even now, have been prompted by the pressure of the military traffic on the lines. The same considerations apply in regard to the £13,000 which is provided for an extension to the Nairobi telephone exchange which for some considerable time past has been quite unable to deal with the expansion demanded of it.

The provision of capital funds for the development of the telegraph and telephone services has been under consideration for some time and the conclusion has been reached that the only satisfactory solution is a co-ordinated scheme of development from loan funds spread over a term of years. There is such a programme in existence, but I am afraid, sir, that this is not the time to consider it because, apart from the difficulty of obtaining money for such purposes there is also the question of obtaining the material and skilled labour to carry out this programme. And I am afraid that we can only provide such sums as those

from revenue to deal with special difficulties that arise and postpone serious development until after the war.

I trust that the information which is now available to hon. members in regard to the Budget will suffice to enable them to form their judgment on it.

The basic considerations under which it has been framed have been clear and simple enough. They have been: first, that we cannot necessarily rely on existing conditions being maintained throughout 1941 and that the revenue estimates must be framed accordingly; second, that existing services to the general civilian public should be maintained; third, that we must make adequate provision for the new and unusual services directly necessitated by the war; and fourth, that capital expenditure must be restricted to works which are also necessary for the prosecution of the war.

If those basic considerations are accepted, and I should be surprised to discover that they are seriously questioned in any quarter of Council, our task resolves itself into the consideration of the details of the Estimates; in the first place by the Standing Finance Committee to whom I now move that Estimates be referred.

MR. HARRAGIN seconded.

LORD FRANCIS SCOTT: Sir, after listening to the very clear and lucid explanation of the estimates which we have just listened to from my hon. friend the Financial Secretary, it might be argued that there is not much more to be said on these estimates. But, of course, this debate, which comes once a year, is a debate in which it is possible to touch on all sorts of questions of major importance to the country.

I think we must all agree with the last statement of the hon. mover, that the basic considerations on which he has framed his estimates are very difficult to quarrel with. If you turn to the expenditure side, what is stated on page 2 of the memorandum is what I think we must agree: "Every effort has been made to secure economy while maintaining existing services and continuing them in a state of reasonable efficiency." That, I

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think, is a sentiment which is in accordance with the wishes of this Council. To go to the revenue side, the hon. mover made it very clear that he had weighed the pros and cons of what was likely to happen in 1941 but, as he very wisely said, no one could possibly foretell what will happen. I have heard before to-day the criticism that perhaps he was unduly optimistic on the revenue side. I think he showed us to-day that that was not the attitude he had taken up.

At the same time, I feel that we have a right to hold a certain amount of restrained optimism to-day on the position of affairs in the world. When you think of it, it is only six months ago that our Expeditionary Force was in a position which seemed it would be impossible to extricate them from, and then by a miracle practically the whole of that Force was got away safely back to Great Britain. In spite of that, we of course suffered heavy losses in our armaments and equipment. At that time, with the collapse of France, everything looked rather grim and grey. Since then, think of what has happened. Germany has tried by every means in her power to overcome the people of Great Britain and has signally failed. Our Air Force have proved their superiority not only in the defence of Great Britain but in carrying the offensive into Germany and doing material damage to all their main centres. The Royal Air Force, of which we are so proud, has been wonderfully supported by the whole of the people of Great Britain, and the fortitude and stoicism displayed by the civilian population is such that we must all feel our hearts swelling with pride that we belong to such a race.

You then turn to the performance of the Navy, who have lived up once more to their highest reputation, and I think the standing shows they have recently delivered to the Italian fleet in the Mediterranean must have a very material effect on the outlook of the various neutral countries in the vicinity of the Mediterranean. These are times the Greeks have displayed military qualities which remind us of the heroes we used to read in our school days of the ancient Greek history, and I do feel that we owe

a tremendous debt to those Greeks for having achieved such a great military success and so having materially assisted us in our great war effort. (Applause.)

Coming nearer home, we have an equal right to pride in the performance of the South African Air Force in this country, and day by day we have the pleasure of welcoming more South Africans in this country to help us in our common war effort. I think that one must not forget to make mention of the visit of their great statesman, General Smuts, whom we so recently welcomed to our midst here. (Hear, hear.)

When we take a survey of the position, which I have so briefly referred to, I think we have every reason to have a measure of restrained optimism in what is likely to happen in 1941. Let us avoid all wishful thinking, but let us have confidence and believe we are going from good to better.

Are we here all playing our part as well as we can? I believe we are. If you look at the man power position, as you recently pointed out in your Address, Sir, 40 per cent of the available European man power is now serving in some capacity or other in the military forces, and while there has been a very good percentage of the Civil Service naturally and as many have been allowed to go as was the case with the unofficial community. In the latter, the figures were nearly 40 per cent of the available man power. That, I suggest, is a figure which has never been equalled in any other part of the world. Of course, there has been criticism that perhaps we have allowed too many people to go, and that not enough people are left on the land. That may be so, but the people of this Colony are such that it is very difficult to keep them back on the land, for they all want to go. A question was asked in Council to-day and was answered in the affirmative: Did not all Civil Servants want to go? I know they do, and so do all the unofficial community, and only by taking drastic measures and maintaining law has the quota of people been retained on the land.

But I think we must all agree that we will not be making our greatest contribution to the war effort unless production

[Lord Francis Scott] of essential industries is maintained. I think it can be said that as far as the cattle and pig industries are concerned we cannot produce too much of the products from those animals. I was very pleased to see there is money put in the estimates for increasing our refrigerating plant at Mombasa, and I trust that the bigger scheme of a further refrigerating plant, which may overcome the wastage at present caused in our cattle population by measles, will see fruition in the near future. Wheat is a commodity of which we must produce as much as possible, and we can produce a lot more. I personally feel that what is required to encourage the production of such crops as wheat is stability on the financial side rather more than increased man power. I believe one would be perfectly safe if a guaranteed price of Sh. 16 a bag for wheat were made.

Turning to other commodities which are not essential for the war effort altogether, I should like to refer first of all to coffee. Coffee, unfortunately, is not one of the commodities which is on the special list, and therefore it is very difficult to get shipping space. From our point of view in this Colony, if we are to do our full effort on the financial side it is essential that we should be able to export what is our most valuable crop, and I do trust that Government and the authorities who deal with these questions of shipping, exports, imports, etc., will do all they can to assure that there is a certain amount of space allowed for the export of coffee, because I feel it is very important in the interests of the country as a whole and to enable it to fulfil its duties in the war effort.

The other commodity which is difficult at the moment is sisal, owing to the collapse of France. A certain amount of sisal is, of course, required, and we must do all we can to see that the industry is maintained and to see if we cannot find increased uses for sisal for local purposes, so as to use up some of it in the way of bags, ropes, and so on.

I have briefly touched on man power and production, and I should like then to turn to our financial contributions. Large contributions have been made by voluntary donations which I believe altogether

must come to somewhere in the neighbourhood of £100,000 now. The Railway has made a gift to the military forces of half a million pounds, in addition to the £200,000 which was given earlier on, and now it is proposed that whatever surplus balance occurs in the Colony's funds at the end of the year should also be devoted to war purposes.

In your Address, Sir, the other day you threw out a feeler as to the disposal of this money. I may say it is the view of the European elected members that that money should be kept and spent in this country. It is agreed that it should be for war purposes, but there is some difference of opinion as to exactly what the definition of war services should be. The majority of the European elected members wish me to say that, before we hand this money over to the military authorities, quite a considerable amount of it should first of all be put aside for the G.O.C.'s Welfare Fund for the troops in this country. Members felt that a considerable sum should be devoted to this purpose, even up to £25,000, and it is felt that this is very definitely a part of the war effort. It is very essential, and large sums will be entailed, and if this money is once handed over to the military exchequer I think it would be found difficult to get any back again for this particular purpose. So, in our view, we had better make that gift first, and then hand over the rest to the military authorities for such war purposes as will be considered the best way in which it can be used. Another point which arises in connexion with this welfare is that of the refunds which have been given in regard to goods purchased for the troops from what I still call the N.A.A.F.I.—the E.F.I. now, is it? I trust that a satisfactory and simple method can be arrived at in regard to that question.

Turning to internal security, many members feel that in time of war especially, even if not at other times, there should be one C.I.D. for all these territories, and that it is wrong and must militate against complete efficiency if artificial barriers are allowed to exist between the boundaries of these various territories. As you know, Sir, there is a large number of women now working on farms by themselves, and there is a

[Lord Francis Scott] necessity for increased police patrols all over the country, and I trust Government will do all they can to see that such patrols are provided. On this subject of internal security, I understand there is a considerable congestion of prisons today, and it is suggested that more use should be made of the prisoners for such work as road-making, etc. I should have thought that a system of camps where prisoners could be taken and made to work on roads would be good for the prisoners and good for the country.

Naturally, our first thought has been to concentrate on the war effort, because we have got to win this war before we can get on with the other things we consider so necessary. At the same time, it would be very wrong if we were not also thinking of the future, of what might happen after the war. We will have problems such as the employment of those who served in the forces, of all races, and we have got to think ahead of what openings are going to be available for those returned soldiers. One point I should like to raise is this. This year we had a certain number of cadets come to this country for the Civil Service. They no doubt were already engaged some time ago, and we know they have all been sent into the army, but we do feel that no more cadets should be sent out from England for the Civil Service until the end of the war, because when peace arrives there will be many people in this country who, from their close contact with the natives, will make most admirable officers for the Civil Service. It will be our duty to find posts for those who have served us in our time of need during the war.

Roads we must always keep to the forefront of our thoughts. Roads, I think we are all agreed, are essential for the development of the country, and though the war has interfered with the programme which we had in view we must not lose sight of that, and we must see that everything possible is done to improve the road system of the country. Another very important line of development which will entail large expenditure and which should come out of capital expenditure, is the question of the improvement of the telephone system. I am

glad to hear there is a larger sum in the estimates this year, but I do not think the whole problem of telephones will be dealt with adequately except by some large capital sum which will probably have to be provided by a loan.

Another service which deserves perhaps more sympathy and better treatment than in the past is the Forestry Department. It is a mistake to look on that department merely as a revenue-earning department; it is one of the most essential departments in the country if we are going to take the long view of the future. I feel that in the past perhaps we have not always given it the sympathy it deserves. Closely connected with that is the question of soil conservation. We have made a start in making rules for this soil conservation. It has not gone as far as one would have liked to have gone in normal times, but it is a start, and, anyhow, it gives powers on the side of preventing further damage being done, if it does not go far enough on the constructive side of improvements. That, I think, cannot be helped under present circumstances when so many farmers are away in military service.

There is one point I think might be cleared up in the estimates. Under this heading of soil conservation there is reference to Mr. Champion doing the work, and it rather looks from the heading in the memorandum as if he is costing £2,480. This we know is not correct, and in fairness to him it ought to be explained exactly what the work is costing the country.

Looking to the future still, we must see that there are educational facilities for all the young children who require education. That is a service for which we must always be looking ahead. We must see that there is sufficient building accommodation and that no children who require education are unable to get it for lack of accommodation.

Recently we passed a Bill enabling a war loan to be raised. That is very welcome all through the country. The War Risks Insurance Ordinance has also been agreed to, and no treating regulations are in force. It may be difficult to make the latter 100 per cent successful, but with the co-operation of the people of the

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country I believe it will go a long way, anyhow, to assisting in the object wished for. An amendment to those regulations has been tabled in this Council, and will no-doubt be debated at a later time. We have already had a homily on the fruits of saving, with which I think the majority of us are in agreement.

Coming to a few points of detailed criticism—I have very few—I should like to ask, with reference to page 5 of the memorandum, where it speaks of an amount for the preparation and maintenance of landing grounds used by the military—why that should not come under joint military expenditure if the grounds are used entirely by the military. The military are responsible for the upkeep of these aerodromes.

The next paragraph is with reference to the Empire air mail scheme. It says that when last year's estimates were framed, "it was hoped that Government would be relieved of the expenses of maintaining marine craft. This has not proved possible, and accordingly provision of £2,500 is being re-inserted." I feel that we ought to be informed why that has not proved possible.

Under the education vote, on the top of page 6, item 107, bursaries at Makerere: "Provision is made for 18 bursaries at £80 per annum. It will be observed that an increase in the fee charged has been more than compensated by a reduction in the number of pupils. The general question of the financing of Makerere is at present under consideration by the Governments concerned, and this item may consequently require amendment at a later date." I think members of Council would like to be told exactly what is the position at Makerere today, because, quite frankly, we rather feel we have been led down the garden path. We were persuaded, somewhat reluctantly, to vote £50,000 which we understood was to be an endowment to pay for the pupils who went there. Since then, the financial side of Makerere seems to have been changed, and I think Council would like a clear statement of the actual position.

Under the Medical Department, there is reference to a private practitioner at

Naiyasha. I should like to ask the hon. Director of Medical Services what is the position about a medical practitioner for the Thomson's Falls-Rumuruti area: Is it a fact that they were offered a medical practitioner of foreign origin, and that they did not wish to have him? If he was not considered suitable, can the hon. member inform me whether any other steps are going to be taken with reference to that area?

I do not think this is the time to go into the question of War Expenditure, Civil. As my hon. friend pointed out, the estimates have to be dealt with by the Standing Finance Committee.

Those are all the comments I have to make, except that I should like to point out that, while the hon. member referred to the savings of salaries due to officials being in the army, he made no reference to the very big savings on passages, which amounts to a very large sum in these estimates.

I agree that these estimates have been framed on a sound and sensible basis, and I support the motion that they be referred to the Standing Finance Committee.

MR. NICOL: Your Excellency, in rising to support the motion that the draft estimates should be referred to the Standing Finance Committee, I should like to take this opportunity of offering one or two remarks on conditions to-day. In the first place I consider that we are extremely fortunate in that at the end of this year we shall have a surplus of approximately £100,000 which we shall be able to turn over to the military. I personally support to the full the proposals suggested by my hon. friend the noble lord, the Member for the Rift Valley, as to the disposal of that money. The welfare of all the troops is a real essential, and I trust that the Government and the military will be able to come to some arrangement on the lines outlined, and also I trust that at the end of 1944 we shall be able to make a repetition of that gesture. I would, however, like to suggest that at the end of the year, or as soon after as is practicable, that a statement be drawn up clearly showing what the Colony has put up in the way of finance for the war effort. Therein should

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not be forgotten the sums of money received by way of free gifts to the Kenya War Welfare Fund and the Kenya War Fund and other subscriptions. People do not realize the amount of money that the Colony has spent in the war effort, and only those on the Standing Finance Committee, apart, of course, from Your Excellency's Executive Committee, have any knowledge of the large amounts of money which are expended due to urgent war needs by way of special warrants. But despite these large sums we are closing the financial year with a surplus of about £100,000, and I think that that is a very creditable effort. I, too, am glad that in preparing the estimates a conservative outlook has been taken. It is, of course, impossible to forecast with any degree of accuracy what the future holds for us in either the financial or material future.

In a way I may say that I am disappointed with the budget, as I had anticipated a budget which might have been termed a sacrificial budget. I had anticipated more taxes on luxuries, and also a greater emphasis by such taxation on the need for saving. I entirely agree with the hon. Financial Secretary when he said in his speech that the community must save and must not waste money on little luxuries which they could do without. The war in which we are engaged—the Empire and all races—has been on for little more than a year, and as far as this Colony is concerned it is really only six months old. And so far we have been fortunate that to date we have been spared the ravages of air raid attack. We must thank God that we have been also spared the devastation of invading armies, but we must not allow ourselves to be lulled into a blind sense of security so that we blind ourselves to the possible dangers which can confront us were we to relax for one moment from the vigilance of to-day. To that end must be put more and more money into the war effort, be it by increased taxation, by loan or by any other means, and I may say I am sure Kenya will not be found wanting in that respect.

I endorse Your Excellency's praise of those magnificent people at home who, day after day and night after night, are

standing up to the intense aerial attacks launched against them at the bidding of that ignoble high priest of barbarism. (Hear, hear.) The dastardly attack on Buckingham Palace in an endeavour to assault the persons of their Majesties the King and Queen has filled us and the whole Empire with a grimmer determination to see that Nazism is obliterated for ever. I am sure everybody here will join with me in asking Your Excellency to convey to Their Majesties our heartfelt congratulations on their escape and our determination to assist the Mother Country to the utmost of our capacity, no matter what the cost.

So far, I think our war effort has been excellent in so far as response is concerned to the call to arms. In fact, I am inclined to the view that in many respects perhaps we have erred too much in allowing people whose services in civil occupation are so valuable to join the forces. After all, this war is different from the last in that it has been realized that for the successful prosecution of the war, trade, farming and other civil pursuits must be carried on. It was unfortunate that right at the beginning the Man Power Committees of the three East African territories did not get together instead of working independently. I understand now that through the sympathetic understanding of the noble lord the hon. Member for the Rift Valley, in his capacity as the Deputy Controller of Man Power in Kenya, he hopes to reach some *via media* by which the certificates of exemption in one territory will be operative or valid in the adjoining territories. Also a point which is liable to be overlooked is that it is just as necessary for those in civil occupations, living as we do in the tropics, should have local leave as it is for those employed on military work. As far as commerce is concerned, it is practically impossible to arrange this, and as Your Excellency pointed out, or rather the noble lord pointed out, the commercial community have lost a higher percentage of their staffs than Government. I am not criticizing, but that point must be realized, that the health of their staffs must be considered otherwise they cannot maintain these very essential services. The noble lord has tried his best to help us, and we

[Mr. Nicol]

are very grateful to him. The mistake, as I say, was made before the noble lord undertook the duties he is now doing.

Coming back to the Colony's man power, the hon. Attorney General told us the other day that only one-quarter of one per cent of the man power of the Colony were conscientious objectors. If you leave out the missionaries, whom one can understand by their training are non-combatants, it means that one-eighth of one per cent only are conscientious objectors, and I think this is a very credible reflection on the Colony of Kenya. I know it must be irksome on the younger men who are not allowed to join up, but those who stop to think will realize that by remaining at their posts they are assisting the war effort in the best way they can. I am sure all of us would sooner be in the Forces, but what would happen to the essential services, such as shipping, transport, and the like, if that was allowed to happen? The women of this Colony, too, have responded magnificently, be they in uniform, on farms, in the canteens, or in offices—to them we are indebted, and I do hope that some means will be found to alleviate some of the fed-up-ness that is abroad to-day, amongst those who have been doing a job and those who are willing to do a job, but who are not able to continue or even perhaps start due to the importations from other sources. I do not wish to be mistaken. We are very pleased to see these members of other territories who have come to help us, be they male or female. I think it is fitting that we should express our gratitude to them for coming to our aid. But I do think that it is a most wonderful thing that there are in fact no fewer than 169 farms in the Colony to-day run by women entirely without any male assistance. I think that is really a fine effort.

Your Excellency, in your speech, bade welcome to the new General Officer Commanding, General Cunningham, but in bidding welcome to the new G.O.C. do not let us forget his predecessor. I think we are all indebted to General Dickinson for what he did in East Africa in raising the East African Forces from nothing, and I would wish him good luck in future and a speedy return to good health. (Hear, hear.)

Now I come to a point which I have been specifically asked to raise by my constituents. That is the question of the housing of the military in Mombasa. I understand that Your Excellency very kindly made Government House available for nurses. The last time I inquired of the Provincial Commissioner for the Coast of the number housed there I was informed that it was eight. Your Excellency may not be aware that the South African nurses have been housed in two houses belonging to the Union-Castle Company, and I think you will agree that Government House, taken by and large, is not being filled to its full capacity. What has concerned my constituents is that, knowing as they do the extent of the accommodation of Government House at Mombasa, why was it necessary at short notice to turn out a married man, his wife and two children in order to house a number of F.A.N.Y.s. In fact, another man was also informed that his house was going to be taken, but I am told this morning that that proposition is now off. The point I am asked to make is this: people not in the army are holding exemption certificates and a letter from Your Excellency stating that their work is of national importance. They too have got to be housed, and if available accommodation is not made the fullest use of we are fast approaching the time when the civilian population will be living in tents.

The population in Mombasa are prepared to go to the fullest extent in sacrifices, but they object to seeing waste. Again, why pay rent in compensation when it appears unnecessary? Someone said to me the other day, "That does not matter; the home people pay." This is a disgraceful argument; it is no argument at all. The fact that we have been most generously treated over our war effort should give us added drive to see that the home taxpayer is saved as much as possible.

Another criticism to be found is that of the hon. Chief Secretary. Though he has been in the Colony now for over a year he has not seen fit, shall I say, to visit the port town in the Coast Province. Apart from anything else, a visit to the sea coast and sanity will do him a lot of good, as I know he works extremely

[Mr. Nicol]

hard, and a roll in the sand is as good a relaxation as any. But, seriously, I do hope that my hon. friend will make the effort. He will be very welcome, and we shall be very glad indeed to see him.

Coming to the estimates—(Laughter)—first of all I would like to endorse what the hon. Financial Secretary said in regard to the lack of statistical data. I have always thought that it was a great mistake in abandoning the statistical department. It was suggested as an economy, I think, some years ago, and it must handicap my hon. friend a lot in drawing up these estimates in not having these figures available. I think the estimates for spirits, wines, ale and beer receipts from the Customs Department are on the high side, and also I think that the same applies to the excise on beer. In regard to the importation of spirits and beers from overseas, the Supply Board have ruled that 75 per cent of such importations will go to the military and that 25 per cent will be for civil consumption, and of the locally produced beer 50 per cent will go to the military and 50 per cent to the civil population. Now, the military supplies are not subject to customs duty, and rightly so. In view, however, of the difficulty of obtaining supplies from overseas, I feel that the customs duties figure given here on page 12 of the memorandum is on the high side.

Also I think that perhaps an optimistic view has been taken of the duty to be received from tobacco and also of the duty to be found on vehicles. In regard to licences, duties and taxes, I welcome the new personal tax, particularly in so far as it affects women. I have always maintained that persons who enjoy the amenities of the Colony and the protection of the law should contribute to the upkeep of the Government machine, no matter on how small a basis they be assessed. In regard to trade licences, while there will be little objection to increased taxation for the purpose of assisting the war effort, I suggest that an increase of £6,000, which appears to be anticipated to be received by the 50 per cent increase on the licence, could be obtained in some other manner.

Despite the hon. mover's observations, I must emphasize that a matter of prin-

ciple is involved, in that commerce has always argued that trade licences are not a revenue measure but should be used for protecting the genuine traders from the unscrupulous dealer who relies on the astuteness of his dishonesty to make a living out of the community. It is also a direct tax on the community, and I suggest that if £6,000 or £10,000 or more is required it could be obtained in a fairer manner by some other means. For example, the purchase tax; I should think it would be rather difficult in this country and various snags have been found at home; but why not increase the customs on luxuries or on income tax, or by some other means.

With regard to expenditure, I shall have an opportunity of going into this in detail in Standing Finance Committee, but I have one or two departmental observations to make. One that I was going to make was to the hon. the Provincial Commissioner for the Coast, whose absence to-day, which I regret, is due to the death of Sir Ali bin Salim. I should like to say here that I wish to be associated wholeheartedly with the motion which was so eloquently moved earlier to-day on the loss we have sustained by the passing of Sir Ali. All communities have lost a sincere friend and a wise counsellor.

Turning to the point I wanted to make, I think it would be advantageous to us if the hon. Provincial Commissioner, Coast, could indicate to us how much extra it is going to cost for the successful operation of those two Bills we passed the other day, the Native Authority and Native Tribunals (Amendment) Bills. It would be an opportunity and an education if he were to tell us in his own inimitable way how beneficial and helpful those Bills will be.

In regard to inland revenue, page 52, I would ask that in the Standing Finance Committee we can be supplied with the general details of this department, which is now East African as opposed to Kenya entirely, and perhaps we could be informed what is the percentage proportion to the whole which the various Governments contribute to its operation.

Regarding the Labour Department, page 54, a serious position has arisen

[Mr. Nicol] recently in Mombasa. It only arose actually in the last fortnight by the recruitment of some 400 Wakamba for the Labour Corps. The Wakamba labour at the port is the best coal labour available there, and I am assured on very sound authority that a serious position will arise at the port if any more are taken from that area. Already there has been a noticeable slowing up of the discharge of coal ships due to a lack of labour for carrying coal. I should like to suggest that you conscript the loafer if you can and make him work, but I think it is a position which should be carefully watched, because it is not in the interests of anybody that these coal ships or any ships, for that matter, should be held up.

Turning to page 70, Police, one still hears that there is discontent among the European personnel, and there is throughout the Colony and the public a lack of confidence in the administrative staff. There is also the feeling that the civil intelligence side of the police operations does not receive the care and attention and action which is desirable, particularly in times such as these. I should like to suggest that the time has now come when the question of civil intelligence should be a separate department altogether, quite apart from the Police Department, and I should like to see an officer with the title, if you like, of Director of Public Intelligence; if possible, one to embrace the three territories. I think such an appointment would be very beneficial to East Africa as a whole.

I should like to know what was the outcome of the investigations carried out by that eminent man, Sir David Petrie, towards the end of last year.

With regard to the Public Works Department, I shall be very glad indeed when the Wage Board is in full operation. I do not know whether it is at work here, but it is not in Mombasa yet, because the Public Works Department there is, shall I say, very naughty. For example, a carpenter could be obtained at the rate of Sh. 5 per day; now, owing to the generosity of the department, you cannot get carpenters under Sh. 8 a day, and that is the average rate. In fact, there are many carpenters to-day in Mombasa who, mainly owing to lack of

skill, were unable to find employment at Sh. 5 a day previously, are to-day getting Sh. 8 a day and more. To a lesser degree, the Railway are also to blame. I should like to suggest that a Wage Board should be set up in various areas, as it is quite obvious that the people in Nairobi, for example, do not know the exact conditions of other places in regard to artisans and labourers.

With regard to the Registrar General's Department, I understand that some £5,000 of accumulated balances, made up of unclaimed balances and indivisible balances of bankrupt estates, is lying to the credit of the bankruptcy contingent fund. This, I understand, is invested at 3½ per cent. The accumulation, I believe, started in 1925 when the Bankruptcy Ordinance was brought into operation, and it has grown at the rate of some £300 a year plus interest, £150—call it £450 a year. As is well known, there is considerable dissatisfaction among the commercial public in regard to the delay in clearing up and with examination of bankruptcy cases, and I want to suggest that a committee be appointed to inquire into the operation of bankruptcy administration in this territory, as to its effectiveness and as to its speed with which it deals with cases. I suggest that the bankruptcy contingencies fund should be debited with any cost in that regard, and I venture to suggest that such expenditure would receive the approval of the Supreme Court. If such a committee considers that additional staff, if only of a temporary nature, is necessary, I suggest that the cost of that staff should be debited to that fund. I believe I am correct in saying that the offices which house the bankruptcy department of the Board of Trade at home were built at a cost of some £16,000 out of the accumulated balances standing to the home contingencies fund.

My next comment is in regard to page 87, Secretariat and Legislative Council. The question, I think, is: Is the Legislative Council of any use at all under existing conditions and with its existing limitations? (Hear, hear.) By the various Defence Regulations, Your Excellency has power to do practically anything. The Government side of Council cannot be thrown out by the vote of the electorate

[Mr. Nicol] as can the various ministers and members of Parliament at home. Added to that, everybody in this Council is extremely busy to-day, much more so than in peace time, and it has struck me that, perhaps with the exception of the budget session, it is entirely unnecessary for the large number on the official side to in any case come up here and sit around doing nothing during formal business. If we could wash out Legislative Council for the duration of the war and have in its place possibly an enlarged Executive Council, so much time, energy and money would be saved. Satisfactory liaison could still be maintained with representatives of various activities outside of Council, and a very great advance was made earlier in this year by the formation of an unofficial committee of representatives of this side of Council and the commercial public. That was a very great advance. But if my suggestion is adopted, in order to satisfy the public comprehensive memoranda would have to be published to keep them abreast of whatever is going on. The trouble is that so long as we are subject to Colonial Office control and have not got an unofficial majority, I see little point in continuing Legislative Council as it is to-day. The deaf ear can always be turned to the complaints of the public should Government consider it inconvenient for them to listen to such complaints. I do not want to be mistaken. We and the Colony are behind Government one hundred per cent in our endeavour to win the war. That we shall win, I have no doubt whatsoever, but after this war is over we must get down to the problem of reconstruction. There is no question but we must to-day be thinking of that future. There is, however, one point on which I want to lay emphasis, and that is that while to-day we will do all we can to assist Government, when peace comes you can take it as quite definite that the people of this Colony are not going to stand for government in the shape it takes to-day. There have got to be a number of fundamental changes, not the least of all in freedom from Colonial Office control and considerably more say in the conduct of the Colony's affairs than is vouchsafed to us to-day. We have to move towards the

union of the three East African territories, with the linking up with the states to the south of us. In fact, a United States of Africa.

MR. ISHER DASS: Your Excellency, I rise to support the motion before Council, and before I deal with the Estimates I would express my entire agreement with the sentiments expressed by the noble lord the hon. Member for Rift Valley in his opening remarks, that we are sure and have no reasons to believe otherwise that we shall win this war, and that we shall not relax any of the efforts we are making.

The noble lord also mentioned a very important point, that after the war, when hundreds of local people will be demobilized from the Army, Government should be alive to the fact and to the situation then created, and should adopt measures now to deal with these post-war problems. In this connexion, Government has already appointed a sub-committee to deal with Europeans, and similar committees should be appointed in the case of Africans and Indians, because of the number of Africans especially employed in the Labour Corps and other military departments who will also form a problem when demobilized.

The hon. Member for Mombasa mentioned one point with which I must with the least possible delay deal with, for it is a most imperfect form of democracy. Although part of this Council is not responsible to the electorate, and the officials form the steam roller majority and put through any measures they like, this steam roller system has not been introduced under the Colonial Office or Imperial Government. It is due to one defect. That is, the unofficial communities in Kenya, and practically the European community, have not so far succeeded in creating confidence in the mind of the non-European community. Therefore there is a certain amount of misgiving and a certain amount of unpleasantness and distrust existing. Therefore, in spite of this imperfect system of democracy, the non-European community have maintained that this steam roller system is the best system under which they can look for protection in

[Mr. Isher Dass] the Colonial Office or the Home Government. The hon. Member for Mombasa is the last person on earth to suggest that this system of steam roller should be abolished and be replaced by any other system. We are all of the same opinion; that every effort has to be made, in Kenya by all communities and with all our resources to win this war, and it is unfortunate that some persons have taken upon themselves to raise certain political questions of great controversy, such as the union of the three territories. It is a well known fact that the Indian community, and particularly the African community, all these years have strongly opposed such closer union, and whatever the reasons for it may be this is not the place to discuss it. As long as the non-European community have this sentiment, I think it is very impolitic to raise these issues at this moment, especially by the hon. Member for Mombasa, who now claims that this steam roller system should be replaced. My sincere advice to him is to bring about confidence in the mind of the non-European community before he suggests replacing the system.

Dealing with the revenue side of the Estimates for 1941, the time and circumstances under which we are living to-day do not leave much space in which to criticize, because we do not know what circumstances are likely to arise tomorrow and Government compelled to ask for increased expenditure. But sentiments have been expressed in the third paragraph on page 2 of the memorandum: "Every effort has been made to secure economy while maintaining existing services and continuing them in a state of reasonable efficiency. The demands on many departments have increased as the direct result of war conditions, and costs have risen in certain directions. Substantial economies cannot be effected without drastic reductions in the social, economic and security services now provided." In this connexion, while I appreciate the sentiments expressed in this paragraph, I hope and believe that if Government have increased expenditure for the war they will not make a reduction in those services. Therefore I say that the strictest economy with

efficiency has to be taken into consideration, and as far as possible the expenditure in the coming year should be reduced and carefully watched by Government.

On the revenue side there is not much which I wish to comment on, only one or two items. Under "Licences, duties, taxes, etc.", item 13, is income tax. I wish to know if it would not be possible to bring in amending legislation for super-tax on those individuals who have incomes of £10,000 a year or more, which seems reasonable as a temporary measure for the duration of the war and for those people with high incomes to be made to pay for the prosecution of the war. Estate duty: I think this item can easily be increased to bring in more revenue.

Item 16 is trade licences, and the increase is shown as £6,000. The hon. Member for Mombasa has already opposed it, and I entirely agree with him, that this amount can easily be made up by other means, such as putting on a luxury tax or on certain articles mostly used by men and women in Kenya for the ornamentation of their bodies. They are non-essential articles, and I do not see why such a tax should not be introduced, from which we should derive more than £6,000 a year. If unfortunately, the hon. Financial Secretary does not see eye to eye with us and still insists upon this £6,000 increase in trade licences, the point I wish to bring to his notice is that at the moment there are three kinds of licences—Sh. 30, Sh. 75, and Sh. 250. The first entitles a person to hold stock to the extent of Sh. 3,000, the second to Sh. 6,000. Under conditions imposed by import control the value of goods has gone tremendously high. Therefore the proportionate rate should also be raised, and instead of Sh. 3,000 it should be Sh. 5,000 and instead of Sh. 6,000 it should be Sh. 10,000, and the third left as it is. That is a reasonable request to consider in view of the proposed surcharge which he intends to introduce.

On the revenue side, under Posts and Telegraphs, I should like to know if, by the introduction of 10 cent postage instead of 5 cents, for printed material, the position has changed for better or for

[Mr. Isher Dass]—I feel that people who used to send their monthly bills out by post because it was only a question of 5 cents each, now send them out by means of boys, so that I should like to know whether the introduction of the 10 cents postage has increased or decreased the revenue. If it has decreased, the hon. Postmaster General should revert to the old system so far as printed material is concerned.

Dealing with the memorandum on the Draft Estimates, as I have said we are at this particular moment in difficult circumstances, and it is difficult to decide things, but as the budget is taken as an occasion to pass criticism on certain departments I want to take the opportunity of referring to a few.

The first department is the Education Department on page 5 of the memorandum, I have reason to believe that the hon. Director of Education is intending shortly to reduce the grants to primary schools on account of the different languages taught in these schools. This, at least, I hope, is only a rumour but I have been asked by my constituents to refer to this matter. They feel that the question of different languages has caused a lot of worry to the hon. Director of Education that he intends to stop grants to certain schools which are dependent upon Government for their grants. On page two—this is one thing which is a standing disgrace and that is the building of the Kisumu Indian School. We were very lucky last year and this year for the Government to agree to the reconstruction of the building, but somehow, and so far, unfortunately, the whole thing has been wiped out and there is nothing appearing in the Estimates for 1941. We are certainly very anxious and as much as possible to look after the health of these children in Kisumu and I certainly believe that it is a false economy for a sum of £3,000 not to continue this work.

The next department I wish to refer to is the Labour Department, Head 17, on page 16 of the memorandum. At the moment there is a very serious position in this country so far as labour is concerned. We have less supply and more

demand. Then we have different circumstances governing the present situation because of the living conditions in the war and so many other things and I do not see why the Government has not thought fit to regulate the labour position in the country. It has appointed a wage board to fix the minimum and maximum wages, under the chairmanship of a high court judge and a committee to deal with the question of the retention, dismissal and movement of labour from one place to another under the chairmanship of the hon. Attorney General. I sincerely believe that there is one more serious point which has been left and must be dealt with. There are certain grievances which are likely to arise on account of war conditions and I have suggested to the proper authorities that it would be a very great improvement if Government took immediate steps to create an arbitration board under the Trades Disputes Ordinance. I may say that some of the firms in Kenya, and some of the business houses as well as some of the people and boys, also have taken upon themselves to misuse this legislation. In some cases the employees have tried to take advantage of it and in some other cases the employers are benefiting themselves as a result of the introduction of this legislation. Recently—and the hon. Attorney General will bear me out—we have found the same conditions existing as years ago and it is absolutely essential that no time should be lost in setting up an arbitration board to deal with the problems arising, and their decisions shall be final in these matters.

There was one point made to-day by the hon. Member for Mombasa, and it was made a few months ago by the noble lord the hon. Member for the Rift Valley, and that is that these war conditions are being used by non-native labour for exploitation, and Indian funds are moving from one place to another. This would be an unfortunate state of affairs, but the hon. Director of Man Power and the hon. Director of Public Works under whose chairmanship three meetings of the different committees were held to inquire into these circumstances, will bear me out that whatever wages were paid to these funds on the 3rd

[Mr. Isher Dass] September, 1939, had not been increased by September, 1940. It was hardly 10 per cent, and no one can call that exploitation. There are always people like that but it cannot be generally said that the position has been misused by people for exploiting it.

There is one suggestion I wish to make to the hon. Chief Secretary and that is in regard to the question of the amalgamation of the Native Affairs Department and the Labour Department. They are called upon to deal with all the labour questions and also with the trade unions. And it is absolutely essential that these departments, after amalgamation, should have the services of a European individual who should be in a position to speak the Indian language and write it well, because the Government cannot employ an interpreter in such cases when there are troubles. The Commissioner has to be present and if such an officer could be found in Kenya in any department which has any knowledge of Indian artisans and Indian labour, with a knowledge of Indian languages and can speak them fluently, I think he should be provided for this department, particularly in times of disputes or when grievances have to be heard.

The next item is the Land and Settlement Department, on page 3 of the memorandum. I have just been informed that the question I wished to raise in connexion with the Municipality of Kiumu has been very amicably settled and probably the demands of the Indian community in the event of the municipality being introduced for representation of the Indian community on it will be accorded to the ratio of the population. This is receiving, I believe, the favourable consideration of the hon. Commissioner for Lands and Settlement.

Dealing with the Medical Department, there are only two points I wish to comment on. One is the question of Indian nurses. You have in this country Indian women and girls who propose to take up the nursing profession and be trained—and I am willing to co-operate with the hon. Director of Medical Services in obtaining applicants for this profession. But there is one thing I wish to point out and

that is with regard to their travelling to hospitals. I hope he will consider it favourably, and that is the question of a transport allowance to be made to them. They would have to go to and fro by bus every morning and evening and in addition to learning the nursing job they would have to pay Sh. 30 in bus fares alone. And that is a thing which discourages poor people coming forward. I hope the hon. Director of Medical Services will take into consideration this and encourage the recruitment of Indian women as Indian nurses for the future.

The second question I wish to point out and to ask is if Indian medical practitioners in Kenya could be usefully utilized in the military hospitals. I feel that there is a number of practitioners in Nairobi and Mombasa and other places and I sincerely believe that they are more in number than are necessary and can be usefully employed in the military department at this moment.

Under the Military Department, Head 22 on page 9, there is unfortunately an impression which I want to clear up. It has unfortunately produced certain suspicions in the minds of the local European community and in the minds of the Indian community also. It is with regard to the question of the Indian and Arab Company. The Indian Company has been dissolved I understand. I wish to make it perfectly clear and I will maintain that as in the case of the Europeans so in the case of the Indians, compulsion should be applied and all the able-bodied men should be absorbed in the Military Department or in a sphere in which it is found and thought fit that they should be in. But some of the unofficial community have definitely objected to having Indian men in military units.

Well, when it was thought fit to raise a small company of Indians and Arabs combined in Mombasa the people in Mombasa were very happy when it was being raised they thought it was being raised with the same object as the Defence Force and with the same privileges and the same kind and type of training as the Kenya Defence Force. But on presenting themselves they found and they were informed by the authorities concerned that they were to be militia

[Mr. Isher Dass] men and that the terms offered them were nothing like the terms of the Kenya Defence Force offered to the European community. They were only offered Sh. 60 a month in which to maintain a family, dependants and themselves and nothing else was given them. How can you expect any young man to join any battalion just for the sum of Sh. 60 while they have to live and while they have a family and have to pay rent and all municipal charges such as water rates and light and they would also have to fit themselves, all in Sh. 60. It is for these reasons, which are unsatisfactory, that you cannot get a sufficient number of the youth at the present. Even with all these disabilities the hon. Indian members representing the Coast and Mombasa, both of them, tried their level best and produced the necessary quota, but it was afterwards decided that it was no use continuing and that the whole Company should be taken as an Arab battalion only. And as a result of this the Indian section of the community is greatly disappointed. And that is exactly the reason why I have given this explanation owing to a misunderstanding and in anticipation of any criticism.

The next item is the Police Head on page 9 of the memorandum. There are one or two points I wish to speak about. I wish to point out and bring to the notice of the hon. Chief Secretary—and I have my reasons—that there is very strong discontent among the European subordinate staff, and especially in the upper subordinate staff in the Police Department. The reasons are that some of the Chief Inspectors and Inspectors have been in the Police Department for twenty or more years and they have received the highest recommendations from a lot of high officers in the judicial department and other authorities with whom they have come into contact. But with all this, these people are given no encouragement even though they have discharged their duties efficiently and to the satisfaction of their superior officers. There are only two things in their superiors' minds: one is that their names do not appear in the *Sunday Post* in "Miranda's Merrier Moments" and the other is they have not

passed through the Cambridge and Oxford universities. If they have not accomplished these two things, then they are not considered for promotion to Assistant Superintendents of Police in the Kenya Police Service. There have been eleven or twelve vacancies in the last three or four years but they have no hope of advancement and are rotting in the upper grade in the Police Department. These people have not only given this assurance but there is correspondence about it and some in those unfortunate circumstances applied to the Commissioner of Police and received a reply that they could not receive any promotion in the Police Force in future. Well, that is not very encouraging to those who have spent their lives in the Force, and even if they have unfortunately suffered from the disability of not having a university education it is no fault of their own that their names have not appeared in the *Sunday Post* under "Miranda's Dream" or "Merrier Moments". It is true they have no one to push them or they are not considered to have any social assets by the Commissioner of Police. They have been very highly spoken of more than those who have already been promoted to these higher positions, and such is the cause of dissatisfaction among the subordinates of the Police Department all over the country. It is a state of affairs which everyone deplors and if the hon. Chief Secretary would consider setting up a committee for the consideration of this I will place all the correspondence before it and in addition I will give an assurance that the members of the Force themselves will come forward to give evidence if an assurance is given that they will not be victimized.

HIS EXCELLENCY: I do not want to interrupt the hon. member but the hour is getting late and if he has much more to say we will adjourn until tomorrow morning when he can continue.

MR. ISHER DASS: Yes Sir, I have something more to say which will take a few moments.

ADJOURNMENT
Council adjourned till 10 o'clock on Thursday, 5th December, 1940.

Thursday, 5th December, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 5th December, 1940, His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened Council with prayer.

MINUTES

The minutes of the meeting of 4th December, 1940, were confirmed.

DRAFT ESTIMATES, 1941

The debate was resumed.

MR. ISHER DASS: Your Excellency, yesterday when Council adjourned I was referring to the Police Department, head 27, and I was suggesting that there was a good deal of discontent among the European subordinates. I maintain that in order to verify this statement it is absolutely essential Government should appoint a committee of inquiry, or ask the Commissioner to submit cases of these unfortunate people to the hon. Chief Secretary, and some action be taken and the matter remedied.

In this connexion there is one more class who complain, that is the individuals in the Police Department who have been engaged on some pretext, and have been provided with wages which in normal times they would not have been able to earn. I am sure that their qualifications are such that they are absolutely of no use to the Police Department. Yet after a service of 10 or 11 months these people have been given an increase of £120 a year on the ground so far as one is concerned that, "in the Commissioner of Police's opinion, the work carried out by him is of a responsible character. His former work from his scientific work is stated to have entirely ceased. He is a married man with a wife and two children to support. His age is 37. His present salary is £480 per annum consolidated and the Commissioner of Police does not consider that this salary is either an adequate remuneration for the services which he is performing to the State or sufficient to support himself and his family in reasonable comfort." He therefore recommends that the salary be increased to £600 per annum.

Yet with Government employees, whether Asians or European, Government do not take into consideration how many children a man has, because it is the post and not the number of children or the question of age which counts, and surely the sum of £480 given as wages is sufficient for any individual, being at the rate of £40 per month. There are any number of people who probably have served the Government for not less than 12 or 15 years who only get £400 or £450. If it can be said in the case of this gentleman it can be said in their cases, when they have served Government for so long and only get so much and each probably has half a dozen children.

The third point is that among the Indian sub-inspectors there is the complaint that when a man reaches the top of his grade he has to wait for 8 or 10 years until there is a vacancy in the higher grade, and that vacancy can only be caused by resignation or death of an individual. If, unfortunately, nothing happens, no one resigns or no one dies, these people have to wait at the top of their grade for such a long period that very naturally, they are discouraged, and have reasonable grounds for complaint.

My last point in connexion with the Police Department is that recently, on the 4th November, I made a very strong representation to the hon. Chief Secretary about the behaviour of coloured troops in certain areas of the town. I stated facts and gave instances and all information in support of that complaint. Since then, an inquiry has been made, and I have been assured that Government have acted and have taken precautionary measures essential for the security of the people in those areas. But what is actually required—if the trouble is to be overcome is that all public bars are placed out of bounds to these troops and certain areas of River Road. Unless these two actions are taken there can be no sense of security, because the behaviour of these troops has created a very unfavourable impression. I am sorry to say that some are under the impression that it is the uniform which should be worshipped and not the deeds of the individual.

[Mr. Isher-Dass]

The next item is War Expenditure, Civil, page 12, head 42. I entirely agree, referring to item 3, with the hon. Member for Mombasa—that these internees are costing the ratepayers of Kenya a good deal to maintain them in comfort, and it is high time that Government found some means by which these people could be usefully employed or made to give us some return for the comforts and benefits they are deriving as internees.

Referring to the censorship, I believe the amount allotted under this head is too much, and could easily be reduced. The same remark I wish to apply to item 11, Supply Board, I believe the amount allotted there is too high.

Referring to item 12, man power committees, I feel that it would be more desirable and practical if the man power committees in the three territories were centralized in one organization under the present Director of Man Power. It would facilitate the work of recruitment of Asians as well as others. The Director would be in a better position to be in touch with Force Headquarters and the military authorities and in possession of information which would be passed on to the different territories, and a centralized department would go a long way towards helping the military solve their problems and requirements of personnel.

Under item 13, petrol rationing, I believe the amount to be provided is too much, and I agree with suggestions in the local Press that it is time some of the restrictions imposed under the rules should be relaxed.

Referring to item 14, Information Office, I have a little to say. Recently, a confidential report about the history of this department was issued, on 2nd September, 1940. It is very unfortunate that someone responsible for this department should have taken on himself the responsibility of sending copies of that report to the European unofficial members of this Council only and not to the Indian members at all. It is indicated on the title page that it is only for the European unofficial members of Legislative Council. That is the sort of dis-

crimination that I personally do not appreciate, nor does anybody else, and whoever was responsible for its commission I suggest deserves strong condemnation.

That history shows the trend of mind of the gentleman in charge, when he says that 500 wireless sets in Kenya are owned by Indians who mostly use them for listening in to foreign propaganda. It is very unfortunate that a confidential report should have contained that statement from a person with a biased mind who does not see fit even to send a copy to the Indian unofficial members of this Council, who could have told him that that statement is without foundation. What I feel is that there is something definitely wrong with the whole of the Indian propaganda carried out by the Information Office. The people who are employed to broadcast are not used to microphone work, and they certainly use such bombastic sentences that they can hardly be understood by the man in the street; they are merely sharpening their vocabulary and wits. To enable the illiterate men to understand does not seem to weigh with them, and they are merely showing their literary power.

The third thing is that there is so much complication in the department that the translation from English to the vernacular is done by people not very well versed in it. Consequently, when the programme is put on the wireless it is hardly understandable by the individuals to whom it is addressed. This is the reason why the Indian programme is an absolute failure. One day I noted that there were 46 words in four sentences which could not be understood except by highly qualified people. This kind of language is of no use, and it is absolutely futile to have a programme at all in the Indian language.

If the co-operation of the Indian members had been sought, or their voluntary services asked, it would be available and would be of help. But I think the gentleman in charge of the department felt it below his dignity to even have the co-operation of Indian members on this side of Council, yet he claims that Indians possess all these sets and listen in to foreign propaganda, which is without foundation.

[Mr. Isher Dass]

I support the hon. Member for Nyanza in her remarks in connexion with the proposed war loan which is to be raised. Some scheme should be introduced such as war savings certificates of small denomination, so that poor people in the army and outside should be given an equal opportunity to invest in the loan as well as people with a large amount of money. This would reduce a good deal of the extravagance at the moment practised by the troops in Kenya, and also solve the problem likely to arise after the war is over, when these people are demobilized. If some check is not put on their extravagance now they will after the war form a serious unemployment problem for the Government of Kenya.

I wish to appeal in this Council to some European unofficial members and members of the commercial community to refrain from making certain political statements of a highly controversial nature, because these statements do not improve the relations or help in the prosecution of the war. In fact, they go a long way to creating unpleasantness and mistrust in the minds of other communities. As I said in 1939, we have been dragged into a conflict to which we were no party, and to save other small countries have taken on ourselves the responsibility of coming into it. Therefore it is absolutely essential that no expression is used or statement made in an irresponsible manner by members of this Council or members of the commercial community which is likely to create further bad blood among the different communities.

With these remarks I beg to support the motion.

MR. COOKE: Your Excellency, I have no bouquets to throw at the gentlemen on the other side of Council. I shall leave that to the four members of Government who are on this side of Council. But, of course, they must remember that self-praise is no praise. In fact, I am going to be what my hon. friend the Chief Secretary will call a destructive critic.

Since my hon. friend used that term to me, which he did not define, I have

been wondering exactly what he meant, so I have been reading through his speeches to see if I could find out, which, of course, is an education in itself. I have come to a rough definition: that a constructive critic in the mind of the hon. gentleman is a critic whose views happen to coincide with his own, and a destructive critic is a critic whose views do not! For instance, were I to praise the destocking campaign I would, in the eyes of the hon. gentleman, be a constructive critic, though of course I would not be telling the truth. On the other hand, if I criticized the conduct of the staff of the Kenya Defence Force I should be telling the truth but would be in his eyes a destructive critic. So really it depends upon your point of view.

I should like to start at the beginning with the Administration, and I have one or two small criticisms to offer. My hon. friend the Financial Secretary—who seems to be asleep at the moment!—said that administrative officers have a lot of extra work thrown on them. I think it a pity in that case that the local transport vote has not been increased rather more than it has, about 4 per cent. Surely it is essential at this time that administrative officers do far more travelling, both in the settled and native areas. On the subject of travelling, I think it rather a hardship that the administrative or any Government officer in Mombasa draws the same allowance for travelling per mile as an administrative officer, say, at Kisii. I am not advocating that the Mombasa allowance should be reduced but that the allowance of the officer at Kisii or Kiumu should be increased, because travelling costs more there on account of the higher cost of petrol. And we should do everything to encourage increased travelling by administrative officers. Also at the moment there is extra wear and tear of the roads and extra cost for spare parts for cars, so that the cost of travelling has gone up, and this should be taken into consideration.

I have asked the hon. Chief Secretary once or twice about leave, and the answers were not altogether satisfactory. It does seem to me a pity to pile up all

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this leave. Lots of people, I think the hon. Director of Medical Services will agree, would be much better off for a few months leave. There is also this point, and as an old administrative officer I think it is a very important point: we have in certain stations to-day administrative officers of 10 or 12 years standing. They are perhaps the third man in the station, which I submit is wrong because it reduces the enthusiasm of those officers who may very possibly be serving under a very senior jaded officer possibly not so efficient as himself. There is no room in this country for people who cannot give swift and accurate decisions; it is therefore a country for young men more than people getting old.

I go now to my hon. friend the Director of Education. I have rather criticized, as he knows, the closing of schools last July. I know he has taken the blame on his own shoulders, but it must be shared by Government. I think it was a great mistake to keep these European children for weeks without any school. There was a certain risk from bombing, but the risk from lack of discipline and lack of education would far outweigh any risk of bombing.

There is another point on which I want to criticize him—I have already written to him about it—the constitution of the Arab and African Terms of Service Committee. That committee is composed entirely of Government servants and had no African native on it. That I think was a pity, because when a committee like that reports it naturally will not inspire the confidence that it otherwise would.

On the question of forests, I note that the revenue of the Forest Department has been reduced by £1,500. My hon. friend the Conservator of Forests is a very cool gentleman who never lets himself go, he is cool and collected, but on this particular matter he has let himself go, and rightly so, and in his annual report he has commented so far as a Government official can on the exclusion of land in the Uplands. I think that was a very great mistake to have excluded that land. It was bringing in

revenue of over £1,500 a year, it was very important from the soil conservation point of view and, as he says, it represents a capital value of £40,000. I have already spoken to the hon. Chief Native Commissioner on the subject, and asked him why he did not explore the possibility of buying back land even in a settled area before he recommended this exclusion. I hope he will not simply say he did explore the possibilities, but tell us exactly what he did in the matter.

Government, I submit, have broken the promise they made in this very important matter. I have here a letter, written four or five years ago in which Government promised to consult the Arbor Society before any such exclusion took place in the future, and suddenly, in 1939, they rescinded this contract and, of course, the reason was in order to put through this wicked deal of theirs. The hon. Attorney General accused me the other day of arrogating to myself the right to criticize him on legal matters, but I do not arrogate to myself one thing, and that is to break my promises. I submit Government have broken their promise in this matter.

To turn to my hon. and learned friend the Attorney General, he challenged me the other day to prove my assertion that a certain order was *ultra vires*. I have already written to the Press making that point, and I will not burden the Council with anything further. In case my hon. friend shares the eccentricities of Lord Balfour in not reading the papers or the forgetfulness of the hon. Financial Secretary who forgets what he reads, I have a copy of my letter here, but I warn the hon. member that before that letter was despatched it was vetted by a member of the hon. member's learned profession, so that any arrogance on my part must be shared by that member of the legal profession!

I wish to touch on the point of the Defence Regulations, and to ask my hon. and learned friend if he can define in any way "alarm and depression", because there is a feeling in this country that some distinguished people and worthy people have been brought into court for saying things which have been

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said many times at home. Is it the "alarm and depression" caused to neurotic and hysterical people who should not be in this country at all, or is it the "alarm and depression" which might be felt by sensible people like my hon. friend or the hon. Chief Secretary? I think that is the important point. I have here some of Mr. Winston Churchill's remarks on this question. Of course, "alarm and depression" is not that which might be caused to neurotic people, nor was it meant that people who spoke lightly and frivolously should be dragged into court. Mr. Churchill said: "His Majesty's Government have no desire to make crimes out of silly vapourings, which are best dealt with on the spur of the moment by verbal responses by the more robust members of the company. They desire only to curb, as it is their duty to do, propaganda of a persistent, organized, and defeatist character." If my hon. and learned friend says that people who make these general remarks are spreading propaganda of a defeatist character, I shall find it very difficult to follow his reasoning.

On this subject, the tendency on the other side of Council is sometimes to mistake invective for argument, and to indulge in personalities at the expense of people on this side. That is a game two can play at and I am prepared to give a Roland for their Oliver! As Dick Swiveller said, "there is a large and extensive assortment kept in this shop"! I refuse to be a jackal running at the heels of Government, and I shall preserve my own independence in this Council undeterred by any threats from the other side of Council.

Turning to the Posts and Telegraphs, I am glad to see my hon. friend the Postmaster General—who is not here at the moment (laughter)—has taken the valuable advice offered to him by me last year and agreed that there is no need for night censors in Mombasa. He rejected that with great heat last year, but after Italy came into the war, when one would have thought there would have been more need for such people, they were suddenly taken-off, so that £700 is saved this country.

There is very little else that I have to say, except regarding Lands and Settlement. It is the question of the expenditure on the Settlement and Production Board. I have said from the start that the Board is a complete waste of money. I notice that in 1939 they expended £266, and this year £1,800. I have never seen anything they have done. The farmers of this country asked for bread and all that they get is memoranda! So far, therefore, I think it is a complete waste of money.

There is one person I usually agree with in this assembly, my hon. friend the Director of Public Works, who is always reasonable so far as the Coast is concerned. He has now given us after a long agitation a bridge over the Voi River, which is very necessary and very welcome.

Before sitting down, I have to deal very briefly with the suggestion, the monstrous suggestion, of my hon. friend the Member for Mombasa, that this Legislative Council should be substituted by an enlarged Executive Council. My friend says this Council is a waste of time, and I think the hon. Member for Nairobi North agreed with him. It strikes me it is an amusing thing, if it is a waste of time, that he should speak at such length in this Council! and I suggest that if these gentlemen think it is a waste of time they have the remedy in their own hands, and that is to retire! There are plenty of other gentlemen who would be only too willing to take their places. I myself have no intention of retiring (laughter), because I think there is a lot of good to be done in this Council. My hon. friend says that we no longer carry any weight. I think the reason is because it is lacking in personalities—I mean persons who get their personalities across. In any case, my hon. friend suggests an enlarged Executive Council. I notice that everyone who suggests the substitution of Executive Council for Legislative Council posits an enlarged Executive Council. The inference is that they themselves wish to be on this enlarged Executive Council. I am, not accusing my hon. friend—that is an unworthy idea! (Laughter.) My hon. friend has put a

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lot of thought to this new constitution of his. If he will take my advice he will not put any more, because I honestly believe that very few intelligent people in this country will support such a suggestion, and I feel that in any case His Majesty's Government will never sanction it.

LORD ERROLL (Kiambu): Your Excellency, the estimates this year can very naturally be called guess work more than usual this year, but it does not matter really whether we show a surplus or a deficit of say 256, or 303 or 470, because this time next year we shall prove that our estimates are as wrong as has been proved in the past. Nevertheless, these estimates do show that an effort has been made to do what has been always claimed as an essential and that is to balance the budget whatever else we are unable to do. I agree that that is absolutely essential, but what I am worrying about is the question of recurrent expenditure. I have always mentioned it in this Council and it is always one of those things which is inclined to worry one more than I think the non-recurrent expenditure.

When one looks at the non-recurrent expenditure side and finds a net decrease in the current expenditure amounting to £16,000, it gives food for thought because we have already heard that there has been numerous savings in passages and in salaries which are now paid by the military. Therefore, in fact, the net decrease, when you do take into consideration war conditions, becomes a very large net increase, and I hope that when the budget goes to the Standing Finance Committee the question of recurrent expenditure will be very carefully examined.

I entirely agree with the noble lord the hon. Member for the Rift Valley that we do not, in this war period, want to bring to this country, or to have chosen for us, cadets. And I am rather worried to see that under the first head of expenditure in the memorandum that there is a figure of £840 for the provision of four cadets to take the Tropical Services Course for the year ending July, 1941. I do hope that that item at least will be expunged from this

budget when it comes back to this Council.

Another head of expenditure which I think will need a slightly longer explanation is head 22, Military, because here we find, and surely we are the only country in the world to-day at war or at peace to be able to do so, a net decrease in our military expenditure. I can see perfectly well from the memorandum the reason given but I think it might be explained a little more fully because on the face of it it seems a little difficult to appreciate.

The most important sentence in the whole of the memorandum and probably the most important pronouncement that Government has ever made is to be found on page 3, the bottom two sentences in head 4, Agricultural Department, where the Government have stated that:

"The balance has been increased by £50 to buy foodstuffs for additional live stock. The additional expenditure will be covered by revenue from the sale of produce."

I am delighted to hear that Government have committed themselves to that policy, because ever since farming operations have come into operation in this country that is exactly what the farmers have been telling Government, and now the latter has accepted that principle. And I put in an earnest plea on behalf of the farmers of this country in these very difficult war conditions. Your Excellency in your communication from the chair paid a very well deserved tribute to the farmers and the women of the country, and I think it is only right that everything that can be done should be done to assist them in the very tiring and very worrying time in the very great effort they are making.

I do most sincerely support the suggestion made by the noble lord when he said that the question of the minimum price of wheat should be examined. I am quite certain that the only way we can relieve the anxiety of these farmers and planters is by so doing. But I do not want it merely to be confined to wheat. At the present moment a dictum has gone forth that we do not want to grow too much maize. If this is a fact, surely

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this is the very moment when the maize prices should be controlled with a minimum price guarantee. Maize should be brought under control, otherwise we shall find the same difficulty once again caused by the further growing of maize and wheat, and although Government have said that they do not want maize Government are not always right in these things.

I do hope that some very real thought will be given to the coffee industry. We cannot allow, whatever else happens, in the interests of this country alone, that this industry should disappear. It is our most valuable crop, and although it is not on our priority list of shipping I hope Government will do everything in their power to try to get sufficient space for exports.

Another way in which we can help the farmers is on the question of labour. There is to-day a very large area of my constituency with coffee ripe on the trees and ready for picking, but this cannot be done owing to lack of labour. I know Government have done their best in various ways in sending out the chiefs and the district commissioners and so on, but that is not enough to put the labour position in order. And to say that because a few thousand Africans have been taken by the military there are not enough men to look after this agricultural production in this country is absurd.

The hon. Chief Secretary, in reply to a question only yesterday I think, admitted that every civil servant would wish to join the Forces. I know very well that the Africans have given very considerable contributions to the war effort and I pay a very great tribute to them for it, both for the way they have given financially and in joining the Forces. But though they, like the civil servants, want to join the Forces they should not be allowed to do so when they are so urgently needed in other spheres of work. Government have taken unto themselves sufficient powers to do almost anything in this country and certainly to do anything they like with regard to labour, and I suggest for consideration that if they find these crops rotting on

the ground—and this is true I know because I have seen them myself—drastic steps will have to be taken even if they have to form special civilian labour battalions under the Labour Commissioner.

I have not anything else much to say except that I will take this opportunity of congratulating the hon. Mr. Isher Dass with regard to the centralization of man power, and I welcome his coming into line on the question of the closer union of the various East African territories in this respect and I hope soon that he will be able to come forward on a still stronger platform.

There was one, I thought, slightly unfortunate reference made in the last speaker's remarks, and that was a question of a case at law which I understand is *sub judice*. I had hoped that this rather

MR. COOKE: Your Excellency, on a point of explanation I had not that case in mind at all. There have been several other cases.

LORD ERROLL: I beg the hon. member's pardon. There was just one other point I would like to make with regard to the Medical Vote, Item 65, one additional post created owing to the medical officer having been recruited from England to replace an officer seconded to the Royal Air Force. I suppose an additional post can be created without replacing somebody else, but it is difficult to understand. I support the motion.

MR. HUNTER: Your Excellency, the principal thing about this budget is the question of the contribution to the war effort. I think there is no argument in any quarter of the Council but that we should contribute to the war effort to the maximum extent possible, but what seems to be more doubtful is what in fact is the best way of making that contribution rather than what is the most advertised or most spectacular gesture: If we examine for a moment what it means, for example, to give £100,000 to the British Exchequer, I think we shall find that it means that we can transfer a claim on the goods and services of the world to that extent. In

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war that claim on the goods and services of the world is limited by controls, by armed barriers and by exchange difficulties and controls—in fact to a claim on the goods and services of the Empire, and, so far as we are concerned, to a considerable extent to a claim on the goods and services of Great Britain.

The hon. Financial Secretary stated that if we could do without exports from Great Britain we are doing something. Now, I believe that that is only half a truth. If we can do without goods and services which can be used for the war, if every man in England is being employed for his most useful effort then that would apply. But the fact remains that there are still some 2,000,000 unemployed, I think perhaps less than that—a considerable number anyhow. It is still necessary to keep trade going, and whilst I should be the last to quarrel with the suggestion of giving funds to the British Exchequer I think it will be well to examine whether we cannot effect the transfer of these goods and services in some way which will not only effect that transfer now but will benefit us in such a way, not purely for our own benefit, but so that we shall be in a position to continue to maintain, and even increase the output and thereby make further efforts in the future which otherwise we might be unable to do.

Wars can only be paid for from either wealth accumulated in the past or wealth accumulated in excess of the ordinary current consumption. And the measure of it must be if we use up the wealth accumulated in the past what effect is that going to have on our ability to accumulate wealth in the future? In war time I think we can limit that to the near future.

There is no doubt that some of the industries, the agricultural industries, of this country are facing difficulties, and I think we are in danger on the one hand of making a present of so many thousands of pounds, and on the other of negotiating to the maximum of our ability for the British taxpayer to be called upon to purchase something which he does not want or subsidise in some way the keeping of that industry alive

which we might be able to look after ourselves. I am not quarrelling with what has been done, but what I say is that in giving the maximum support and help to Great Britain I think we should examine with some care whether we are really achieving that end in the way we propose to-day.

I would like to give one example. I would like to take the question of the damage which is taking place to the soil in this country. After all the wealth of this country consists almost exclusively of agricultural production and practically our only capital asset is therefore the maintenance of the soil fertility. I believe, in some cases at any rate, that soil fertility is being allowed to go at so fast a rate that our ability to create wealth in the future and in the near future is likely to be very severely prejudiced and, further than that, there is a danger of turning the country into something quite worthless. Now, if there is that danger and we are going to do nothing about it, then our maximum contribution to the war effort would be to barter this territory for war supplies to Great Britain before it becomes not worth anything. I do not suggest that we shall reach that stage, but here is an illustration of something we must be in danger of approximating.

I have here a graph which shows the comparative river flow of the Maragua and Tana Rivers—I only give it as one example—in 1940 and 1934. It is difficult to comment on a graph but I shall be pleased to show it to anyone who desires to see it. It undoubtedly indicates a most serious position. The rainfall of the four years preceding these years was the same each year to the nearest inch in total. Early in this year a number of samples of silt were taken from the Maragua and Tana Rivers, and from these samples it has been ascertained that the percentage of silt by weight in the Maragua River was one part in 146, and in the Tana River one part in 351. Now if we compare that with the Mississippi, which is notorious for the erosion which is taking place in it, you will find that the figure for the Mississippi is one part in 572, so that already the Tana and Maragua Rivers

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are in a more serious state than the Mississippi. Reduced to quantities of soil these figures mean that from the Maragua River catchment area 600,000 tons of soil per annum are taken away and from the Tana River two and a half million tons of soil per annum. That is equivalent in the case of the Maragua River of 3,000 tons per square mile and in the case of the Tana River 1,800 tons per square mile. Not only does that mean a very serious loss of soil but it also means that any scheme for water conservation and for the utilization of the water for industrial purposes, power and so forth, can scarcely be considered in view of the fact that any capital spent on it might well be reduced to impotence within a few years. Therefore it is something of a disappointment that I find in this budget very little if any actual reference to the necessity for taking this matter in hand.

Turning more directly to the estimates, I would like to refer to the question of trade licences. The hon. Financial Secretary is a man of exceptional intellect and therefore it was no surprise to me when he apologized for having to increase the tax having regard to the nature of this licence. This licence is a tax for no particular reason on one particular section of the community, and it is comparable to a tax on all people with red hair or on all those over six feet in height, and about as equitable in its application. In return for this tax what does Government give to the commercial community. The Government says that when the interests of the commercial community clash with those of any other section whatsoever they shall always give way, and that is the basis for this special and iniquitous taxation. I should like to make it clear that as a representative of the commercial community I am not opposing a fair contribution to the war effort. But I do oppose most strongly the basis on which this tax has been framed. Although it is true, as the hon. Financial Secretary has suggested, that the increase in the tax was not a differentiation in principle, it is however an aggravation of the offence and an opportunity to condemn it.

In returning to this tax and Government's policy that any interests of the commercial community must always give way to any other, it goes beyond that. I would like to mention that Government fails even to manage the customs in such a way that honest traders are protected against substantial increases in business rendered possible by malpractices on the part of those not so honest. Government gets concerned about this. Not, mind you because of the effect upon the honest members of the commercial community, but because of the effect on itself. Therefore they appoint a commission—what is a form of apology to the commercial community, the honest overwhelming section of it, for their failure to administer the customs in a proper way, is to refuse to publish the report of this commission which has been paid for by the taxpayer.

I am glad to note in the estimates that at long last there is some slight sign of some slight capital expenditure on the telephonic communications. I should like to make it quite clear that I do not believe that the Post Office or the hon. Postmaster General is to blame on this account. Nonetheless the fact remains that Government has the monopoly in the supply of this essential public service, and I venture to suggest that if this monopoly had been handed out to a licensee and that licensee had dealt with it in the same manner as Government that licensee would have been withdrawn very many years ago. For what does this policy mean? So far as I can see it is only when the exchange is 100 per cent full and with a waiting list that they will say: "All right, get on with it". Then, and then only, will Government consider the dreadful risk of installing a new exchange, in spite of the experience of every other part of the world which shows that cheap telephone facilities, as every cheap postal facility, have paid to the utmost.

It will be interesting if the hon. Postmaster General, or his deputy, could give us some indication after charging the Government departments for a fair use of the telephones, just what rate of profit is being obtained on a reasonable

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valuation of the capital installed. I believe that if this essential public service is developed in a proper way it is a ridiculous idea that all telephone extensions can only be made out of revenue. If you compare again the possibility of having a licensee managing this business I think you will agree that no licensee would be likely to proceed on these lines and I see no reason why Government should.

I have already referred to the damage which has been done to the soil. In spite of what the hon. Chief Native Commissioner told us when the soil erosion bill was enforced, I do not believe that the native areas are exempt from this damage or, perhaps I should say, that everything has been done to remedy this. To remedy these things means money and I shall therefore refer to the question of native taxation.

I am a little reluctant to do so as an acting European elected member because I am not one of those who believe that the natives should be taxed as much as possible and ought to pay for any service which is rendered to them. On the contrary, I think we are often led astray by dividing the people up into colour classes instead of considering the question as to whether they need any special protection and forethought because of the stage of cultural and educational development which they have reached. It appears to me that we must regard all races living in this country as citizens—I do not know how else we can regard them. Now a citizen should have obligations as well as benefits, and there can be no doubt in my mind that in many areas the natives are benefiting considerably from the fresh markets created by the troops and from the increase, in many cases, of wages and from other kindred matters. I do not pretend to know enough about it to say whether in fact an increase in taxation in these areas is possible, but it does seem to me a completely ignored point and that no thought has been given to it, as appears to have been the case, at any rate on anything we have been told. And it is in fact an insult to the native as a citizen; for we have heard over and over again of their

desire, and we have seen it ourselves in many cases, increasingly to contribute to the war effort. And if you take the view, which I certainly do not, that the natives would be equally well off under the Nazi administration, then you may hold the view that they are not in the ordinary sense of the word citizens of the British Empire, and therefore should not be called upon to face any special sacrifice towards the war effort. Being quite unable to hold that view myself, I cannot share that theory, and therefore I feel that some consideration should be given or at any rate some explanation should be given on this point.

I now wish to turn to the rather delicate subject of the Governors Conference, and the necessity for the Governors Conference. We have three governments where, I think, one would do. I do not wish my remarks to be misconstrued in any way, and I should like to say at the outset that I welcome very much the appointment of Sir Phillip Mitchell in his present post and I wish him every success. That, however, does not alter the fact that we are reaching a position where practically every matter of importance coming up to this Council is one that has to be agreed, or any rate should be agreed, between the three East African territories. And what is the effect? The effect is that we have an increasing number of bills introduced of what I might term the idea of "Please do not amend this. We have agreed to it and so has Uganda and Tanganyika, and therefore we are passing it to-day and therefore we must forget about the constitution and all that kind of thing". The fact that this system works at all is not a tribute to the system, it is a tribute to the people who work it and I think a very real tribute, especially to those in Kenya. But I do wish to draw attention to the danger in future that we may be faced with of having three Governments fully equipped and a fourth almost superimposed upon them.

There is also the danger, which up to date I am the first to admit has not taken place because of the personality of those concerned, that by this system of government the unofficial population will

[Mr. Hunter]

have an increasingly lower share. That at the moment is not the case but, as I have said before, that is only due to the personality of the people concerned and we cannot always expect those people to be here.

I would like to refer now to the vote for the Information Office. It has already been held in Europe and elsewhere that in fighting a war you have four important services: the army, the navy, the air force and the propaganda or information service. Now "propaganda" has come to have an unfortunate meaning because we have heard so much of it from unfortunate sources. But propaganda in its true sense and in the sense, at any rate, that I should support it, merely means the distribution of the truth, and to be effective propaganda must be truthful at any rate if it is to be effective in the long run. If it is not truthful then it is bound to defeat itself by its contradictions.

People are apt to view the activities of the Information Office from the purely European aspect and from the point of view of the news coming over the wireless or from communiques which are issued and for which the Information Office are probably not responsible. But that is a very minor issue. What should be done, and what should have been done long ago, is the increasing distribution of news and education among the native peoples. We are entitled to presume that the Europeans, and to some extent the Indians with their greater degree of education and communication with other parts of the Empire, would perhaps be loyal with a less distribution of propaganda than is necessary for people to whom many of these activities cannot be understood at all. Now, to-day, that is a most important service not only in war time but also from the point of view of future trade in peace time, and I do hope that hon. members will support putting the Information Office on a proper basis because obviously they cannot carry on without funds and if it is worth doing at all it is worth doing properly.

MR. KASIM: Your Excellency, I rise to support the motion before Council,

and to pay tribute to the hon. Financial Secretary for the lucid way in which he has explained to Council the position of the estimates.

With regard to the 50 per cent surcharge on traders' licences, the hon. Financial Secretary in his speech yesterday maintained that trade conditions are favourable at present, but in my view they are favourable only to those merchants who are getting military orders and who are wholesalers, and those traders who are established in important towns such as Mombasa, Nairobi, Nakuru, and Kisumu, where there is a large influx of newcomers, but not to those traders who are in the native reserves. I think that those traders who pay Sh. 30 for their licences should be exempt from the proposed surcharge.

Now I come to the Agricultural Department's vote on page 40. It will be seen that a sum of £2,868 has been decreased over last year's estimates on this vote. Out of 22 agricultural officers who are engaged in the development of native reserves, seven have been called up for military service. The present number of officers to look after the interests of three millions of Africans is not adequate for the development of those reserves, and to reduce their number is not, I submit, in the interests of the Colony. It should be realized that it is in the interests of the Colony if the spending power of the Africans in the reserves is increased. It would help the finances of the Colony. This can only be done if an adequate agricultural staff is employed in the reserves, and I hope this vote will receive proper consideration by the Standing Finance Committee.

I presume that there is a wrong impression in the minds of a certain section of the farming community that if agricultural development takes place in the native reserves, no labour would come out from the reserves. As a matter of fact, most of the agricultural work in the reserves is done by the women and elderly men who are not physically fit to go out to work.

Coming to the Education vote, it is regretted that no provision has been made for a school building at Kisumu.

[Mr. Kasim]

I beg to remind Government that since 1927 their assurances that they would build their own school building at Kisumu have not yet been fulfilled. During Your Excellency's visit to Kisumu you visited the Government Indian school. The existing rented building is unsanitary and unfit for a school. It was presumed that the money which would be saved from the Nairobi Indian Primary School would be utilized in a building at Kisumu. I would like to know what sum was saved and why that saving was not put in the estimates for building a school at Kisumu?

Item 77 is grants-in-aid to Indian schools, and it is surprising to note that £600 have been decreased in the 1941 estimates. In 1938, in reply to a question by the hon. member Mr. Patel, the then Director of Education replied (*Hansard*, p. 582):—

"From recent inspection reports the following private Indian schools, formerly unaided, appear to have become eligible to receive grants-in-aid under the Grants-in-Aid Rules: Indian schools at Kibos, Kitui, Kapsabel, Bungoma, Kimillili, Shri Visha Oswal Gujarati Bal Mandir of Nairobi, Indian school at Baricho, and Anglo-vernacular school at Mombasa."

Eight schools in all. Some of these schools have not yet received any grants-in-aid. I submit it is a wrong policy to save at the expense of the education of our children.

Another difficulty in recent months has been that some teachers who have been in the service for the last three or four years are deemed inefficient and their immediate replacement is insisted upon. Owing to the war, new teachers are not available in this country, and owing to Kenya being in the war zone teachers from India are not prepared to come here, nor can the Education Department supply them. I would like to quote a letter which I received from the Arya girls' school at Nakuru:—

"I send you herewith papers in connexion with the Arya Samaj girls' school, Nakuru. The grant-in-aid has been withdrawn from 15th September, 1940. The chief reason advanced by

the Director of Education for this step being that the teachers employed are not qualified and experienced. Since the first report the management has been trying its best to secure the services of trained and graduate teachers. Applications were invited through advertisements in the local Press, *E.A. Standard*, *Kenya Daily Mail*, and *Colonial Times*, as well as through private institutions and bodies, but I regret that no suitable applications came forth to the satisfaction of the Education Department."

It is very unfair that the existing grant-in-aid to these schools should be stopped as has been done in this instance, and the existing staff should be allowed to carry on for the duration of the war, so that I hope the £600 in this item will be reinstated. I would also like to quote instances of where the grants-in-aid to Indian schools have been stopped on the ground that the teachers employed are inefficient, with the result that the pupils are left without any education.

Dealing with the Forest Department, I should like to know if it is a fact that it is the policy of Government to buy required timber from the sawmillers who have formed a co-operative society or syndicate, and refuse to buy from any other millers, even at a competitive price.

The Department of Local Government—I thank the Commissioner for including £500 in the estimates for Kibos road in the Indian settlement area, and I hope it will be approved.

On page 59 are items 31, 32 and 37 for £193, £500, and £622 respectively for municipal staff, etc., at Kisumu. It seems that Government has made up its mind to establish a municipality at Kisumu. In this connexion I hope that Government will not overlook the demands of the Indian citizens for adequate representation on the municipal board in view of their large properties and numerical strength.

Now I come to the Medical vote. No provision appears to have been made for an Indian ward at Kitale hospital. It will be remembered that I brought this question up during the 1938 estimates, but it has not received any attention. The

(Mr. Kasim)

Asian community at Kitale have been planning for this essential service for a long time, and I hope that the hon. Director of Medical Services will see that money is available in these estimates.

Coming to the Police vote, I find that a very negligible increase has been made in the salaries of European and Indian inspectors and assistant inspectors, and no increase in their numbers. Owing to the present abnormal times, extra pressure is being put on the police, who have to work much harder than usual. Government should therefore make such an increase in their number as circumstances demand. Government is aware of the fact that several housebreaking thefts have taken place in the Nyanza Province by cutting corrugated iron sheets with big tin cutters, and traders in the reserve have lost considerable goods. It will be remembered that last year I suggested that it should be made illegal for a native in a reserve to possess a large tin-cutter, excepting of course professional tinsmiths, and if my suggestion is accepted I am sure there will be less housebreaking in the reserves.

I do hope that Government will consider appointing Indian visiting justices to the prisons at Mombasa, Nairobi, and Kisumu.

Under the Public Works Department vote, the hon. Director of Public Works is aware that on the Asawa Drift, which is situated between Kisumu on the main Kisumu-Kisii-Tanganyika roads, there ought to be a bridge, and that it is most essential, and I believe the cost of erecting such a bridge will not be more than £400. I hope the necessary provision will be made in the estimates. A bridge on Muhoroni Drift, which is now known as Fazan Drift, is also necessary, and provision for that should also be made.

DR. WILSON: Your Excellency, the great merit of this budget debate is that one can discuss almost every subject; no subject is too small and none is too big, and it is practically impossible to be ruled out of order, as my hon. friend the Member for the Coast showed this morning. I want to mention first two small matters; at least, I am afraid they will

appear small in the eyes of most members of Council, but unfortunately they are big enough for the people immediately concerned. I am sorry these two subjects have not even the charm of novelty—they are old and threadbare.

The first is this question of a flat rate hut and poll tax on natives. To save the feelings of the hon. Financial Secretary, I will say at once that I do not intend to discuss the principle of the tax; because I have done that often enough before, and I do not intend to give him or any other member the opportunity of the cheap satisfaction of asking me if I know there is a war on. All I will say at the moment is that, in spite of the war, Government should have given effective consideration to the question of the tax on native women. If because of the war it is quite impossible to make any alteration at the moment, I can at least ask that Government shall give instructions to its administrative officers to use as much leniency as possible in collecting the tax from women and not to exercise too much pressure in collecting the tax in hard cases. I know that many widows are exempted, but I also believe that many are compelled, with some hardship, to pay. This is a question on which our natives feel very strongly, as I think Your Excellency is aware, to the extent that they have offered that the men should pay more if the women can be exempted.

The second apparently small point is the question of pensions and gratuities for the African servants of Government. I think I have mentioned this at every budget debate since I have had the honour of representing native interests in this Council. Last year I had to be restrained in my remarks because at that time I was a member of a committee supposed to be investigating the question. But since I have been politely shelved by the simple expedient of liquidating that committee and appointing a new one—(Laughter)—I may say that I think Government is seriously to blame for not having satisfactorily settled this comparatively simple matter.

Turning from these two apparently small subjects, I would like to turn to a bigger subject, and I am sorry to say

(Dr. Wilson)

that I have got to base my remarks on a non-existent item in next year's estimates. (Laughter.) But the ghost of it will be found on page 67, under "Miscellaneous Services," between items 32 and 33: Standing Board of Economic Development, expenditure nil. As I understand it, the Standing Board of Economic Development has been obliterated and replaced by the Settlement and Production Board. I confess that I have not any very wide knowledge of what the Standing Board of Economic Development accomplished, neither do I know what the Settlement and Production Board is trying to do or has succeeded in doing, and I admit that I am using the abolition of this item as the reason or, if you like, the excuse for what I want to say.

We heard a lot before the war started and even more since the war has started about the need for an agricultural policy and for organized agricultural production. All I want now to submit is that there is a need for the development and organization of industries in Kenya. I agree with those people who believe that our great object at the moment is to win the war, without wasting too much time about what we are going to do after we have won the war. But this question of industrial development, to my mind, is important from the point of view of winning the war, and it is important from the point of view of what we are going to do after the war has been won. At the moment we are faced with difficulty in importing all sorts of articles owing to lack of shipping and other reasons. For the same reasons we are having trouble in exporting some of our products. Whatever the case was before the war, I think that it is our duty now to make this country at least a little more independent and self-supporting.

I do not want to develop this economic argument any further in the presence of such economic experts as my hon. friend on my left (Col. Grogan) and the hon. Member for Mombasa. Neither can I explain exactly how industries in Kenya are to be developed and encouraged, but I do think we ought now to be aiming at something more than planning for the production of agricultural products, for

which the prospect of profitable export or any export at all is at present so uncertain. We heard not so long ago of the possibility of the manufacture of munitions—why have we not heard of the possibility of manufacturing all sorts of things in this country? The workshops of the K.U.R. & H. demonstrate most strikingly what can be done with our African labour in factory work; they can nearly build a complete locomotive. In fact, I expect they would be able to if there was any need for it. If Africans can build a locomotive under European supervision, they are capable of manufacturing anything. Recently we have had one or two promising industrial concerns started here for such things as the production of blankets and boots. It used to be the case that manufacturing industries used to be discouraged or even prohibited in the colonies, but I take it that idea has now gone completely west, and we can best help the Empire by fending for ourselves as much as possible. I do hope Government will take this question of industrial development and encouragement seriously, and will go to it along the lines most likely to lead to effective results.

I thought it was for just such purposes that the Standing Board of Economic Development had been established, and I suggest that that board, if it is still existing, or a similar committee, might be asked to put forward suggestions and give advice as to how more immediate measures might be taken in order to develop our industries. And just as Government has assisted agriculture, I hope that if it is found necessary Government will be ready to put forward financial help for the extension or establishment of any manufacturing industry which may be found suitable for conditions prevailing in Kenya.

I said this was important from the point of view of winning the war, and I think it is just as important for our prospects after the war, because the population of this country cannot live on agriculture alone, and that goes both for the European and the African. I think we have got to find some alternative as a means of living to living on the land, and the sooner we get down to this question, I think, the better it will be for

[Dr. Wilson] the future of Kenya, because it is in the interests, I think, both of white settlement and of our growing African population that we should find this alternative.

There are other items in the estimates one would like to refer to, but if every member discussed every one of his pet subjects the debate would go on forever. So I shall not deal with two items on page 96 which were indirectly referred to by the hon. Member for Nairobi North. One is item 3, "Improvement and investigation of water supplies in native areas," and the other item 8, "Acceleration of reconditioning of Machakos reserve." These two important questions are dismissed in a very few lines in the memorandum, and I shall have to wait for the Standing Finance Committee meetings for further discussion and explanation.

LADY SIDNEY FARRAR (Nyanza): Your Excellency, I rise to support the motion before Council. As regards the subject-matter, the ground has already been adequately covered, but there is one general aspect to which I should like to take the opportunity of referring, and also one or two matters of detail which I should like to mention, in spite of the restraint shown by the last speaker, even when they have been mentioned before, in order to emphasize them.

The one general aspect to which I wish to refer is this question of the surplus balance. We have before us an estimated deficit now transferred into an estimated surplus of nearly £100,000, and we have to implement an undertaking given last year that any such surplus was to be utilized for the war effort. The question of how this surplus shall be handed over has already given rise to a fear, and in this respect I submit that we must bear in mind that the surplus balance is not only the product of certain fortuitous circumstances, such as an increase in customs revenue, but is also made up of a very large number of small savings and willing personal sacrifices in numberless ways by Civil Servants employed in every branch of the Administration in this country, as well as the ready and willing payment of taxes on the part of all sections of the community.

The reward hoped for was this surplus balance, which should be yet one more war contribution on their part. I think we are nearly all agreed that the money so saved should be a gift to the East Africa Force. I think the majority will agree that a direct contribution to the welfare of the troops in this area and in our midst is a worthy contribution, but I sincerely trust that the remainder will be handed over to the East African war chest without any tabs on it or any attempt to put them, and pay it yourselves in Kenya.

Passing to the present budget, there is another aspect which I am entirely satisfied has been sufficiently borne in mind. Although I am entirely in support of the details of conservative budgeting, I am not satisfied that we are doing enough to conserve and develop our productive assets as the other side of our war contribution. I should like to have an assurance from Government that funds will be made readily available for the carrying out of the rules made under the soil conservation legislation, and that both soil conservation and destocking measures will take priority in Government's deliberations during the year, along with the intelligent fostering by sound advice, price fixation, and loans if necessary, of our continued protection afforded for certain farming operations such as coffee, sisal, to the more successful protection and building up of such industries already referred to by the hon. member Dr. Wilson, some of which are at present represented by such concerns as Sisal Bags Ltd. and Nakuru Industries. I should like to hear from the hon. Financial Secretary that he has arranged for reserve funds to meet these things.

I should like to take this opportunity of expressing my appreciation of the fact that, for the first time, in the person of the hon. Financial Secretary, any member of this Government has had the courage to give us an unqualified lead on the subject of war expenditure as regards the purchase of luxuries. That is a lead I should like to quote again, more or less correctly, using his words: "Kenya people are not, as some would have them believe, assisting the British war effort by purchasing exported goods when they can manage without." It is

[Lady Sidney Farrar] the first time that any announcement of this kind has been made in this Council, and I should like to hear the hon. member assure us that he is satisfied that in this budget, in view of the knowledge he has already shown, we are keeping a true balance between our direct and indirect war contributions.

Now for a few matters of detail.

Under the head Posts and Telegraphs, I sincerely hope that the additional funds made available will ensure the replacement of the rural telephone system, which has had to be suspended in favour of the military interests, as well as their extension. Where before these telephones were valuable social services, under present conditions as regards petrol restrictions they are an absolute necessity to the farming community as well as giving some measure and feeling of security to the women living alone on outlying farms. In this respect also I would urge that the police establishment should not be unduly cut down and that the conditions of service should be such as to ensure the well-being and content of the force, which is giving such very good service to the country at the present time. At the same time, I would suggest that if there is any increase in this force the increase, if it can possibly be obtained, should be rather in the nature of an increased European personnel rather than an increase in native personnel. I am well aware of the difficulties facing this suggestion, but a balance must undoubtedly be kept between the European and native personnel of the police force if we are to maintain its good discipline and present efficiency.

The noble lord the hon. Member for Rift Valley has referred to prison conditions, and I would also urge, as being of benefit to the country as a whole and to the prisoners themselves, that if possible there should be some attempt to use prisoners on road construction. Housing on the lines of P.W.D. camps, with the addition perhaps of a barbed wire fence, should not be unduly costly, and the outdoor life away from towns should relieve unhealthy and unwholesome conditions, as well as benefiting the prisoners physically and morally, and simplifying

the problem from the recidivist point of view. I realize that the prisons are at the present time supplying certain urgently needed commodities, but I feel there must be some surplus over and above those almost trained artisans who could be used to augment or replace the manpower now being used on the roads and so limit, even in that very small number, the men who are having to be conscripted from the reserves for the labour battalions.

Under the head Public Works Department, I should like to hear that the urgency of an all-weather road for the Sotik, Kericho, Lumbwa area will not be forgotten. The native and European farming areas at Sotik and the tea-growers at Kericho are entirely dependent, as Council knows, on the road system for their existence. For days in the wet weather Sotik is completely cut away from its railhead, and the macadamized road built not so very long ago out of Colonial Development Fund money, between Kericho and Lumbwa, unless it is maintained in a reasonable state of repair, will undoubtedly shortly revert to the impassable state it was in some years ago.

There is one very small point I should like to raise under the subject of Education, and that is that I notice a sum has had to be set aside for building additional accommodation for the European school in Nairobi to replace a building commandeered for military purposes. I should like to ask in that respect whether the military authorities are paying rent for this building and, if so, whether this rent and the rent of other school buildings commandeered can be set aside or earmarked in some way towards increased accommodation for the school building after the war.

In referring to this question of commandeering, I must answer the remarks of the hon. Member for Mombasa yesterday on the question of commandeering a house in Mombasa for the use of certain women's auxiliary services. I would like to point out that he mentioned that four people previously occupied that house, and should another house be commandeered it would throw yet one more person out. It may be of interest to

[Lady Sidney Farrar]

state that eighteen have replaced the four and probably another eighteen would replace the one. I suggest that that is a saving of space.

I welcome the increased expenditure on the Labour Department. Here again, although one hundred per cent valuable service is given by the labour inspectors throughout the Colony, it is essential, if they are to keep the balance of the war development on a reasonable level, that the services of the Labour Department should not be cramped in any way. I think that the European employer and the native employee are well aware that they all owe a very real debt of gratitude to these men of the Labour Department who have done so much to promote and ensure good feeling in their dealings with one another.

The native has given magnificently of money on account of the war effort, as we all know, and perhaps it is not generally recognized how well he has tried as farm labour to play his part. We hear a good deal of criticism on this side because, as usual, there are exceptions to every rule, but we hear from individuals in the farming community, particularly the women living alone on the farms, again and again (I should like to make a point of this) how well the native farm labour has behaved when he could have made things so very difficult for these lone women. (Hear, hear.) On farm after farm it is the native headmen who make it possible and safe for the women left alone to handle the work and control large gangs of labour. In spite of districts being denuded of man power, stock thefts have not increased and robbery with violence is almost unknown. It is up to us to be sure that recruiting for the new labour battalions does not upset that feeling of goodwill, and particularly to ensure that the regular farm labour and gold worker is not conscripted, and that exemption tribunals will operate in this respect and ensure that individual cases of such workers will be sympathetically considered and that they will not be conscripted rather than the loafer who could well do with a little military discipline.

COL. KIRKWOOD (Trans Nzoia): Your Excellency, I am rising to support the motion before Council—At a later

stage I propose to deal with certain general principles and certain details, but I find that I am handicapped this year, for I see I have no anti-hill to kick nor peg to hang my hat on, and I think I have a genuine grouse against the hon. Financial Secretary on that ground.

Firstly, I would like to take the head, Agriculture. What is the policy of the Agricultural Department? I have not found one, not in this budget nor stated by the hon. Director, to convince me that the Government through the Agricultural Department has a policy, unless that policy is to deplete the agriculturists; that is, take them off the farms and put them into the military forces, and allow the farms to revert to waste land, for that is what is being done.

Last August, in this Council, when maize was something over 9/- a bag, I stated that under three months it would be 5/- a bag. It was stated that Government would be considering the matter and I took it that they would be taking some action. But they have not taken any action, and as a result my prophecy has been fully justified, although a prophet is of very little use in his own country. I maintain that that want of policy on the part of Government and in the Agricultural Department must not continue. Maize has always been belittled by the hon. General Manager of the Railway because it does not pay for running costs and so on. I do not agree. It is an absolutely essential crop. This Colony under present conditions could not do without it. You would not get the necessary ships to bring maize to this Colony, and if you could not produce it what would happen, say, in twelve months' time—with the possibilities of weather conditions, droughts, and locusts—if you have not got a surplus of maize? If you have a surplus it is produced at the expense of the producer. Since 1930, even including this year, the maize produced and sold has been put out by the Kenya Farmers' Association under cost price. It is simply marvellous how they can go about it, and how it continues I do not know.

Due to the war conditions many of the farms are managed by group farm managers who manage from one to four farms, and I say it is impossible, for

[Col. Kirkwood]

under normal conditions it is very difficult to manage even one farm. You are not in England where you are employing European labour. You are dependent upon native labour, and they are very good up to a point. I have two farms on which I have natives and they are very good, but I do not get 100 per cent from them, and I have to suffer because a European manager is not available. I do hope that Government will do something. I suggest what seems the obvious thing to me, that is the control of the acreage of maize in the coming year, and you will have little time to do that because a lot of the farmers up in my district plant in February or March. I understand that there is a shortage of wheat and that at least 35,000 acres of wheat are to be put in next year without any risk as regards price. That is a slight let-out. But that is not going to make up for the maize acreage that is going to go out of cultivation, and the position in twelve months' time may be very serious. It has been serious on previous occasions, particularly in the Northern Frontier, when maize was controlled against the farmer, and the poor old farmer has always got to carry the baby.

I do warn you seriously that something should be done. After all, agriculture is the basic industry of this country; it is not the sole one, but it quite exceeds the importance of the others. I suggest that there should be a minimum selling price for maize in 1941, or posho, and the control of the acreage within reason. Unless this is done you will have to subsidize the maize producers in some other way. I am not quite sure that you are going to get adequate maize planted in the coming season. The farmers are getting fed up by being let down and carrying the baby. I myself am a producer, and I have been producing maize for ten years under the cost of production, and the only benefit I have had is the doubtful price on paper. Government instead of working with the industry have done nothing to help.

The next item I want to take is paragraph 3 on the first page of the memorandum, which reads:—

"In accordance with an undertaking given by Government in August last

—that is, last year not this—"any surplus balance which may accrue in 1940 or subsequent years while the war lasts will be used for war purposes. The whole of the 1940 surplus will be so used."

The last part of the paragraph, "The whole of the 1940 surplus will be so used," I am in entire agreement with. But I am not in agreement with that statement that the whole surplus balance of this Colony must be distributed as indicated in that paragraph without any further reference to this Council. I think it is a mistake. I admire Your Excellency's optimism in making it, and I think it is a wonderful spirit. But, after all, in war time in addition to that great desire we have got, everybody in this Colony, to prosecute this war to the utmost of our ability, with finance, man power and otherwise, and I think we have got to consider other things. There is such a thing as a post-war programme which I understand has not yet been considered by this Government. It should be considered as to what we are going to do after the war. It is not going to last for ever. Are you going to encourage settlement and rehabilitate farmers who are now fighting and whose farms are being neglected? If so, where is the money coming from? This is where our surplus balances would help, and they are at the low-water mark as it is, and they are not liquid. As far as that £100,000 is concerned it can be given with the greatest goodwill as far as I am concerned, but I do hope Government will make it clear that before they include it in the next budget it will be discussed and an agreement come to between the members on this side of Council and Government.

Under the Medical vote, I would like to ask for details with reference to the annual grant to Kitale Hospital. I understand that £120 a year has been paid to the hospital, which will be made up to £240 by the hon. Director of Medical Services out of this vote. I suggest that it should appear in the budget. I believe it is the intention so to do, because I see that item 63 on page 63 in the budget is dealing with this. But there is a note (ii) in the right-hand margin, which means "Refer to memorandum." But if you do

[Col. Kirkwood]

that there is no mention there of Kitale Hospital. I think that must be an oversight or, maybe, it will be put in later. I would like some information on that point, as I believe it is Government's intention to put that in the budget.

Also, dealing with the same hospital, an X-ray apparatus has been acquired at a cost of £250 and has been installed in the Kitale Hospital and has received the blessing of the Standing Committee for Local Government in Rural Areas. Half of that amount, £125, is a capital cost. I have pointed out that X-ray apparatus have been introduced in such places as Eldoret and Kisumu, and pay a profit. But, of course, the question naturally follows as to why we want assistance from Government if it is self-supporting. The answer why we want help on a fifty-fifty basis with the capital expenditure on the hospital is because we have not got the money to pay for it. Another answer is that every year the hospital requires additional expenditure either by Government or by the district or by both. Already Trans Nzoia District Council has agreed to loan £400 out of its surplus balances to the hospital, but that has got to be paid back. I, foolishly or otherwise—I do not think I am foolish—took on the responsibility in the district of seeing that the money was raised, and I will say the district will play its part, and it only asks that Government will give it sympathetic consideration.

With regard to the extra demands that are to be made on the commercial community by increasing the trade licences, I believe the principle is all wrong. We are not helping England in a practical way in this, and I do not think we are giving them any assistance. Trade is already under great disabilities. Although they get the permits for goods and they start on their way, sometimes they do not get them and they go down the shaft. There is no equality in the trade licences for another thing; there may be in Mombasa or Nairobi, but when you get 300 miles away in a small township conditions are quite different. I think it is quite futile to suggest a general increase irrespective of the geographical situation. I think only a small amount will be realized too, and I suggest that it should

not be included in this budget. In general, the principle is wrong and there is no justice or equality to justify it. It is very much the same as a medical tax. I oppose it because you cannot compare medical officers in rural areas such as Eldoret or Kitale as in Nairobi where you have the population and a richer community where they can make quite a good thing out of it.

Under mining, I would again remind Government of the big possibilities if a geological survey were carried out in Turkana and other parts of the Northern Frontier. I can assure Council, and I know myself from a qualified geologist who has been inspecting the dry river beds in Southern Turkana, of the possibilities of gold. And also mica has been found not 90 miles from Kitale. There are also other minerals, but the trouble has been that it is in a dry and arid area which makes it difficult for prospecting, for the prospector requires water and very few of them can afford a dry blower which are used extensively in Australia. And in wet weather it is difficult to use it because the rivers are in spate and they cannot get down to the sand. I feel sure that if a survey were carried out it would not only bring a great deal of benefit to the natives of these areas and find them remunerative employment, but it would increase the Colony's mineral and gold production.

I think the man power vote of £1,900 is very excessive. I cannot understand how it can reach that amount. In my own district the District Commissioner and the Man Power Committee get nothing, and where that £1,900 goes I do not know, and what good the man power committees have done I do not know. I have said it before and I say it again, they are looked upon as recruiting agents for the military forces. They were not appointed for that, they were appointed to control the man power and prevent the necessary individuals from leaving agriculture and joining up in the Forces and leaving agriculture stranded. I know of the case of a group farm manager and also of his wife joining the Forces so that his farm had to be given to someone else. I know too, my own area, which is the largest producing area

[Col. Kirkwood]

will be going back very, very fast from the production point of view as a result of these things.

Either production is wanted or it is not. And if it is wanted for God's sake why not tell the farmers, and if it is not wanted there is no need for them to be on the farms and it would save my time in speaking in this Council. You have the right to tell them to stay and you have the right to tell them they have the right to a guaranteed price. There is no question about it. Sisal which is in difficulties and coffee, to some extent Government have been doing all they can for these, but for maize you have not, you never have and you never will. It is not a question of finance, it is a question of control and I am going to suggest the fixation of the selling price. Government know they have the power if they could get the will to do it. So why not get the will and exercise the power?

The Information Office, £12,000. Item 14, page 14 of the Memorandum. Well, that is up again. If I remember rightly it was a mere £600 last year, and we lost our Director of Education and got an Information Officer with no information. Well, I am very pleased to see him back at his old job again, and he is doing very well at it. But why this terrific flare up? I do not know whether this is a token vote and that it might mean that it will go down or go up to £24,000. There must be some thundering good jobs going: they seem to be like microbes, they breed overnight. And the next morning we find people with these huge salaries. Shortly we will be finding them on the pension list. I think the Standing Finance Committee should scrutinize this very closely. In my opinion it is doing no good at all, for most of the information I have heard from them is, for instance, like "Official communique No. 559 released by the Information Office," and what they tell me is that I knew two or three months before. Sometimes I know the average man does not get it until they issue it. But if they issue it so long afterwards why take the trouble to issue it at all, and why make all this song about it as "Official communique No. 559 issued

by the Information Office"? Why all this stupidity? It is all wrong anyhow. We had the information that two planes had been brought down on the Northern Frontier. I could have told you that it was three long before (laughter). Two were brought down and the third came down and was found forty miles away. Then what about these wonderful bombs? Of one that was about the size of this table and made or shaped like a pear which unless it hits perpendicularly it won't go off for if it hits on its side there it usually lies. I can tell you that there are quite a lot of duds up there—they must be like the Information Office. (Laughter.)

On the question of the Settlement and Production Board, as Your Excellency is aware you were approached when you very kindly visited our district—and I hope you will come again very soon, you will be very welcome—and the matter, you remember, was brought up and it has been taken further than the Trans Nzoia District, but the answer was a lemon! Their point is that as the largest producing area in this country it is entitled to representation on the Board—and it is an important point. Government's answer was that it had picked the best men for the job. Well, you cannot tell me that that is correct. You cannot tell me that the Settlement and Production Board consists of the best men in the country, not as farmers. They have not been educated as farmers. I am not satisfied and I do maintain that my own district has got the least representation on any board or committee appointed by Government, and yet we have got the brains of the whole Colony up there. (Laughter.)

It has now been suggested in this Council, and I notice there has been some croaking around Nakuru—I think it comes from the lake where they are always belittling the usefulness of the elected members and at times they have been croaking about the Government, but that, I think, is a question of propaganda—I was sorry to hear it mentioned in this Council that the Executive Council should be enlarged for the duration, and for probably ever after, for it would do away with this Council. It is a constitutional issue and it is the biggest that

[Col. Kirkwood]

has ever been raised in this Colony. Well, the effort will be wasted because this Council is the life-blood of the Colony and we would never agree to that, that is an increase in the Executive Council in exchange for the Legislative Council. That, to my mind, is Fascism—a central body run by ministers and boards and committees as suggested by Sir Edward Grigg much to my astonishment. We make use of boards and committees, but it is not the intention on my part and as far as I know, bar that one hon. member in this Council, and I think he is rather sorry for what he said, speaking for the eleven elected members, we shall never do away with Legislative Council and the constituted rights of the elected members in this Colony.

On the military side, I would like to ask a question on the vote of the Kenya Defence Force. The annual vote was not mentioned in the memorandum. Now, I understand that the idea is that the K.D.F. is to be taken over by the Military Forces. Well, I have nothing to say against that, but I would like to know whose children they are. It seems like a game of battledore and shuttlecock, but if they are eventually taken over I am quite sure it would be a good job of work, and probably it would be a good thing if they were taken over now. But I think we should be told about it. After all, I myself was an officer in the Kenya Defence Force, and some glorified gentleman did not know it, I refer to the Deputy Judge Advocate General, who is a real big noise in the law, and to the Attorney General who also was goodness knows how high up in that—it was Criminal Case No. 5017. I had had a criminal summons issued to me for daring to go to General Headquarters. I had no intention of breaking the Defence Regulations. I was not aware that I had to have a permit and the moment I became aware of it I expressed my regret. But there was nothing to prevent them from issuing a permit whilst I was there—that was what they should have done. But they did not issue me with a permit, they issued me with a summons instead. It was an astounding summons. It had a rubber stamp in the top right-hand corner—and

I am going to sell it for charity later on. It stated that I was being summoned for:—

“Entering a controlled area without a permit in that at about 10.45 a.m. on the 23-8-40 at Nairobi you ignored the sentry at the gate of Force Headquarters who asked you for your permit to enter. You entered the said Headquarters, a controlled area, without a permit and you are not a member of His Majesty's Naval, Military or Air Forces, contrary to section 3, Controlled Area Rules, 1940.”

Well, that is a deliberate lie, sir. I was a member of His Majesty's Forces, and it is an established fact that the Kenya Defence Force is a part of His Majesty's Forces; it is also an established fact that an officer of the Kenya Defence Force is at all times subject to military rule. But it is also an established fact that other than officers are not at all times subject to military rule, and I think something should be done about it. Every member of His Majesty's Forces should be subject to the military law of the country and I think and suggest that it is a job for the hon. Attorney General to put that right and make them subject to it. I do not like to put work on to the hon. Attorney General, I know he is hard worked under the Defence Regulations and so on, but still I think it ought to be done.

Under the general principles I am in agreement whole-heartedly that everything possible should be done by every man, woman and child in this country to win the war, and no sacrifice is too big. We are not fighting to get a price for our maize and we are not fighting for any little detail, but for the greatest principle that has ever been raised in the greatest Empire that civilization has ever produced—that is the British Empire of which I am proud to be a member—as to whether democracy is going to continue or not. And I say, sir, the answer will be given before the end of 1941. I am risking a prophesy, and I have never been wrong yet and I hope (laughter) . . .

HIS EXCELLENCY: I do not want to interrupt the hon. member but the time . . .

COL. KIRKWOOD: I will not be one moment, sir. I would not rather carry on to-morrow because I want to see the session ended. Time is money, especially in war time. But when the hon. gentlemen kindly applauded me it rather upset me and put me out of my stride. It is not usual, but still, I like to see happy and smiling faces in the opposition!

To continue, I was saying that we are fighting for our very existence. It is a terrible war which has been imposed upon us. It is not a question of Mr. Isher Dass, for instance, being consulted as to whether we are right or wrong. Even if we were wrong I would still be fighting for the British Empire (hear, hear), if not in uniform, then in this Council. It is not my fault that this old bounder is going on for his 69th year. There is no question about brain and I am quite willing to go on.

To carry it a bit further, this is admittedly the most critical time in the history of the British Empire. Here at the moment we have been fairly quiet. But that does not mean to say that it is not going to stoke up. No doubt we have all relations at home, wives, brothers, sisters and children. I have my own boy at home bombed from his school but that is not preventing his education going on. But I do wish to emphasize the fact that the whole Empire itself is fighting for democracy and for the determination, the self-determination of minorities as proclaimed from the house-tops by Imperial politicians and for those countries down-trodden by those brutes. It must not be forgotten that we are fighting for the minorities' self-determination, and I hope that it will be remembered after the war has terminated, and that we will continue to demand the right of self-determination in this Colony and with a responsible government. I hope that it will not be just a union with South Africa but that it will be a united Africa from the Red Sea to the Cape.

The debate was adjourned.

ADJOURNMENT

Council adjourned until 10 a.m., Friday, 6th December.

Friday, 6th December, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Friday, 6th December, 1940. His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened Council with prayer.

MINUTES

The Minutes of the meeting of 5th December were confirmed.

DRAFT ESTIMATES, 1941

The debate was resumed.

MR. MONTGOMERY: Your Excellency, like some hon. members I am not going to speak about the budget at all, but unlike others I am going to be brief. I am going to speak about native labour. Yesterday, here in this Council, the noble earl referred to the labour in the Kiambu District. I took it that he meant that generally, but my information is quite different. I asked several people last night and as far as I can find out there is absolutely no shortage in that part of the world. But in connexion with this, I am going to read out a short paragraph from the *Kenya Weekly News* of 8th November:—

“Really something has got to be done about this labour business and I am very glad to see that the Elected Members' Organization are getting hit up about it. I have before me as I write a letter from a responsible member of the mining industry. He says that this recruiting for the labour corps is hitting his industry in two ways. Firstly his employees on leave are being induced to join the Corps, and secondly so much pressure is being put on male adults to join, that in many cases no one is left behind in the reserves to look after the family goats and maize patch, and that therefore in many instances the man working in the mine wants to go back to the reserve in order to do it.

I published evidence a couple of weeks back that officials engaged in recruiting in the reserve are taking the line that agriculture is not of national importance, and that it is more patriotic (and more remunerative) of

[Mr. Montgomery]

course) to join the Labour Corps, and apparently the same attitude is being taken to the mining industry. As long as this is the official attitude (if it is) then the labour position must remain hopeless."

Now it is a pity that the editor did not take the trouble to find out the facts, but I have. I have information from the Officer in Charge of the Labour Service which shows that up to the 27th November, 5,553 natives have been recruited to that service. I will not go through all the figures of the districts but I will quote those of Nyanza, the Coast and Nairobi. From the Coast there were 800 and from Nairobi 400. The number recruited from Nyanza is 1,800 out of a population of over 900,000 of which possibly the able-bodied population numbers over 200,000. These figures have been supplied by the Chief Registrar of Natives. And the number of registered natives employed from the Nyanza Province is 81,000. So it is absurd to say that the small numbers recruited affect the labour position.

Yesterday. I met a gentleman who has been all round the farms inquiring about agricultural matters, and I asked him particularly about the native labour supply. He said that generally speaking he found that there was no shortage, but there was a certain uneasiness with regard to the future. Well, one can quite imagine that, and I think we can take it for granted that there was a certain uneasiness in the native reserves after the war had started, for they were not certain what was going to happen and thousands wanted to join the Forces, but only hundreds were taken, and they did not know whether they were going to be bombed or not, and the position was pretty awkward, especially in Kisii. But I believe the phase is past, and I do not think there is a labour shortage, and I am going to quote one more figure. The monthly average over the first eight months of the year is £183,700. From the last special labour return in 1936 the number was 182,000 of which 160,000 were employed in agriculture. As I have said, the number engaged in labour for the first eight months of this year is 183,700 and I think one can assume that

the number employed in agriculture has gone up in proportion, although I cannot prove it.

I think, especially in regard to the second paragraph I have read, I am going to make a suggestion to Government that a *communiqué* be issued setting out exactly what the situation is. I am always in favour of letting the public know what is happening and if that idea obtains official sanction and what I have said is right, I think it ought to be made clear. The figures I have I will give to the Chief Native Commissioner, and I hope they will stop a lot of anxiety in the settled areas.

I understand that there is some question about badges for natives exempted from military service. I think this would have a very good effect and I understand that it is being considered.

The only other thing I wish to say is that I heartily support the suggestion made by the noble lord the hon. Member for the Rift Valley, that the money from the surplus balance be allocated to the welfare of the troops under the able direction of Colonel Hoey. A lot has been done already but a good deal of money is required for this. (Applause.)

MR. WRIGHT (Aberdare): Your Excellency, like the last speaker, I am not going to speak about the budget at all. In common with a good many of my colleagues on this side of Council it seems a good policy to adopt in a year like this, and they seem quite prepared to swallow the budget wholesale.

I would like to follow on where my hon. friend who has just spoken has left off. He referred to the speech made by the noble earl the hon. Member for Kiambu a day or two ago. I was under the impression that his lordship was referring to specific parts of his constituency where the labour is probably generally deficient, though that remark of the previous speaker probably applies to the whole constituency.

I have a letter which was received by the noble earl the hon. Member for Kiambu from the Kenya Tea Company, Limited, Kibubuti Coffee Estates, which reads as follows:—

"The extremely serious situation which now obtains in the Upper

[Mr. Wright]

Kiambu District in regard to the supply of labour to pick the coffee crop prompts me to inform you of the situation direct.

The estates concerned, covering an area of nearly 1,500 acres of coffee, are at this moment faced with completely ripe coffee crops almost falling off the trees for want of labour to pick them. The situation demands immediate action if these crops are to be saved.

Neither men nor women this year have turned out to work by the month or by the day in anything like their usual numbers, and recruiters near and far have met with singularly little success. This has been our experience as a whole in this part of the district this year. Lower Kiambu farms have had very little coffee to pick and so the position has not greatly affected farms in that locality. The District Commissioner has recently visited farms in this district together with senior Chief Koinange and another headman. Since their visit very few pickers have come, until the saving of the crops has become possible only by the arrival of women pickers in thousands within the next day or two—not longer.

I believe that all man and woman power in the Colony now comes under Compulsory Regulations and I also understand that it is particularly Government's policy that no crop should be lost or wasted. In normal times Government may be justified in leaving the organization of native labour to each individual enterprise. Under present war-time conditions I cannot think that Government can possibly justify such a policy if a serious lack of labour occurs. The country will I feel sure demand a definite labour policy from Government.

That is the position over a small area of the district this year. Next year when large crops are expected from the whole of the Kiambu coffee area, the position will, without doubt, become hopeless unless present conditions are radically altered. It is for this reason that the Kiambu Association will be calling a meeting in the

district in the very near future to discuss this very serious matter, and as president of the Association I hope to be able to send you an official invitation as soon as my committee has confirmed the date and subject matter of the meeting."

That is one district; in another, namely Naivasha, the Naivasha Man Power Committee have minuted the following:—

"Labour. Commander Barradell stated that production could not be maintained, and certainly not increased unless the labour position improved."

Pyrethrum, for example, would come into flower on all farms in the Kinangop area at the same time, and labour available for it would be quite inadequate. Women farm managers were finding difficulty in dealing with labourers who often disliked being given orders by womenfolk.

Mr. Burton stated that, in his view, individual cases should be investigated by the sub-committees which would report to the local Man Power Committee which, in turn, would have to forward a recommendation to Government that labour be supplied to stated farms, rather on the lines of the recent supply of labour to flax-growers. The Labour Officer should also assist by reporting on the conditions appertaining to the farm in question."

That is the story told all over the country. In North Kenya as well, it has been stated that labour troubles are due, and it is possibly true, to the concentration of troops whereby milkers are walking out of jobs at sh. 10 a month and are being employed by the military at Sh. 1 a day without their *kipanadis* being signed off. There the gradual increase in labour insufficiency is creating increasingly a greater need for stronger official action being taken if production is to be even maintained. And personally I maintain it cannot be increased.

My purpose chiefly in speaking to-day is to deal with certain animadversions by two of my hon. colleagues against the Settlement and Production Board. It seems hard when we are at war we should be at war with each other. But I suggest that these allegations have been

[Mr. Wright] born of abyssmal ignorance and must be refuted, even if the refutation must come from the same side. I would like to refer to the two speeches of my hon. friend from the coast and the gallant and hon. Member for Trans Nzoia.

Inferentially, from the speech of the latter it seems that the Trans Nzoia district is the repository of all the brains in the country and, indeed, that unless the Settlement and Production Board has personnel included from that district then it is a hopeless organization!

Now I am a member of that Board and I was on it from the outset. Some considerable time ago our production took the nature of documents rather than of achievements. There was an enormous amount of collation work to be done and I suppose that as this is an advisory and unofficial body it has to report progress to the Government. In more recent times the Board has got down to practical details and has submitted definite recommendations to you, Sir, which I am given to understand have your personal favour and will, I hope, soon be implemented.

But the particular charges I resent are that this Board consisted of thoroughly impractical people, particularly as it has on it five unofficial members who, in the aggregate, each average a quarter of a century's practical experience of farming in Kenya and who, in terms of production, represent practically every form of production known in this Colony of ours. I am sorry to have to include myself in that category for I have only been in Kenya twenty-nine years, all that time in farming, coming from farming stock, the chief blot on my escutcheon being that I attended an agricultural college in Scotland. And with regard to the deputy chairman of the Board, Captain F. O'B. Wilson, there is not a more successful farmer in the whole of Kenya and I doubt if there is one better, for he has farmed here very successfully for thirty years, and a better and more representative chairman could not be selected in my view. Added to this we work in the closest collaboration with the hon. Director of Agriculture and the hon. Director of Veterinary Services whose outlook is

more unofficial in many cases than our own. Added to that we have a very practical man in the Secretary of the Land Bank.

While I am referring to the individual glories of the members of the Board I do not wish to imply that we cannot get better, but I do say that for a mainly unofficial body the selection has been very good indeed. I personally would be willing to stand down for the hon. and gallant Member for Trans Nzoia if he desired to be a member and this was also the wish of the Board. That hon. member said that he was never wrong, or words to that effect, May God forgive him for his omniscience! (Laughter.) I recollect, and he will correct me promptly if I am wrong, that he has been the victim of enormous farming losses in this Colony. It was, I think, during one of his budget speeches or on the subject of the income tax that he said this, or words to that effect, and postulated thereby, that as his collective losses were some £50,000, and were such as . . .

COL. KIRKWOOD: Your Excellency, on a point of order I have never stated at any time in this Colony that I have ever lost a penny on farming. It is not true and the quotation of the hon. member is incorrect.

MR. WRIGHT: I apologize to the hon. member. I must have misunderstood him and I commiserate with him in his losses in other ventures. The hon. and gallant member specifically cited that the Trans Nzoia was the biggest production district. I am not in a position to refute that, but I admit that as far as maize is concerned it is by far and away the biggest centre. But I hardly hold that as sound practical farming in this country to-day when in their wisdom many other districts decided long ago that they must distribute their risks and go in for mixed farming. The hon. and gallant member has himself adopted the latter course and is, and I hope he will long remain, a successful stock owner.

That is the largest point I am raising to-day. But there is one item that has worried me, and that was broached by the hon. Member for Mombasa. That is the position with regard to the Police

[Mr. Wright] Force in Kenya to-day, and I repeat his request that this Council might consider the recommendation of Sir David Petrie who some eighteen months ago made a report on the Police whereby he hoped that the efficiency of the Police might be improved. I am not criticizing the efficiency of the Police, but I do unequivocally say that it is the most unhappy force in this country, and it is definitely wrong that in wartime there should be a complete lack of *esprit de corps* in that force, among the senior or at any rate among the officers. "No names no pack drill" is a good axiom in the police as in the army. But when I hear that it is a common complaint that reports of considerable moment go up to headquarters and no action is taken and no acknowledgment even is made, then I have no hesitation in saying that there must be something wrong at the top, at the very fountain-head of the department, and it must be characterized as inefficiency or worse when it creates such an attitude in the force that they cannot work as a team.

I was one of a small delegation that interviewed the Commissioner of Police a very long time ago, and I referred then to the fact that women on far-flung farms, who were running the farms alone, had never seen a police patrol. A good few months of the war had elapsed and many more months have gone by. The Commissioner agreed with me—he is a most charming gentleman and his social qualities are perfect—but I have evidence from at least five ladies whose farms are far away that, since the war began they have never seen a white officer of the police or an administrative officer on their farms. There must be something radically wrong when such conditions can prevail near the Northern Frontier districts and I hope Government will take action on this matter.

For the rest and chiefly for the Production Board there is one view that I would like to comment upon. The Production Board have submitted a few resolutions to Government, one of which I would like to read. It states:—

"That this Board advises Government to determine and announce a quota in respect of crops and animal

or vegetable products required for the military or civilian market. The Board also advises that the price of each crop or product in respect of which a quota is announced be fixed for a prescribed period at a price which will afford a reasonable margin of profit over the cost of production."

That, Sir, I understand has your sympathetic consideration at the moment, and since some three weeks have elapsed since the decision was taken unanimously by the Board to submit that recommendation I trust that for the sake of the country and for the farming population action will be taken at a very early date.

MR. PATEL (Eastern Area): Your Excellency, at the outset I would like to congratulate the hon. Financial Secretary for presenting to us very reasonable and satisfactory Draft Estimates. No one, in my opinion, can disagree with the four fundamental principles which he enunciated and on which he has based these Estimates. One could certainly feel, as far as customs revenue is concerned, that it is based on a conservative estimate, and that expenditure, considering the war circumstances, is very restrained. It is very lucky for the taxpayers that they have not been called on to make greater sacrifices during war time.

While considering these Estimates, I personally share the restrained optimism of the noble lord, the hon. Member for Rift Valley, about world affairs and the war situation. I personally think that we have turned a very difficult corner and shortly will notice a steadily rising tide of victory on our side, and the indomitable courage shown by the people of Great Britain in spite of injuries and sufferings from indiscriminate air bombing and the undaunted bravery of the Greek army are sure indications of that coming victory.

While agreeing generally to the Estimates, one would like to say something for three reasons; either to criticize the details, or to seek information from heads of departments on matters or to offer criticism generally on matters of interest. On the revenue side I will refer to the personal tax which is to replace the non-native poll tax because it

[Mr. Patel]

is more equitable, and removes one racial discrimination in taxation in a country where there is a constant and unceasing tendency to introduce racial discrimination. In regard to the trade licences, I hope consideration will be given to the small traders in the small towns and that they will be exempted from the surcharge.

As to trade licences, here one could introduce an endless controversy as to whether they are revenue-producing measures or protection measures for the traders. Personally I am not inclined to favour those who call it a protection measure. I do not know whether in a growing country traders want protection from new traders coming in and thus secure a monopoly for the traders already here. Apart from that, I think it should be a general principle that whatever revenue is received by the State from any section of taxpayers it should always be considered as general revenue to be used for the benefit of the country and not allocate to any particular section the revenue derived from that particular section.

While looking at the Posts and Telegraphs revenue, I am inclined to criticize the reply given last week by the hon. Postmaster General in regard to air mail rates from Zanzibar. In my opinion, the reply showed a lack of imagination and ordinary common sense in grouping Zanzibar with other parts of the Empire. It shows how very often the official mind works on red tape instead of finding a practical way out. Zanzibar is one of the East African territories, and I do not think one can compare it with other parts of the Empire, and postal union or no postal union, Zanzibar should be placed on the same basis as the other three territories in regard to postal rates.

Coming to the expenditure, I would like to take one of the items which the noble lord took, namely, Makerere bursaries, and I would like to ask the hon. Director of Education why the number of students going from Kenya is less than from Tanganyika. The other thing I would like to ask him is whether the council or assembly of Makerere College has made any decision in regard

to making provision for non-African students getting admission to that College. While on that point, I would point out one thing, that I do not think the non-African community will seek to have bursaries as are provided for African students, but at the same time I do not think it fair to call on non-African students to pay the expenses incurred in running that institution. I do not think it will be accepted as a principle in any part of the world that an educational institution cannot be made self-supporting by asking students to meet all the running expenses, and therefore this Government should consider the maximum amount which non-African students should be called on to pay for obtaining education at Makerere College and which should be within the reach of average parents. I should like to know from the hon. Director of Education whether any such scheme has been put forward by the council of the institution and whether this Government has given any consideration to such proposals.

There is one thing I would like to point out in regard to the Memorandum on the Estimates. On page 50 of the Draft Estimates is item 2, under Forest Department, two Senior Assistant Conservators of Forests, £1,630, against which is the letter "m", which means that an explanation is in the Memorandum. If we look at that explanation, it says "Item 2, Senior Assistant Conservator of Forests, £1,630. I do not know what is the explanation which we are asked to look at. I have noticed several such items where the letter "m" has been used and no explanation whatever is given when one looks it up.

The hon. member Mr. Isher Dass referred to the Medical vote, and particularly to Indian nurses. As Council well knows, it has always been the complaint of the Indian community that they have not been provided with adequate medical facilities. Here and there wards have been provided for them in the native civil hospitals, and there was some satisfaction at the decision made by the hon. Director of Medical Services that he was going to appoint Indian nurses to look after Indian patients. But when one looks at the terms offered to these nurses, it appears that

[Mr. Patel]

the hon. Director has tried with all his power to restrain expenditure on this vote by offering low salaries to these Indian nurses. The salaries offered are most inadequate, and about six months back, when a European lady secretary of an Indian Nursing Association on her way from England to India via Mombasa inquired about it, she was surprised at the terms, and said that no Indian nurses would occupy posts at the salaries offered.

At the same time, no provision is made to train Indian nurses locally. Not only that, but while the vote shows that Asian nurses are provided for the wards in Mombasa, in the three posts there is only one Indian nurse, because the Medical Department have not offered terms which will attract nurses to occupy these positions. I hope the hon. Director will further consider this small concession which, after a long time, has been granted to Indian patients.

Coming to the Public Works Department, I should like to raise the question of roads which, in particular, the road between Mombasa and Mariakani and district roads on the coast. I am told that the traffic there has increased about 400 per cent, but the money available for keeping the roads in good condition has not been increased. The result is these roads have been closed many times during the year and for long periods. This means that on several occasions most essential needs of Mombasa such as milk and charcoal could not be brought to Mombasa for the use of the population, while traders were unable to buy native produce or to transport it to the markets, and thus native producers as well as Indian traders suffered. I know from my own personal knowledge that traders in Mariakani were unable to meet their bills because they were unable to transport and sell maize purchased by them from natives. If there is road protection, at the same time I think serious consideration must be given to the needs of the population. As the noble lord said, good roads are necessary for the development of the country, and I think it is equally necessary for the development of the coast. But, apart from encouraging development, I think

the roads now in existence are definitely discouraging the development of the coast, and I hope the Standing Finance Committee will take steps to allocate more money for coast roads.

Coming to the Registrar General's Department, I entirely agree with the hon. Member for Mombasa that something must be done to speed up our bankruptcy administration. As far as Mombasa is concerned, at one time I raised in this Council that the district registrar could not look after all the activities of the branch of the Registrar General at Mombasa and that it was necessary that an Asian senior clerk with experience of all branches of the work should be appointed, so that the work could be done more efficiently and speedily. One ridiculous position about the department is in regard to the administration of estates of deceased Arabs at Lamu and other places. What happens is that the Public Trustee in Nairobi administers an estate, takes out letters of administration at the Supreme Court, Nairobi, and publishes a notice in the *Gazette* that those who want to lodge objections can examine the accounts in the Supreme Court, Nairobi. An Arab resident at Lamu who wants to examine the accounts of an estate has to come to Nairobi when the estate may be hardly £50 or £100, which is ridiculous. Some arrangement should be made with District Officers at Lamu and other outside stations to administer those estates.

The next item in order is the Secretariat and Legislative Council. I personally did not desire to offer any remarks on that, but as the hon. Member for Mombasa has raised two or three very controversial questions I would certainly crave the indulgence of Council to take some time in replying.

Firstly, as the hon. Member for the Coast rightly said, it is a monstrous suggestion that this Council should be closed. When the hon. Member for Mombasa desires an unofficial majority, he should not forget that in this country, in spite of a little more harmonious and co-operative spirit shown lately by the different races, we have not yet reached the stage when the non-official European community has inspired confidence in

[Mr. Patel] the minds of the non-European communities, and as long as that lasts I think it will be necessary for hon. members on the other side to have the final voice in this Council. In regard to the control of the Colonial Office, I must say that the stand of the Indian community throughout has been very clear, and has been justified by the events of the last twenty years, that such control should be retained. It is common experience that the local interests often conflict, and when the local interests so conflicted the non-official European community did not care to look justly and fairly into the interests of other races; and the Colonial Office was able to act as a brake against racial self-interests. Therefore, unless we reach such a stage where it is possible for all races in this country to work harmoniously together, I think the control and restriction now provided will have to be maintained.

The other question which has been raised is in regard to closer union. On this question I think the stand of the Indian community has always been very clear. The Indian community has accepted certain measures which they do not like but which were necessary as a war effort, although we were not happy about it. I must point out very clearly that when the question of closer union is discussed, it necessarily means the constitution will be discussed, and also necessarily that the powers and privileges of the different races will be discussed. I would like to ask the hon. European elected members to keep one thing in mind.

When they begin to discuss political powers and privileges they immediately discuss the question of European powers and privileges as against British subjects who are not Europeans, and they also consider political privileges and powers not only of Britishers but of Europeans, whether of enemy race or not, and that is the only reason why at this juncture this question should not be raised. In war time it is necessary, as always, to lay stress on the Empire's solidarity, which means solidarity of the whole Empire including the non-European British subjects, but the moment you discuss any question of constitution the

European members discuss the question of privileges of Europeans only, including even those who are enemies of the Empire. I think that at the present we should not raise any controversial question likely to bring to the forefront any idea which shows, even at this juncture that they cannot forget they will bring into this scheme even their enemies as against non-European British subjects, and I appeal to Britishers during war time not to raise controversial questions likely to affect the Empire's solidarity.

On the question of import control, shown under War Expenditure, Civil, I should like to say one word. The Customs Department, acting as the import control authority, issued certain permits in November, 1939, and in April, 1940, those permits were cancelled, and rightly, I think, because it was thought that if the goods had not arrived in six months or the importer had not paid the cash to the foreign exporters, the permits should not be continued. But I would ask that instructions might be given that those people who were unable to cancel their contracts and whose goods did arrive, which have been kept in bond all this time, may be given permits to clear those goods from bond.

In regard to the Custodian of Enemy Property, I would like to say one thing. I am not clear about the legal position. That department should also consider the interests of British subjects. There are claims by clerks and labourers, landlords and merchants, which have been admitted and proved, and still no payment has been made to them, and I am told they will be paid out after the war is over. If the claimants are rich people that is all right, but some are clerks who worked with these alien enemies and would have received their salaries if war had not broken out. Their claims have been admitted, and I think it fair and just that these clerks and labourers should be paid now and not asked to wait until the war is over.

Another thing I desire to point out is in regard to the Supply Board. I have found at Mombasa that notices have been served on importers that their goods should not be delivered until further

[Mr. Patel] For military reasons one cannot quarrel with such notice, if the military required goods and importers should not be allowed to clear them. At the same time the Supply Board should make up their minds immediately as to whether they desire to acquire the goods or not. I have known cases where goods have remained at the port two or three weeks or more before the importer was allowed to clear them, and I do not think it right that they should not know for so long a time whether their goods would be required or not.

With these remarks I support the motion before Council.

COL. MODERA (Nairobi South): Your Excellency, at the risk of incurring the displeasure of my hon. friend the Member for the Coast, and at the risk of being dubbed inconsistent, I have decided to speak to this motion, which I support. My hon. friend, while the hon. Member for Mombasa was addressing the Council, must have heard me, rather cursorily, applauding some remarks of that hon. member when he was addressing himself to the question of Legislative Council. The hon. Member for the Coast did me the honour of making me the hon. Member for Nairobi North in addition, I presume, to my own constituency.

As several members have referred to this question of Legislative Council, I would like to make the position quite clear as far as I can see it. It is not a question of constitutional issue at the moment. The question is whether the advantages which accrue from regularly held sessions of Legislative Council in war time outweigh or are commensurate with the disadvantages necessarily entailed in the expenditure of valuable time or money. I do not consider that it goes one jot beyond that.

I will, however, by speaking try not to be inconsistent, inasmuch as the budget debate, like Christmas, comes but once a year and we all speak. As I said last year, the debate reminds me of a cricket match where we are all put on to bowl. The only difference this year is that the team of European elected members which last year consisted of

eleven now consists of ten, the hon. Member for the Coast having run himself out!

I should like to refer to Your Excellency's address from the Chair and to the references made by hon. members in Council, in regard to the common war effort by members of the Colony. I would like to pay special tribute to the women, the women of the W.T.S., V.A.D., K.W.E.O., and those canteen workers who throughout the country have worked incessantly in canteens; in the Hardinge Street Canteen in Nairobi I understand they have dealt with an average of 400 to 500 people a day. There has been much correspondence and criticism in the Press and other places over this matter of women's services. I think all the women in this Colony are in a position to congratulate themselves on having given their time and ability as far as possible. I think that they should perhaps take this to heart, that had it not been for the magnitude of the task before us it would not have been necessary to invite from other spheres those women of the Empire whom we welcome in our midst to-day.

One other matter, when dealing with the common war effort, of which I should like to speak is the question of hospitality. It is, perhaps, unusual when dealing with hospitality towards visitors to give oneself a pat on the back or unduly to applaud one's own efforts, but there has been criticism of this matter and I think it is well that there should be a true appreciation of what is being done. As I gathered when listening to the speeches in this Council this morning, there is very often in this Colony a difficulty in obtaining accuracy of statement! But I have been at pains in regard to this matter to see whether I could get some information as to the extent of this form of hospitality. As we all know, there are several branches of the K.W.E.O., and I find that one branch alone is able to say that, as a result of the arrangements which they have been able to make, 4,000 days' accommodation have been afforded in private houses in the last six months. From another branch comes the report that almost all available accommodation in the district has for months

[Col. Modera]

been offered and, gladly accepted. I feel a tribute is due, although we are metaphorically patting ourselves on the back, to the people who have thrown open their houses in this open-handed manner.

One other question to which I should like to refer and which has been debated in the Press and elsewhere, is the question of holidays. We all know that for the greatest efficiency we require holidays and rest periods, but there is a distinct divergence of opinion as to whether public holidays should be held or not. The majority, I find, certainly agree that it should be, it must be, within the power of Government to cancel a public holiday on the advice of their advisers or, should it be necessary without reference to public bodies and without assigning any reason. As to what public holidays should be held, is a question for consideration, but we must bear in mind that we must produce the maximum war effort and must bear in mind that we are in a theatre of war, and we must also bear in mind that up to the moment we have not been disturbed in our beds at nights.

The hon. Chief Secretary may or may not be relieved to know that on this occasion I have no question to ask him as to the vote for the Kenya Defence Force. As is stated in the Memorandum before Council, that matter is still under discussion.

I would, however, like to draw attention to page 6 of the Memorandum, head 16A, K.A.A.U. Extraordinary, and ask the hon. mover when he replies whether he will inform us if this charge is recurrent or non-recurrent. It is stated in the commencement of the Estimates that it is non-recurrent expenditure. If that be so, I am not clear how individuals who were transferred to the R.A.F. from the K.A.A.U. are going to go on next year.

The only other item in particular to which I wish to refer, and which has been referred to by other speakers, is the question of the Police vote. Roughly speaking, the Police estimates are down and the Prison estimates are up. On page 70 of the Estimates we find that there is going to be an increase of fourteen

constables only in the next year, and no white officers or Asians. There has been an allotment of £5,000 from the War Department towards special police expenditure. As against that, looking at page 13 of the Memorandum and page 97 of the Estimates there is very little explanation of why the increase in that particular vote is only some £4,580. I suggest that when the Estimates go to the Standing Finance Committee they will consider the question of whether the Police vote should be cut in view of the fact that the Prison vote is up, and also in view of statements made by other hon. members.

Finally, I would like to join with others in congratulating the hon. Financial Secretary on having produced a very reasonable budget in times of doubt and hazard. There is shown a welcome reduction in recurrent expenditure albeit £30,000 is effected in the reduction of passages. I would ask the Standing Finance Committee to consider the possibility of an increase in duty on all articles of luxury, and I would also be interested to hear what the Chief Native Commissioner has to say in answer to the suggestion made by certain members that the native is only too willing to assist the war cause and that that might be done through means of increased taxation.

CAPT. GHERSIE: Your Excellency, first of all I would like to congratulate the hon. Financial Secretary on the manner in which he has introduced the Estimates. One feels somewhat diffident of criticizing under present conditions, but, on the other hand, there are a number of matters and items which require clarifying and I trust that my criticisms will be considered constructive.

Turning to paragraph 3 of the memorandum, are we to understand that the military authorities will be consulted in regard to the manner in which the surplus balances are to be expended?

On the subject of Revenue, head 3, item 26, we find a further increase of £1,000 in regard to the Widows and Orphans Pensions Contributions. I have no wish to labour this point but I think the time has arrived when this should

[Capt. Gherisie] made the remark that this legislation has been introduced in other territories and that it was often found to follow the policy of other Governments. In this connexion when the royalty on gold was originally introduced we were always confronted with the argument that a similar type of taxation existed in South Africa. Since then South Africa has realized that it is inequitable and not workable and they decided to abolish it. I suggest therefore, by the same token, our financial advisers would be well advised to follow and be guided by the experience obtained by individuals and a Government whose whole existence depends on the gold mining industry and whose scientific and economic research is second to none.

Turning to mining revenue, I would suggest that the hon. Financial Secretary has been too optimistic in his estimate of £30,500, that is if he has based his revenue on a royalty basis and has due regard for the life and development of the industry. With your permission, Sir, I would like to read a very short extract from the *East African Standard* of the 26th November:—

"Questions are likely to be asked in the House of Commons about Lord Lothian's statement on his recent return to the United States from London, about the prospect of the exhaustion of Britain's gold and liquid assets. The answer may be that Lord Lothian was stating only the obvious fact when he said that Britain was turning every available asset to planes, guns, tanks and other weapons and that her liquid assets of gold must be used up sometime."

And yesterday, in the *East African Standard* there was a very significant short note, a quotation from the *New York Herald Tribune*.

"The *New York Herald Tribune* gives some details of proposals for a private United States loan to Britain of 2,500,000,000 dollars, that is about £625,000,000. It is proposed that this loan shall be secured by a lien on the Empire's gold production over a period of five years."

In the course of your communication from the chair, Sir, at the opening of the session you remarked that you need not repeat that the maintenance of the gold production at as high a level as possible is a work of national importance. To achieve this you must encourage the industry to work low grade as well as high grade ore. But you will never accomplish this if you introduce a tax on a royalty basis. You are running a danger of ruining the industry and creating a tendency to working the richer lodes only.

The hon. Attorney General, when introducing the Customs and Excise Bill,

made the remark that this legislation has been introduced in other territories and that it was often found to follow the policy of other Governments. In this connexion when the royalty on gold was originally introduced we were always confronted with the argument that a similar type of taxation existed in South Africa. Since then South Africa has realized that it is inequitable and not workable and they decided to abolish it. I suggest therefore, by the same token, our financial advisers would be well advised to follow and be guided by the experience obtained by individuals and a Government whose whole existence depends on the gold mining industry and whose scientific and economic research is second to none.

I have, however, sufficient confidence in the intelligence of the hon. Financial Secretary that really he agrees with my point of view and is only awaiting some suitable formula to enable him to abolish this stupid and unfair tax and replace it by a tax on profits.

There are three possible alternatives as far as gold is concerned after the war: One, that it will cease to be of any monetary value at all, in which case anyone who has invested their money in the gold-mining industry in Kenya will never recover it. It will be lost. The second is that gold may revert to something approaching the price of pre-war gold, in which case the low-grade lodes will be economically unworkable. The third is that gold may retain its present value or it may go even higher. In that case the gold-mining industry will become the greatest asset in this Colony and become the most important industry.

While on this subject I do submit that legislation should be introduced whereby individuals who join His Majesty's Forces should not be in a position to lose his or their claims by default, either by way of renewal fees, lack of development or in any other manner. A case has already arisen where a certain individual has lost his claims through joining the Forces. His claims fell due for renewal at the time of his joining the Forces and it so happened that he addressed an understamped letter containing his renewal fees to the Mines

[Capt. Gherrie]. Department and they—quite rightly—refused to accept this understamped letter. The letter was returned and he was not aware of the fact. I am not certain what the attitude is of the people who have since pegged the claims, but I do submit that that person should receive protection from Government. Whether or not Government can take any action in that matter now I am not in a position to say, but I hope action will be taken immediately if a similar incident does arise. And the same applies to farmers, for many are in arrears with their rent, but Government has never thought of taking such drastic action as allowing the farm to revert.

Before I leave mining there is one more point I would like to make and that is that cases of natives employed on mines who are trained personnel should be referred back to the mine manager before being accepted for the Labour Service. I do hope that very careful consideration will be given to this matter because after a great deal of patience these natives have been taught something about mining, and they have adapted themselves remarkably well, and it would create a tremendous difficulty if these natives now, due to the fact that they are associated with the mines and have learnt something to their advantage and have become, possibly, more intelligent, should be allowed, willy-nilly, to be recruited into the services. I am sure the Director of Man Power, if he could give some consideration to this matter, would realize the necessity of their retention on the mines.

Turning to expenditure and in the first instance to head 3, Administration, item 14, a saving of £6,563 is disclosed on passages. I think if we took this over all it amounts to something like £35,000. The only point I wish to make is are these passages forfeit, because, if not, then this sum of money should be placed in reserve. Otherwise if the war went on for some time we should find ourselves faced with a colossal sum to be found for passages and it would be quite unfair that one year should bear the burden of all this accumulation of passage money.

Item 56 of head 10, Education, "Maintenance of Farm, Njoro Agricultural

School, £615: Additional expenditure is necessary on account of the establishment of a new farm school at Njoro." This sounds a very small sum, and I should like the hon. Director of Education to inform Council what is going to be the policy as regards this farm school and as regards the personnel of the staff.

Next, is the Forest Department. Head 11, on page 6 of the memorandum. "Timber Export Development Grant:

No provision is made owing to the internal demand and the difficulties of export at present. Should circumstances permit of development of export trade, a supplementary estimate would be submitted."

If we are to build up an export trade in timber, we must build up reserve stocks of seasoned woods. I would like the hon. Conservator of Forests to state whether Government would be prepared to consider the waiving of royalties at the period of cutting and that such royalties should be paid on actual shipment or sale.

On the question of the Medical Department, I would like to raise a point for the consideration of Government. I do not know whether they are aware that facilities have been extended by the Government of Southern Rhodesia to the dependants of men who have joined the Forces. Briefly this means that the dependants receive medical and hospital attention free in Government civil hospitals. I shall be glad to furnish details of a scheme to the hon. Director of Medical Services if Government will consider this. I suggest that the people of Kenya would like to join in a scheme of this nature.

Under Military, head 22:—

"Kenya Contribution to War Department, £118,355.—The reduction of £18,467 on the 1940 provision represents the annual sum for the repayment of a loan from the Imperial Government for re-equipping the King's African Rifles. This loan is to be repaid in fifteen annual instalments, and provision for repayment of the first instalment is made under head 31, item 8. The Secretary of State has agreed that these instalments may be deducted from Kenya's contribution to War Expenditure."

[Capt. Gherrie].

In the first place, Sir, what was the amount of the re-equipment loan? It appears to be something in the neighbourhood of £277,000. I may be wrong, but I submit that this sum of £18,467 should not be deducted from this military head. This re-equipment loan was made for a specific purpose, namely the re-equipment of the K.A.R. and for whatever units existed at that time. But due to unforeseen circumstances the indents could not be executed and the re-equipment did not take place. Instead the military have since re-equipped the K.A.R. with a few minor exceptions.

But we are considering the question of these re-equipment funds to the military. Carrying this argument to an extreme, if the war was prolonged for fifteen years and each year you deduct the amount of the instalment from the military head, it would mean in actual fact that this Colony would not pay one cent towards that re-equipment, and the loan would be repaid at the expense of the military because the amount was deducted annually when normally it would be transferred to the military. I am certain that the hon. Financial Secretary appreciates that point.

On the question of the Police Department, I am very glad to see that the question of transport allowance has been increased. I do hope the Standing Finance Committee will give this matter very serious consideration and see that the Police are not stinted in any way in this connexion.

On the subject of the Public Works Department, head 33, officers' houses and house allowances, £33,000. Really this does seem absurd that year after year we should have to pay out so large a sum for rents of houses and offices. Capitalized at 5 per cent this would total £660,000. I do suggest that had the amount expended on this over the last twenty years been utilized for acquiring property instead of renting it this item would have ceased to exist in your estimates to-day.

Speaking on the War Savings campaign I do hope that provision will be made whereby the Forces in the field will be able to subscribe to this particu-

lar loan, and that all facilities will be given to them. You are probably aware that the N.C.O.'s or as they are usually referred to "other" ranks do not have their pay paid into banking accounts. They receive cash either here or wherever they are in the field, and I suppose the natural desire is to spend. As Government proposes to commence this war savings campaign may I suggest that all ranks of the community be asked to contribute one day's pay per month to a Kenya War Fund. I submit that if this is undertaken you will be surprised at the amount raised and the amount subscribed would be very considerable. I only suggest this for the consideration of those who are organizing this scheme.

On the subject of production, a number of previous speakers have dealt with the question of maintaining agricultural production, and I would like to associate myself with the noble lord the hon. Member for the Rift Valley on the subject of maintaining a minimum price in regard to certain farming commodities. We all realize that after this war is over there will have to be very heavy taxation, but it will be utterly futile to introduce taxation if the main body of the producers become bankrupt in the meantime.

As regards recruiting, I do hope that Government will adhere to the policy whereby recruits come forward at regular intervals and that each district has its particular quota. I think this will obviate the tendency of calls being made at any specific time on a large number of recruits which would upset the ordinary and normal labour supply.

The hon. Member for Trans Nzoia and the hon. Member for Mombasa I was glad to hear made some reference to a United Africa. Two years ago, when I ventured to urge such a thing I heard very little response from that quarter and I can only conclude that what the Plateau think to-day Trans Nzoia and Mombasa think two years after.

To conclude, the hon. Financial Secretary stated that the revised estimate of revenue was £358,000 over the original estimate, but that this included items amounting to £14,000, balanced by corresponding expenditure, leaving an

[Capt. Ghiesie]

increase of £240,000. It should not be forgotten that the non-recurrent expenditure for 1941 amounts to £209,217, of which £127,000 is war expenditure civil which would not appear in the estimates in normal times and therefore more than offsets the figure of £114,000.

The budget for 1941 and the estimated surplus for 1940 is a clear indication of what increased population means more particularly when one realizes that the military purchases are free from customs duties. We have also been informed in the memorandum that the Draft Estimates had been again compiled on a conservative basis and the result should be an additional inducement to every one including Government to do their utmost to encourage settlement after the war. I support the motion.

COL. GROGAN (Ukamba): Your Excellency, as the gramophone appears to have broken down or that acute strategist the hon. Chief Secretary deems it better to put up people to speak who have no participation whatever in the formulation of Government policy I do not know, but I rise to support the motion. At the same time, I would make it clear that in rising to support the motion I oppose the budget which, of course, is a mere aggregation of the follies of the past probably quite incapable of real and serious remedy even in normal peace times and certainly not in war time. I put this as a caveat, because it is sometimes assumed by hon. members on this side that the mere successful passage of the steam roller connotes acquiescence on the part of the victims, and the reason for the caveat may appear in some of my later remarks.

The hon. Financial Secretary swivelled his aquiline eye at me during that period of his speech when he let loose a number of economic theories or theses or platitudes or whatever you like to describe them. He swivelled it definitely on me, or I may have thought that that was his intention! If so, I can only assume there was one of two explanations. One, he believes he has advanced so far in his economic studies that he can risk a challenge and has been infected by the pugilistic propensities of his col-

league on his left or, alternatively, that this was an admirable opportunity to extract a free lesson in economics from me during his leisure hours.

Let us consider, because they are fundamental, these various theses which he called "economic truths". The first of them was that he stated that under normal conditions the availability of commodities responds at once to the availability of the purchasing power. Of course, that sounds stupendous, like a great many economic theses, but if you examine it you will find it a very crude expression with no meaning at all, unless its relativity is closely defined.

In fact, it is, if I may say so, a rather minor example of the long accepted fallacy of the quantity theory of money.

As the hon. member is, if I may say so—because he told me some time ago that he did not believe in principles—a neophyte in the chorus of Druidic superstitions and incantations emanating from the City of London and effectively exposed a fallacy by Hitler and Mussolini, it is essential that we should deal a little in detail with what he has tried to suggest.

The hon. mover's thesis, which is fundamental to this budget, shows that Government action arising out of the budget means nothing at all unless you define the class of commodities to which you are referring and the sections of the community to which purchasing power has been rendered available. It is quite obvious from the contents of the budget that any purchasing powers of the productive elements of the country have been successfully taken away from them and made available to other parties, largely the Civil Service who, of course, will make an entirely different use of that purchasing power to the use that would be made of it by people engaged in production. Therefore I suggest it is a statement with no particular significance.

The next statement he made was that Kenya people were not, as some believed, assisting the British war effort by purchasing British export goods which they could do without. That sounds very important, but a little analysis shows it to be a matter of really little significance

[Col. Grogan]

unless, again, you have a very close definition of what is meant by what you can do without. I can, in fact, do without a handkerchief. I have had to do so on occasions. There is, of course, an alternative method of using the first and second digits which is equally effective! But the suggestion that, because there is a war on, I should cease to buy pocket handkerchiefs and therefore deny elderly gentlemen absolved from military service in England and instructed by Government to engage in the textile industry for the purpose of exporting cotton piece goods from making handkerchiefs and that I should not give in exchange a pound of coffee, I submit is quite absurd. I think the hon. Financial Secretary, if I may venture to say so, has got a little bit obfuscated by the prevalence of the dollar obsession. I would remind him that although the dollar factor has been and still is a matter of vital importance in the exchange relationships of the world, it is obvious that the dollar reserve of the British Empire will rapidly be exhausted in the war effort and if no further financial and industrial assistance is rendered by the United States of America the resultant cessation of demand would lead to a violent internal crisis in respect of their social economy. Production in the U.S.A. will never be limited by some financial or monetary purism to which they were committed long before there was any suggestion of war. I predict that before many weeks or months have passed you will find the dollar and pound interchangeable freed from cash payment limitation. I suggest that the hon. Financial Secretary should take into careful consideration the internal economy of the sterling basin wherein the extension of gross production without detracting from the war effort is of great importance to the Empire as a whole.

I do not propose to be committed to the Calvinistic doctrine which appears to affect the hon. member and I suggest that, even if an Austrian painter wishes to challenge the world, as long as we are doing everything to smash him and his there is no reason why otherwise we should not follow as closely as we can the ordinary normal procedure of our

lives. And despite the homilies thrown at me by the Calvinistically inclined I still propose to buy handkerchiefs, unless my hon. friend refuses to allow a permit for their introduction into this country!

I suggest that the next time he comes before us with this doctrine, which he claims is a fundamental principle in confirmation of the budget, it should be tried on the dog before it is tried on this Council, which was informed on first-hand authority yesterday contains at least one gentleman who shares, with his holiness the Pope, infallibility. (Laughter.) That, Sir, is as far as I propose to go in dealing with these economic truths of my hon. friend, though I do suggest the significance of the old saying that truth may be stranger than fiction.

My colleague on my left (Dr. Wilson) has made some reference to that mystic body, the Standing Board of Economic Development. The history of that body is a strange history. They sat, I forget for how many years, and latterly they had acquired a highly competent and extremely efficient secretary and the members have given a very large amount of time and consideration to a wide range of subjects. The secretary was instructed by the Board to go all over the country and collected a vast mass of material in explanation of the position as to the primary and secondary industries of this Colony. No sooner had these most important details been compiled than something happened and I think it is only right that it should be explained what happened: It was that this Board never met again for, at that particular time there seemed to be a certain amount of prevarication in respect of this Board. I went to Your Excellency's predecessor and asked him whether the Board merely was supposed to be eye-wash or a village midden, or whether it was supposed still to have some useful and specific purpose. I was assured by His Excellency at the time that he attached great importance to the Board and hoped I would retain my membership. Of course, I complied with his wishes and since then there has never been a meeting of the Board, and it has mysteriously disappeared. There are only

[Col. Grogan]

two possible explanations I can think of for this rather curious treatment of this Board. One is, that having obtained a large amount of material to make positive recommendations to Government the prospect of having to give a decision so alarmed them that the Board was allowed to sink into oblivion. The other alternative, which is rather a personal one, is that two members of the Board were also members of the Star Chamber which in fact controls the destinies of the country. One on ceasing to be a member of the Board possibly imagined that he took away with him all the accumulated experience of the Board. The other invented a new Board entrusted with some of the activities of the Standing Board whereby he soared into a much more important position.

I think some explanation is necessary, otherwise I am entitled to regard this cavalier treatment as an act of grave discourtesy on the part of Government, from which I absolve you, personally, Sir, because you probably did not know even that such a Board was in existence.

I come now to the gravamen of my complaint against the policy of Government in respect of this budget. That is, the question of the disposal of our surplus.

It is, in the ordinary jargon of the Civil Service and other political circles, termed a "gesture", and it has achieved considerable significance with regard to gifts of alleged money which, of course, are often mere monetary fiction. Such gifts may be valuable gestures in the psychological sense on the part of colonists not directly or indirectly involved in the actual theatres of war. The original "gesture" last year was to offer the military authority an estimated deficit of £50,000—no particular objection could be raised by us to that proposal. In fact, that estimated deficit of £50,000 has materialized as a surplus of £100,000. That is the only marginal money available to the community to help local industry to adjust itself to the needs and shocks of war. It is entirely wrong that its casual disposal to a third party by way of "gesture" should be at the discretion of an irresponsible Star

Chamber, more especially if we consider that the members of that Star Chamber cannot have made any serious contribution to the amount and only one or two of them are likely to remain here at the harvest time of the gesture.

The idea that by transferring £100,000 from our credit balance to the Imperial Government in fact gives any substantial aid to England shows ignorance of the monetary system. There is not one single war effort that you can imagine in England which is being held up or restricted in intensity by lack of sterling credits. The Imperial Government through the medium of the Treasury operating through the Bank of England can write sterling credits to infinity. Therefore our "gesture" merely reduces our sterling credit by £100,000 without any increase whatsoever in the potential sterling credit of the United Kingdom, and is an act of gross folly.

The landed industries and the persons involved therein are carrying the main local burden of the war as on the last occasion. Much of it is in desperate plight, and these moneys should have been concentrated on their support.

We have had encomiums from my hon. colleague on my right (Lady Sidney Farrar) on the operations of the Settlement and Production Board, and the present gentleman presiding over that Board has been making tremendous efforts all over the country to stimulate production and encourage farmers, but the simple fact remains that that work is largely negated by the fact that he is not in a position, because Government have not put him in a position, to assure anybody that he will have a certain sale for anything he grows at a certain price. (Hear, hear.) The rest is common sense. It is no good saying "Grow this and grow that but I don't know what money you will get for it". That is not a policy. I suggest that this sum which it is proposed to eliminate from the sterling basin, because that is what it amounts to, would be much better used in providing insurance funds to enable guaranteed prices and guaranteed markets to be given. I suggest this matter should be given further consideration, for not only is it not a noble gesture but a silly and reprehensible antic-

[Col. Grogan]

In conclusion, if I have said anything that might possibly suggest that this is a Legislative Council with an embryo of His Majesty's Opposition, and not a Bible reading at a pleasant Sunday afternoon, I express my sincere regret!

MR. WILLOUGHBY (Acting Postmaster General): I am in the happy position of not having had any criticism of my department, but a little information has been asked for, which I will give to the best of my ability.

The hon. member Mr. Isher Dass suggested that in endeavouring to raise additional revenue by increasing the postage on printed matter from five to ten cents, Government was losing money. That is not the case. In making this change in the rate the department made a liberal allowance for any falling off in postings. It actually anticipated a reduction of a million articles. From the information we have obtained in the department, instead of losing a million postings we have lost some 500,000, so that instead of the expected increased revenue of £2,500 per annum it has increased at the rate of £6,250 for a full year.

The noble lord, the hon. Member for Rift Valley, and the hon. Member for Nairobi North both raised the question of financing telephone activities. That question the hon. Financial Secretary will deal with.

The hon. Member for Nairobi North asked, in addition, for information to show what is the average rate of interest earned by the telephone activities of the department on a reasonable valuation of the plant installed. Unfortunately the system of accounts of the department does not lend itself to giving a figure of that kind off-hand, but in connexion with a recent project calculations were made and it was found that the rate of interest would have been of the order of 10 per cent. Actually, that particular project was one which might be regarded as one of the "plums" and that figure should not be applied to the whole network of the department, but it gives an indication of earning power.

The hon. Member for Nyanza referred to the question of rural telephones. I

understand that what was meant was that there had been removals, not so much of telephones on farms, but of facilities for communicating with Nairobi. Actually, that is the case in certain areas. Trunk facilities were withdrawn to meet military demands, but I can assure the hon. member that the military are taking steps to see that these facilities are replaced as soon as material is made available.

It was also suggested that rural telephones might be extended during 1941. With the small amount of money which my department has at its disposal the possibility of doing that must depend upon the extent to which materials can come from overseas. Sympathetic consideration will be given to making such extensions.

MR. TOMKINSON (Acting Provincial Commissioner, Central Province): Your Excellency, in rising to speak in favour of the motion I regret that I am unable to refer to any specific head or item of the Estimates now under discussion, but this omission will not leave me in bad company.

The hon. member Mr. Montgomery has, as a resident of Kiambu, refuted to some extent the allegations of the hon. Member for Kiambu, but the noble earl's statement was further reinforced by a letter read by the hon. Member for Aberdare, so I would like to mention one point in connexion with this supply of labour for coffee picking. This problem arises every year, every year there are difficulties, and I think the Provincial Commissioner of the Central Province has in the last four or five years attended meetings of those concerned with coffee picking in November or December. To find a remedy it is necessary to analyze the causes of the trouble.

The first reason, in my opinion, is this question of wages. It is my experience that there should be one rate of wage for coffee picking *per debbie* and that there will not be any difficulty. Also, there must be co-operation among neighbouring estates—to maintain that same rate of pay. Natives, I think, as a majority do not think very deeply of the actual rate, but any variation is absolute anathema to them, and the old

[Mr. Tomkinson] women will pack up straight away. I have been struck in visiting Kiambu at the excellent facilities given by some estates, such as sending lorries into the reserve to collect the labour for picking, and it pleasantly reminded me of a happy crowd of hop-pickers coming through the Tembe Valley.

The second point of difficulty is because during the depression which the coffee industry has I am afraid suffered for several years, they were obliged to reduce their basic labour supply, and by so doing they have lost contact with the sources of supply, that is, the native reserves. That having happened, the obvious thing for any planter to do is to go to the District Commissioner. He is now the liaison officer where previously the regular supply at the estate used to be able to make contact. I do feel, and have evidence to prove it, that with the co-operation of the Administration practically all difficulties have been overcome.

I would refer briefly to the position in North Nyeri although, as the hon. Member for Aberdare said, the conditions there are exceptional. We have a farming community, mostly stock, and the number of labour on a stock farm is comparatively small. In that area there is a large number of troops and very many other attractions, but I think we shall also be able to overcome that difficulty when the natives realize that no recruiting for the military is being done in that area.

On the general question of labour, I would like to say that we must realize that in these days natives do not merely work for bare subsistence; their wants have increased. The old saying is that trade follows the flag, and nowadays they must get extra money to pay the school fees of their children and their clothing, and the cost of the latter item has recently increased of course.

In conclusion, I should like to read one short extract from the financial columns of *Truth*—there has been a good deal mentioned about truth to-day—regarding the labour position on the Rand, and it explains the reason for the recent improvement of the position:

"It is not merely the new convention with the Government of Portuguese

East Africa which is responsible for this. That agreement has about it no element of forced labour recruitment. The reason for the increased labour supply is the immense improvement which recent years have brought in the conditions under which native labour lives and works on the mines."

MR. STRONACH (Director of Public Works): Your Excellency, there are only a few points with which I have to occupy the time of Council concerning my department.

The noble lord, the hon. Member for Rift Valley, and the hon. Member for Nyanza suggested that prison labour should be employed on the roads. I am able to tell them that, with the concurrence of the Commissioner of Prisons, gangs of 300 to 400 convicts are at present working on the Sagana-Nanyuki roads and they are accommodated in camps similar to those described by the hon. Member for Nyanza.

The hon. Member for Nyanza also raised the question of all-weather roads in the Sotik area and urgent repairs to the Lumbwa-Kericho Road. I think the hon. member will recollect that at Tuesday's meeting of the Central Roads and Traffic Board these projects had the full support of the Board and will be put to the Standing Finance Committee.

The hon. Member for the Western Area raised the question of bridges to take the place of the Muhoroni and Asawa Drifts. I am able to inform him that I have already given instructions to carry out work on the bridge at Muhoroni Drift, but I can give no assurance that money will be available for the purposes of the Asawa Drift.

The point raised by the hon. member Mr. Patel was the hardy annual of the coast roads. It is unfortunate that these roads have never brought to an all-weather standard, and it is therefore necessary to impose closures. These closures are imposed only when the circumstances call for a closure. The hon. member also raised the question of the Mombasa-Mariakani road. This was included in the road programme, but unfortunately that programme has never been brought into being, and the road this year definitely has got into a bad

[Mr. Stronach] state owing to the heavy rains and the heavy military traffic. I can assure the hon. member that I will do the best I can to get some more funds from the Standing Finance Committee.

One further point was raised by the hon. Member for Mombasa in connexion with the Wages Board. He has a grievance that the Board has not met in Mombasa or that there is not a separate Wages Board for Mombasa. I have already discussed this question with him and have assured him that if he puts forward a case in connexion with the maximum and minimum wages for Mombasa the Board in Nairobi will carefully consider it and also the suggestion that it should meet in Mombasa.

MR. LACEY (Director of Education): Your Excellency, I will attempt to deal briefly with the points raised in connexion with Education.

The noble lord, the hon. Member for Rift Valley, mentioned the necessity for making provision for the employment of demobilized men after the war. This matter has two aspects: not only that of finding occupation but also of seeing that the men are fit for occupations. Your Excellency has recently appointed a committee to consider the matter of the vocational training of European men and women demobilized after the war, and if it appears necessary that similar provision should be made for Asians and Africans it will be made. The hon. member may be interested to know that this question of vocational training has been kept in the forefront by the Education Department since war broke out. I have attempted to arrange that members of the Forces who desire to take correspondence courses shall be able to do so and I am prepared to advise all on these matters. Hon. members may be interested also to know that the problem is now being studied in South Africa, and I have reason to believe that the Union Government is to provide educational facilities for members of its Forces in East Africa.

The noble lord stressed the importance of maintaining educational facilities in Kenya. This matter is always before Government. It is fully realized that we

are not fighting for the present generation but for the rising generation; there are more children in Government and private schools now than when war broke out.

I regret that I cannot deal explicitly with the point raised by the noble lord who asked if he could be given a definite statement about Makerere College fees. The statement on page 6 of the memorandum is:

"Bursaries at Makerere, £1,443. Provision is made for 18 bursaries at £80 per annum. It will be observed that an increase in the fee charged has been more than compensated by a reduction in the number of pupils. The general question of the financing of Makerere is at present under consideration by the Governments concerned, and this item may consequently require amendment at a later date."

I understand that detailed attention will be given to this matter in the Standing Finance Committee.

The hon. member Mr. Patel also raised some questions regarding Makerere. He asked why there were fewer pupils from Kenya than Tanganyika. The answer simply is that in Tanganyika they have as yet no full secondary schools for Africans; if there were secondary schools in Tanganyika some of the pupils now at Makerere would stay there. He then asked whether provision is made at Makerere for non-Africans. It has been made. For two or three years the Government of Zanzibar have been sending Arabs, and next year will send Indians. I have not yet been approached by any member of the Indian community in Kenya with a request for assistance to go to Makerere, but if such a request is put forward Government will doubtless consider it on the same lines as it does for overseas bursaries by Asiatic students.

The hon. members Mr. Isher Dass and Mr. Kasim raised the question of the reduction in the grant-in-aid by some £600 for Indian schools. One reason for the reduction is that two or three schools have been removed from the aided list. In making the decision we have been guided entirely by the Advisory Council on Indian education which, at its last

[Mr. Lacey]

two meetings, requested the department to take action to make certain that efficiency was secured in grant-aided schools. Schools which were taken off were inspected and warned and inspected and warned, and as they did not make the necessary improvements they were removed from the list. The second reason for the reduction is certain reductions in attendance at some of the grant-aided schools at Mombasa and Nairobi.

Two hon. members raised the question of the Kisumu school building. The question of erecting some portion of the proposed new building was given very serious consideration by Government, but it was not felt at the time that it was appropriate to spend loan funds on building.

I think the hon. member Mr. Kasim made a plea against the dismissal of staff from Government Indian schools. I can only inform him that during the last 12 months there has been only one teacher dismissed, and that was a case of such inefficiency that his services could not properly be retained. He also urged that the interests of the teachers should come first; but one cannot let sentiment for or the pleas of inefficient teachers override the interests of the children.

The hon. member Dr. Wilson and the hon. Member for the Coast raised questions in connexion with the terms of the African Civil Service. The former raised the point that the committee appointed two years ago had been liquidated. The liquidation, of course, included the hon. Financial Secretary as well as the hon. member Dr. Wilson. I would only say that the new committee appointed in September is nearing the completion of its work, and while I cannot before it has reported commit its members in any way I feel certain its recommendations will include some provision for retiring benefits. The hon. Member for the Coast drew attention to the fact that the reconstituted committee did not include an African representative. Speaking purely for myself, I have sat on a large number of committees which have discussed African affairs, and my experience is that

Africans speak more freely if they are not members of the committee. I can assure the hon. member that this committee has taken very detailed evidence from representatives of the African Civil Service as well as from others interested in the welfare of the Africans.

The hon. Member for the Coast raised the question of the closing down of schools. That is rather a dead matter now, but I must say that I am a bit surprised when, the hon. member, having called for prompt and immediate action, seems perturbed when such action is taken. The schools were closed down in accordance with plans approved by Government before the emergency and were reopened or alternative accommodation was provided at an earlier date than was anticipated. As far as possible, the terms were lengthened in order that the children should make up for the time lost.

The hon. Member for Uasin Gishu asked what is, I think, a very natural question. He wondered how it was that the sum of only £600 appeared in the Estimates for the farm school. The real reason is that it has not been the custom to show detailed expenses at any one Government School; there is no allocation which indicates for example the exact expenditure on the Prince of Wales School or the Indian High School. That item was put in to cover certain expenditure such as farm materials and operations which could not be shown under any other item of the Education Department. Other expenses are included in other items of the European education vote and also in the Agricultural Department vote. The hon. member asked for details of the staff. The principal will be an officer of the Agricultural Department, there will be two officers of the Education Department, and a matron. Normal expenditure will be incurred on upkeep, boarding, tuition and other items. The only reason I repeat why the item appears is that it is for services which could not be included under the other items in the Education Department estimates.

MR. BLUNT (Director of Agriculture): Your Excellency, a number of important points dealing with agriculture have been raised during the course of

[Mr. Blunt]

this debate, though few have been concerning my Department itself. But I would like to offer some observations on certain points that have been raised.

In the first place the question of soil erosion was referred to by the hon. Members for Nyanza and Nairobi North. The latter gave some impressive figures of the loss of soil from certain areas in this country. He pointed a very gloomy picture of the possible results, but I am afraid that the gloomy picture which he pointed is possibly a real one. It certainly becomes more and more urgent daily to take in hand this question of soil erosion as it appears to increase in geometrical progression. No one deplores that additional provision to deal with this question does not appear in the estimates more than I do. But it is not merely a question of money, for if we are to deal with this problem we have to have money and an adequate staff. Anti-soil erosion measures are not simple in their planning although they may be simple in their execution. Ill-planned measures are liable to break down and waste every effort that has been made and bring all such measures into disrepute. We must avoid that at any cost. An efficient staff able to plan the measures necessary is the first essential. In a move forward in dealing with this question of soil erosion we are fortunate in having the nucleus of such a staff but it is almost impossible at the present moment to extend that staff. The men are not to be found in this country and neither can they be obtained from overseas. This is the main reason why I have not pressed for additional provision in connexion with these Estimates.

The hon. Elected Member for Western Area suggested that a greater number of agricultural officers were necessary for his area. Again, the position here is exactly the same as that in the case of soil erosion. In fact, the two things are really one, and we cannot get new officers even if we had the money to employ them.

The noble earl, the hon. Member for Kiambu, raised certain questions regarding agricultural production, and while I do not want to take up the time of

Council unnecessarily, I must refer shortly to the production question as it is seen at the present moment. Take first of all wheat. The position in regard to the wheat crop is that even if the production is extended to the fullest extent possible there will be surplus during 1942, and that even if the number of troops within the country needing supplies be greatly reduced in numbers, there will still be no surplus to be carried forward. It is, therefore, desirous where it is possible to increase the wheat area. It should be possible to do so, and it is hoped particularly that maize land situated in areas in which wheat can be grown will be turned over from the production of maize to the production of wheat, and that the wheat crop will be increased in all those areas where it is situated to-day and where the man-power position and other circumstances allow. Arrangements are being made to enable spare machinery in the Colony to be used wherever it is wanted.

The maize position is, as usual, a difficult one. Under the present circumstances it is impossible to export large quantities of maize and some endeavour must be made to relate the production to the needs of the country. But I would refer again to the question of maize at a later stage.

With regard to potatoes, as hon. members are aware the control of potatoes has been imposed and it is imposed at the moment mainly from the point of view of price. I am afraid that the position with regard to potatoes is likely to become more acute, and we shall be extremely short during the next two months until the present harvest is reaped. That shortage is really as a result of the failure of the short rains in 1939. For the short crop which resulted from the shortage of rain there was an increased demand. At the same time the price remained high and as a result the native oversold potatoes. That position resulted in a shortage of seed and therefore a shortage of planting of the last crop. But steps have been taken to ensure, as far as possible, that there should be sufficient planting in the season which has just passed.

(Mr. Kiuni)

There is one other item with regard to production to which I must refer, and that is the supply of vegetables. The supply of vegetables to the army has been undertaken by means of a contract system during the last six months. I am afraid that it will have to be admitted that that system has not proved entirely satisfactory either for the producers of the vegetables or to the army as the consumer. It is therefore proposed to arrange for supplies in a somewhat different manner as from the beginning of next year when an agent will be appointed to purchase these supplies on behalf of the army and deliver them to the army. I am glad to say that the agent proposes to offer to the growers, to enter into contracts with them, to supply certain quantities over certain periods, and to offer prices which will be favourable so that the difficulty which has arisen in the supply of vegetables will not, I trust, continue.

The hon. Member for Trans Nzoia referred to the absence of an agricultural policy. I have actually set out in my annual report what I conceive to be the policy of the department, but, unfortunately, it has not been possible to print that report in full and the abridged report which was placed on the table does not cover the point entirely. I do not propose at this stage to enunciate that policy but if the hon. member cares to see it I can let him have a copy of the full report in order that he may see what I suggested.

The hon. member referred particularly to the maize position, one of the most important crops in Trans Nzoia. I must say a few words further about this. The maize position has been a difficult one for many years, in fact the hon. member claimed that for the last ten years it has never been a paying crop. I find it difficult to believe that that is actually so and that maize would still be produced if it were so. It has been suggested that a maize pool would be the solution to this particular difficulty. I do not propose to go at any length into the question of a maize pool. My hon. friend the Financial Secretary is far more competent to do so than I am in view of his experience in the working

of maize pools in other countries. I have, however, examined the proposal put up for a maize pool and it seems to me that as originally suggested it was unlikely to achieve the objects which were really sought of it. There is a great difficulty over the question of maize in that the price which is suitable for Europeans is too high a price for the natives and leads to undue exploitation of native lands and as a consequence an increase in soil erosion. It seems to me that the effect of a maize pool system as suggested might have been to increase the price to the native, which does not appear to be really desirable, but it would not increase the price to the European, which does not appear to be desirable, and it might affect hardly the interests of other agriculturists in this country.

I do feel, however, that it is necessary if possible to devise some scheme by which the production of maize might be more nearly related to the requirements of the country and work is being done on these lines at the moment and it is hoped to produce a satisfactory scheme. In that connexion I would like to ask the hon. member, who claims that all the brains of the country reside in Trans Nzoia, if Trans Nzoia can assist us with practical suggestions, bearing in mind that we must take into consideration both European and native growers and must be fair to the consumer.

I have only one further small item to refer to and that is the question of the noble lord the hon. Member for the Rift Valley on head 4, item 99, in which he asked for an explanation of the figure of £2,480—how much of that was due to the employment of Mr. Champion. I regret that that figure was inserted owing to a typing error in my office. It should have read £2,580 and the figure £580 represents the charges due to the employment of Mr. Champion and covers his salary, travelling and other allowances.

Council adjourned at 1 p.m.

Council resumed at 2.30 p.m.

MR. GARDNER: Your Excellency, the hon. Member for Uasin Gishu asked in connexion with the timber export trade if it would be possible for the trade to be allowed to pay the royalties

(Mr. Gardner)

after the timber had been exported. I think that is what he said. He appears to be asking that this particular trade should pay for its raw material after manufacturing it and selling it, which is rather an unusual position. As far as assisting the trade is concerned, Government has done better than that, because it has made a considerable cash grant to the Co-operative Society to enable them to build up stocks for export. This year they cannot possibly build up any stocks because the whole of the output and every scrap that available machinery can produce is being used locally, so that it is quite impossible to do anything and therefore the grant is not included for next year. When conditions are altered the grant will again be considered.

The hon. member Mr. Kasim asked if anyone outside the Co-operative Society could sell timber. The position is that timber is controlled to ensure the military getting all their requirements and that means that anyone wishing to sell must get a permit from the Timber Controller. I have heard of no case of a permit being refused.

The hon. member Mr. Patel suggested that against item 2 of the Forest Department estimates there was no explanation in the memorandum. He did not read quite far enough, because the explanation really affected items 2 and 4, and therefore the explanation is under item 4.

DR. PATERSON: Your Excellency, I have very few points to deal with.

The noble lord, the hon. Member for Rift Valley inquired whether it was a fact that certain alien refugee doctors had applied to Government for permission to practice in the Thomson's Falls area and whether, if that was not the case, Government proposed to take any other steps to establish a medical practitioner in that area. It is a fact that earlier in the year two alien refugee doctors who appeared to be very well qualified and to hold degrees registrable in this country, expressed their willingness to endeavour to establish themselves as medical practitioners at Thomson's Falls. Those facts were communicated to the local people, but two associations

at Thomson's Falls did not exactly welcome the proposition, and nothing further was therefore done, and they are now in practice elsewhere.

With regard to the second question asked by the noble lord, as to whether Government has any other measures in mind regarding the establishment of a medical practitioner in that area, I would say the district, as the noble lord knows, is a very delightful one but is not yet so populous as to provide the amount of work which would as a rule be likely to attract any medical practitioner who might be in a position to choose to settle there with the object of making a living by the practice of medicine. It is therefore difficult to see how medical services can be provided there at present except at an expenditure which the circumstances would not appear to justify. It is not therefore proposed to take any further steps in the matter at the present time.

The hon. Member for Trans Nzoia inquired whether an extra £120 has been provided in the Estimates for Kitale Hospital for 1941. The answer is in the negative, because the proposal did not reach Government in time, but it will be considered in Standing Finance Committee.

The hon. member Mr. Isher Dass asked whether some of the doctors at present practising in Nairobi might not be engaged in military hospitals. That is a question which should be addressed to the Director of Medical Services. Military, than to myself, but I am in close touch with the Director of Medical Services, Military, and as far as my own department is concerned I have endeavoured to meet his demands so far as possible, but there have been considerable demands made, and I do not think, taking it all round, that there are now more medical practitioners in Nairobi than are required at the present time with a view to meeting any emergency which might occur, while most are also engaged in many ways in helping the military or in civil work in connexion with air raid measures.

The hon. member Mr. Kasim inquired whether Government would make provision for an Asian ward at Kitale. The

[Dr. Paterson]

circumstances are that there is already an Asian ward at Eldoret, and during the past three years the average number of Asians from Kitale who have been admitted to the Eldoret ward is under three per annum. I have no doubt that if there were a ward at Kitale more use could be made of it, but I do not think it would appear to be a very urgent matter to deal with at the present time.

The hon. member Mr. Patel referred to the question of the salaries of Indian nurses, and I shall be very glad to go into the matter. Both he and the hon. member Mr. Isher Dass raised the question of training Indian girls as nurses, and the hon. member Mr. Patel regretted there was no provision in the Estimates for the training of local Indian girls as nurses. Nobody regrets more than myself that there is no such provision, and the reason why is that the facilities we have at present for training are very meagre. I had hoped that things might have been otherwise and I was looking forward to the end of this year to see the Indian part of the group hospital completed, and if that had been possible there would, I trust, have been provision for training Indian nurses. That, unfortunately is postponed in the meantime, but just as I am anxious to see the training of African girls as nurses proceeded with if possible, I am also anxious to proceed with the training of Indian girls as nurses if it can be done. The hon. member Dr. Sheth has kindly offered me his assistance, and I should like to assure him and the hon. member Mr. Patel that I will give every consideration to the possibility of doing something in the meantime pending the provision of the much better facilities which we would like to see.

The hon. Member for Uasin Gishu asked whether Government would be willing to introduce a scheme for the provision of free medical and hospital treatment for dependants of East African personnel at present serving in His Majesty's Forces. The hon. member will know that I am not in a position to say whether Government would be willing to do that or not. He has kindly provided me with a copy of a scheme in operation in Southern Rhodesia, and I

can assure him it will receive my careful consideration, and my views on the subject will be communicated to Government at an early date.

Those are the only points raised in the course of the debate which concern the Medical Department.

MR. MORTIMER: Your Excellency, there is only one point raised in the course of the debate to which I wish to refer. That is, the reference made by the hon. Member for the Coast to the Settlement and Production Board.

From his remarks I gathered that the hon. member had not a very high opinion of the work of that board. A very vigorous defence was put up by the hon. Member for Aberdare, and I should like to add to that from the official side of this Council. It was inevitable at the outbreak of war that the work of the board should be devoted to production rather than to settlement. Its activities have been directed almost entirely to the investigation of problems arising out of the need for maintaining and increasing production during war time. It has acted as a co-ordinating agency for collating and gathering together and acting upon the views of various departments and organizations for which there was no adequate machinery in existence. Its work has been mainly devoted to a study of plans and projects for increasing war-time production.

When I mention a few of the subjects on which the board has had a very important influence, I think hon. members in general will agree that the board has amply justified itself. The Land and Water Preservation Bill was a subject to which the board devoted very great attention, and the measure in its final form was due largely to the work of the board. The agricultural school at Njoro, I feel convinced, owes its existence at so early a date to the constant pressure of the board, and its work in investigating various problems that arose in connexion with its establishment. Locust insurance, the pig industry, marketing of various products, extension of cold storage facilities and last, and most important of all, the organization of the agricultural industry of the Colony and of agricultural man power.

[Mr. Mortimer]

The acting chairman of the board, as members are aware, recently made a tour of the chief producing districts, and as a result of his very valuable work important recommendations have been made to Government by the board on the organization of the main industry of this country, agriculture. The board recently had placed upon it very important new duties as advisers to the hon. Director of Agriculture in the exercise of the very wide and important powers that have been vested in him under new Defence Regulations. For the purpose of advising the Director a small sub-committee has been established.

The modest sum of £1,200 appears in the Estimates under this head, and I consider the money will be very well spent.

MR. IZARD (Commissioner of Mines): Your Excellency, the hon. Member for Trans Nzoia asked if a geological survey in Turkana could be made. I am afraid that such survey cannot be undertaken immediately, but should the modified Colonial Development Fund Scheme for a survey of three selected areas take less time than is anticipated the hon. member's request will not be overlooked. A small sum of money from this fund is now being expended in following up an alleged discovery in the hon. member's constituency of material required for the progress of the war.

As regard the question asked by the hon. Member for Uasin Gishu, as to whether legislation could be introduced whereby it would be impossible for those on active service to lose their claims by default, within three weeks of the outbreak of war a circular letter was addressed to all registered holders of location claims and other mining titles. I have not a copy of the circular with me, but registered holders were addressed in this sense: If you go to the war but continue to produce gold from your claims you will be required to do the statutory development; apply for the renewal of the claims on the due date and pay an annual renewal fee of Sh. 10 per claim. If on the other hand you go to the war and do not produce gold from your claims, then all you need do is to

apply for renewal at due date, pay the annual renewal fee, and we will let you off all statutory development. The question of losing claims by default of statutory development should not therefore arise.

I understand that a similar arrangement has been made in Tanganyika. It will be seen from this that the big and medium concerns are not really affected. Although they have released large numbers of their staffs for active service, there is no question of no one being left behind to look after their interests.

As regards the smaller concerns, what has actually happened is this: one partner has gone to the war and the other has remained behind to look after the partnership interests. In the case of one-man concerns, the owner has either let his claims out on tribute or has given someone who has remained behind—an accountant or bank manager—a power of attorney authorizing him to renew his claims at due date on payment of the statutory fee. In such latter cases statutory development is remitted.

All I can say further is that if this answer does not satisfy the hon. member I shall be pleased to discuss the matter with him in an endeavour to discover whether any further concession can be justified and would be welcome to the mining industry as a whole. But before making any alteration in the existing arrangements I should feel bound to take the advice of the Chamber of Mines.

MR. FAZAN (Provincial Commissioner, Nyanza Province): Your Excellency, I wish to speak shortly on the effect of military recruitment on the civil labour position. Apprehensions have been expressed both in this Council and in the Press on this subject, and it is right that those apprehensions should be allayed by a presentation of the facts.

The hon. member Mr. Montgomery has already shown that in the quantitative sense recruitment for the military is not at present having any perceptible effect. I should like to reinforce that by a figure or two from Nyanza Province, which is the principal labour-supplying area. Since the Maseno depot was started at the beginning of September and until the end of this year,

[Mr. Fazan]

during that period of four months recruits that will have left Nyanza up to 31st December will be 4,782, of whom 3,250 form the quota for the Military Labour Service and the remainder, some 1,500 are volunteers for the A.S.C., Pioneers, and K.A.R. in that order of magnitude. That figure of 4,782 has the effect of reducing the number of male adult natives of the age groups 18 to 35 by approximately 1½ per cent, perhaps a little more, but well under 2 per cent. So that it is abundantly clear that as far as quantity goes the effect on civil labour is negligible.

But the apprehensions expressed clearly have a foundation, and that foundation really rests on two sources. One is the fear, not entirely unjustified, that some natives may sit back in the hope that they will be taken for the military later, and the other is the fear that we may be skimming some of the cream, and in that cream will be some of the industrial labourers in the civil field. The hon. Member for Uasin Gishu well said that an orderly system of recruitment is what is required, and it is what we have been endeavouring to supply. Since that system came in, we have been able to tell just precisely how many men we are required to supply and on what date, and to warn them in advance, so that anybody not so warned knows that he is not going to be taken for the military, at any rate for many months to come, or that his turn will not come for a long time. We have made it clear that nobody in civil employment is wanted for the military, even as a volunteer, and, in order that a native shall not give up his *kipande* at the end of a month's service in civil employment and go as a volunteer, district commissioners have been instructed not to take labour which has been in employment during the past month or, in the case of conscripts, two months. Volunteers cannot be taken in this way for a month, and conscripts for two months. The next safeguard is that at the depot every one's qualifications are set down, showing if a man has been an underground miner, carpenter, and so on. There are 64 categories of employment, and the details are listed and sent forward. I

have undertaken to provide the Chamber of Mines with a statement of each outgoing draft, of the actual numbers taken in any categories that might interest them. Although they will not be able to get these men back, except in special cases, if they think too many of a category are being taken the position will be explored. Each recruit who goes into the depot is kept there for three weeks. We have occasionally to make it rather less. But in theory it is three weeks, and it approximates to that. One of the objects is that everybody interested, whether European or native, can go and see them there, and if by any inadvertence any one is taken who ought not to be, there is the exemption tribunal, while any employer who inadvertently has got one of his men roped in can get the position remedied.

The effect of this orderly recruiting has been that there is infinitely less disturbance in the last four months in sending forward these men than was caused in the previous four months in sending fewer men but unsystematically.

MR. HOSKING: Your Excellency, many of the questions that I would normally be required to answer in the course of this debate have already been answered from the side of Council from which they were made. But there do remain one or two specific matters with which I should deal.

The hon. Member for Mombasa stated that 400 Wakamba had been taken from Mombasa and conscripted for the Military Labour Service, and that as this labour was essential for handling coal at Mombasa it was an injudicious thing to do. The actual figures of the boys taken from Mombasa was 408. But the figures show that 200 Wakamba were taken and not 400. The figures for other tribes taken are interesting, they show 72 Kavirondo, 53 Kikuyu, 21 Meru. In fact 350 of these 400 were up-country boys who really should not be permanently at Mombasa. And dealing with their occupations, out of those 408 boys 370 were listed as casuals.

Turning to the hon. Member for the Coast, I of course welcome what he said about not restricting travelling by

[Mr. Hosking]

administrative officers. The point was also raised later about visiting lonely farms where women are carrying on by themselves and where neither the police nor administrative officers had called for some time. The hon. Provincial Commissioner for the Rift Valley has told me that a roster is now kept and by co-operation with the police he guarantees that if a police officer cannot get round to visit these lonely farms then an administrative officer will do so, and that no farm will remain unvisited for any considerable time.

The hon. Member for the Coast then asked why the settlement of Kikuyu right-holders had been made in the forest and why farm areas had not been taken for the purpose. I can assure him that we had explored every avenue there was and that we had discussed the possibility, remote though it might be in practice, of acquiring farms for the settlement of these natives, but we found with regret that the only practical area was in this forest. And I think I can say that very deep personal regret was shown by every member of the board when we had come to that decision, but it was come to in order to attain finality, to ensure contentment and that there should be no longer any lingering sense of injustice among the Kikuyu. I think it was worth the sacrifice that this Colony was called upon to make.

The noble earl the hon. Member for Kiambu I think got hold of the wrong end of the stick when he said that the Administration were pleading that the heavy calls of the military made it impossible for an adequate supply of agricultural labour to be found. From the administrative point of view the calls made by the military on the labour supply have been negligible and as the hon. member Mr. Montgomery, my predecessor, has said, the labour situation at the present moment, as regards the number of labourers out of work, is entirely normal to-day. I do not think it is advisable to give the exact figures of the number of natives who are serving in or with the Forces but I can assure hon. members that at the peak period as at present advised by the military, only one-tenth of the number of natives

who served in the last war will be called upon to serve in the present war.

As regards coffee picking, that is done mainly by women and children who are not affected by the recruiting for the war, and there is no need for civil labour battalions as suggested by him. I think the cheapest and most effective form of labour that can be obtained is that recruited by the employers themselves because there is then present the principle of mutual goodwill. The situation in the coffee areas around Kiambu is not really affected at all by the war because we have allocated quotas for military service to those areas which can best afford to stand the strain. And that strain is not heavy. We have made no call whatsoever on the Rift Valley Province because we realize that it is a great producing area and that its labour should be made available for agricultural purposes. The call made on the Kikuyu in the Central Province has been very small, and it is unlikely as far as we can say at present that any further calls will be made in these areas.

Turning to the hon. Acting Member for Nairobi North he asked if I was satisfied that "everything possible was being done to combat soil erosion. The answer is, no. I am not satisfied and will not be until every tiller of the soil sees that he puts more back into the soil than he takes out of it and leaves it in a better condition than he found it.

He seems to have a down on me in his reference to the taxation of six-foot people with red hair. The wear of worry and the weight of work may soon remove me from both these qualifications. (Laughter.) He has misinterpreted me—I do not think he did it out of malice. I do not wish to quote Hansard but I will give him the reference if he wishes. I had no desire to make out that everything in the garden was beautiful because of the Local Native Council resolutions, and what I really said was that there was no object in replacing one law by another when what was wanted was more instruction and supervision behind the law. Well, of course, both the supervision and instruction have been less than we hoped for as men have been called away from this all-important work, and I must admit that the results for the year have

[Mr. Hosking]. been disappointing. But I think that in the reserves the amount of work that has been done—and I would make particular reference to the back blocks of Embu, Nyeri and Fort Hall—is most satisfactory and on really sound lines. I will not pretend, however, that there is not an enormous amount of work yet to be done because there is.

The hon. Dr. Wilson referred to the system of taxation and referred to the question of the substitution of a poll tax for a hut tax. Of course, the hut tax, in effect, is really a tax on women and there is certainly a universal demand, as Your Excellency will have noticed, for such a substitution throughout the whole of Eastern Africa. This matter is under consideration at the present moment.

The question of increased taxation is being dealt with by the hon. Financial Secretary, and I can only say that the administrative officers will support any scheme that may be devised, and I believe that we can rely on the goodwill of the natives to bear any burdens that the financial advisers think right to impose upon them.

He mentioned also alternatives to agriculture. I think if he went round the trading centres, say Karatina or any of those in North Kavirondo, he would see how the village industries are spreading out, the carpenters, wheel-rights, bicycle repairers and the other various industries that are springing to the fore; blankets are actually being made in Ukamba, and sweaters are being made from raw wool at 30 cents a time. It is astounding what is being done by these native industrialists; I am told by the hon. Provincial Commissioner for the Central Province that a native has produced a pair of boots from entirely local materials except for six eyelets which he had to buy.

I have never been more grateful to any hon. member than I am to the hon. Member for Nyanza for her reference to the way the natives were behaving on the farms—I trust that her words of appreciation will be transmitted to the natives in every possible way, especially by the Provincial Commissioners and the District Commissioners at *barazas*, for a

few words of encouragement like these at the right time and in the right place will do more to keep the natives keyed up to help in every possible way than volumes of abuse.

The question of badges for essential farm labour has been raised and, I think it is an excellent scheme. I understand that the only thing that stands in the way of producing them forthwith is the financial implication. Given the opportunity I believe that every farmer will be only too glad to buy these badges at a reasonable cost and to hand them out to the labour which is prepared to stand by him at the present juncture. The natives would jump at the idea, but the only thing we have got to watch is that they do not collect as many badges as they do reflectors on their bicycles!

Although the question has been dealt with by my hon. friends on both sides of Council, I would like to repeat that the labour situation from all accounts appears to be normal. I may say that I am watching the situation most carefully. Local shortages and local difficulties there always have been and always will be and one must meet local difficulties by local remedies. These are not empty words, for we have proved our good faith by the way that the natives came to the rescue of the flax industry. When it was put to them that it was a matter of national importance they came forward most willingly. I can assure hon. members that the administrative officers will do all in their power to see that the Colony is not merely kept ticking over as a running concern but that it shall be in a position to meet any demands that may be made upon it in the present emergency for production both outside as well as inside the native reserves.

MR. HARRAGIN: Your Excellency, it will probably astonish the hon. Member for Mombasa that I entirely disagree with him in his suggestion that Legislative Council should be done away with and substitute therefor some sort of enlarged Executive Council. I personally look upon this debate which takes place once a year as not only a *viva voce* examination of the heads of departments, but also as an important medium where-

[Mr. Harragin] by heads of departments can convey to the country in general through you gentlemen on the opposite side of the Council who represent them what we are doing or, at any rate, what we are endeavouring to do. And I intend, at the risk of falling into the bad books of my hon. friend on my left, who instructed me to be as short as possible, to delay this Council a minute or two longer than I usually do in order that certain aspects of the activities with which I am personally concerned should be made familiar to you and the manner in which Government through myself conceives that these activities should be carried out.

The first question is that of man power, because one hon. member appeared to think that the item on the vote under that heading was unnecessarily large. Well, first, I would like to tell you that practically the whole of the work of man power is done gratuitously by gentlemen who give up their time at great inconvenience to themselves, and the expense you see recorded in that vote merely represents such things as the necessary travelling expenses and the expenses of the necessary clerks that have been employed. As a rule, particularly with regard to the European man power, I am able to hide behind the broad shoulders of the noble lord the hon. Member for Rift Valley opposite me, but there comes a time when I feel I have got to come-out in the open and stand side by side with him and accept and endeavour to rebut any criticism that is made. The chief criticism with regard to man power is of course that we have allowed too many men to go. We can all be clever after the event, but if hon. members will throw their minds back to a year or six months ago they must realize that the position was very different to the position now. It was then necessary, that this country should provide every single possible able-bodied man to do his bit in the army. The country responded nobly and the chief duty of the man power authorities was to keep people back from joining the army instead of trying to press them into it. Now, of course, things have changed and possibly one's attention is drawn more particularly to production,

and of course the swing of the pendulum is the other way and now every one is asking for extra production—and the men have gone. It is quite easy to say that it was wrong to let them go. It is, I think, a fair criticism, in the light of subsequent events, but I would ask those who are criticizing to put themselves in the position of the authorities at that time, and I know that their attitude would have been exactly the same as our own.

It is made to appear that the noble lord or myself exercise dictatorial powers and that it depends on how we felt on any particular morning whether a man is called up or retained on his farm. But in reality that is far from true, and if he or I are ever to be pilloried for our findings in this direction I can assure hon. members that every single member of every man power committee in the country will have to stand by us. No man is retained on the farm or pressed into the army, as the case may be, before the matter is referred to the particular man power committee interested, and the noble lord has his report on which almost unfailingly he acts.

I can assure hon. members, much as I regret that there are not more men to work on the farms, nevertheless, although I have not asked the noble lord's permission to say this, I am perfectly satisfied that under the then circumstances we did all that was possible and I should say proper when this question first came before us. Now, since the position has changed, the military authorities have been approached, and you will be glad to hear that considerable numbers, thanks to the General Officer Commanding, of officers and men have been returned to their farms for what is called "harvest leave". Naturally it is not for as long as we desired or they desired, but the military, although they have not been able to release them altogether—quite naturally, having trained them you cannot expect them to do that—have met us as far as they possibly can, and there has been a considerable number returned to their farms for this harvest leave.

In connexion with this and referring to the work which is being done on the

[Mr. Harragin] farms, I must join with the hon. members on the other side of Council who have called attention to the enormous and wonderful work which has been done on farms by the women of the country. (Applause.) It is interesting to note that my hon. friend the Director of Agriculture, some few months ago, went round the country and submitted a report to Government with regard to the position of agriculture generally throughout Kenya. Although of course he expressed the natural desire that more men should go back on the farms, nevertheless he was not at all disappointed with what he saw going on. It was perfectly evident that these women had been carrying on in a most competent way in spite of what so many might have imagined would happen before the war started. I feel that the gratitude of the whole country is due to these women who are shouldering the burden to-day just as much as the men who are carrying their muskets up in Turkana or wherever they may be. I say further, that if it is ever within my province to support what I consider to be a justifiable demand that these women be visited more frequently and have more attention given to them from European police inspectors, I will do my utmost to see that they get it. But I do not want to be misunderstood here, because neither the noble lord nor myself can produce a rabbit out of a hat. We have not got the men, and if inspectors are to be found then it is perfectly obvious that they have got to be released from the army or have got to be obtained from elsewhere.

So much for the point of view of man power as it is ordinarily understood. But the Director of Man Power has recently, under a Government Notice, been given other duties. I refer to the duties which come under what is known as the Reserve Occupations Regulations, and I would like hon. members to consider the problem when these regulations were passed. The position was that a committee reported to Government, after a full investigation, that there was much unrest among skilled and semi-skilled artisans in the country owing to the enormous amount of work that was

being done all over the country, and owing to the fact that the contractors were competing with each other and with the Public Works Department, skilled labourers were leaving their legitimate work and dashing hither and thither and hoping, and getting incidentally, a considerable increase in their wages every time they moved. That this was an unhealthy state of affairs was obvious because in the majority of cases this was happening. Some contractor, having contracted to complete a building by, say, the 15th June, or whenever it may be, found himself faced with a penalty clause of £500 if he had not fulfilled his contract by that time, with the result that in desperation in the last two or three weeks he was prepared to take on these *fundis* at almost any price in order to avoid this penalty. It became necessary for the Government to take action, and the action it took as a result of this committee's report was to pass these Reserved Occupation Rules.

These rules do one thing and one thing only. They state that if any skilled or semi-skilled artisan is working in a reserved occupation he may not leave that occupation without the leave of his employer or without the leave of the Director of Man Power. Now, that does not mean that you have introduced some form of slavery. It simply means that these people are doing work which, in the opinion of the Director of Man Power, is work of national importance and that he will not be able to fly in future, from day to day, from job to job. This I am afraid has been misunderstood by a great many people in the country. The Regulations are not easy to follow. I know, and the reason is that a list of some 60 reserved occupations are set out in paragraph 2 of the schedule and paragraph 3 gives the Director of Man Power authority to add to that list of 60 any other occupation which he considers to be a reserved occupation which had not already been mentioned. But you must realize that because the power is given to him it does not mean that he can put any occupations he chooses on that list.

In construing a legal document of that description—and it is a legal document—

[Mr. Harragin] one has to be guided by the *ejusdem generis* rule which merely means occupations of a like type. For instance, if you have a "carpenter" scheduled, but for some reason a "joiner" has been omitted, the Director of Man Power has the authority to add a joiner to the list but not a cook. These regulations do not cover unskilled labour, and it has been my unfortunate duty to disappoint many farmers, even though all of them doing work of national importance. They have written in and stated: "Will you put my workmen under the 'Reserved Occupations'?" Well, of course, that cannot be done. The workmen have got to be in the position of a skilled or semi-skilled artisan. That does not mean that I have not been able to help the farmers in any way whatever. For instance, I recognize the fact that there may be on many farms, probably on every farm, a few skilled workmen. Let us say, for instance, a tractor driver who, certainly in my opinion, would be a skilled workman. He is a key man having driven a tractor say for the last five years or so and perhaps is the only man who knows how to drive it in the district. In that case I would have no hesitation in placing him upon that reserve list. I would even go further. There may be a few, I do not know how many, herdsmen and milkers who, because of their peculiar knowledge gathered over a long period of years on that particular farm, are absolutely necessary to that farm. And having received, of course, a recommendation from those in a position to know, the District Commissioner of the district for instance, I should have no hesitation in those particular cases of placing such milkers or herdsmen on the list of reserve occupations.

But it must be realized, and I wish to make this perfectly clear, that probably the best evidence to satisfy me that a man is, in fact, a key man is that he is getting a key price. What I mean by that is that it is quite useless to come before the committee—I will tell you who they are in a minute—and say "I must have Njeroge wa Kamau placed in reserved occupations because I have had him 16 years and give him Sh. 6 a month and he wants to work for the military for

Sh. 12 a month". I can assure you that as much as I would like to I should be unable to accede to that request.

Again, it does not rely entirely on my own *ipse dixit* as to whether X or Y should be placed on the reserve list. To assist me, three different committees have been appointed of people who have a broad knowledge of the problems they have to decide upon: One dealing with Europeans, one with Indians, and one with the African side. It may seem peculiar to hon. members that it has been necessary to have three committees. The reason is that we are hearing appeals from those three races. For instance, as I mentioned before, as it is necessary to obtain the leave of the Director of Man Power before a man leaves a reserved occupation, assuming an employer does not want him to go, we have these committees who hear appeals and decide whether a man under the circumstances will be permitted to leave his occupation or not.

I can tell you something perhaps a little bit out of school, at the moment, that we are not quite satisfied with regard to the working of these regulations in one particular respect. It is that, although we may keep a man at his job, we cannot necessarily make him work, and hon. members will realize that it is perfectly useless if an employer thinks he has achieved all that is necessary when he has got the Director of Man Power to say that half a dozen men shall work for him when, in fact, they sit down and do nothing. There have been few cases of this but it is a fact to be looked fairly in the face that it might arise. For that reason, in the near future I hope that further regulations will be passed to tighten up this position and prevent that sort of thing happening.

Running *pari passu* with this committee, is the committee set up lately, the Wages Board, referred to earlier in the debate. That committee is presided over by a judge, and their duty is to lay down minimum and maximum wages that should be paid to innumerable skilled and semi-skilled workmen in the country. I mention that so that hon. members shall not imagine that this committee has to decide on every

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occasion whether these men are being paid enough. If they are being paid an amount, as they are in 99 cases out of 100, covered by the Wages Board, we do not have to consider the matter further but merely to consider the other aspects of the application.

Perhaps I should say a word about Indian man power. I often hear the Indian man power position compared with that of the European position. I think that therein lies the greatest mistake because, as the hon. member Mr. Isher Dass pointed out, you cannot compare the voluntary system with the compulsory system, and although at the moment the figures are not particularly high of the number of Indians who have joined up voluntarily, nevertheless there is not the slightest doubt that the moment Government introduces the compulsory system the hon. member, Mr. Isher Dass and his various committees throughout the whole country will be able to get the number of men required. I should like to pay this personal tribute to the hon. member: that of all the voluntary work that has been done in this connexion he has borne the brunt of it. (Hear, hear.) He has had the difficult task of persuading people to join without being able to tell them what they have got to do. The methods he adopts I have not looked into, and have no intention of so doing. (Laughter.) I am satisfied that all things considered, knowing the country and the people he has to deal with, and knowing the fact that it is an entirely voluntary system and that wages have gone up tremendously for these people within the last few months, he has done an extremely good job of work in doing what he has done. (Hear, hear.)

Speaking of the hon. member, he did mention a point which has some bearing on this, when he referred to the committee which he asked should be set up under the Trades Disputes Ordinance. I can assure him—it so happens that the letter went through me—that the matter has not been lost sight of. At the moment Your Excellency is considering the personnel to put on such a committee. Hon. members will realize how difficult it is to find suitable people to serve on a committee when at any time its work may

become a whole-time job. We are extremely grateful to those who have given their time voluntarily for this type of work, but they are few, and there is a limit even to the amount they can do. I have only one personal query regarding the committee: I am wondering whether it would not be wise to give that committee the powers taken at home with regard to a similar committee which has been set up there, which has more stringent and compulsory powers than those contemplated under our ordinance.

Under that ordinance the weakness, to my mind, is that unless employer and employee agree to their disputes being settled by the board, the board has no jurisdiction to go into the matter, whereas the board just created at home has compulsory powers to make people appear before them, and there can be no strike until a matter has been investigated, and the verdict of the board can be carried out by the ordinary laws of the land, without further reference to employer or employee. It is a question for serious consideration whether we should not introduce the same type of committee here in preference to the one suggested by the hon. member. I can assure him the matter is receiving attention, and in the near future he will probably hear the names of the personnel who have been appointed.

There is one other matter in which I am interested, and that is petrol. My hon. friend the Financial Secretary has told you that petrol rationing, for the reasons given by him, has got to be continued. It is my job to see that the petrol rationing regulations are obeyed so far as is humanly possible. But I would like to say this at once: that unless you have all the country behind you, you can make all the regulations and the punishment as heavy as you like but you will get nowhere. It is most important that people should realize they are not being clever in being able to deceive some unfortunate lady who is doing the job of issuing petrol permits and getting more than their just due—they are injuring their country. If you can only get that into people's heads it would make them realize that it is a patriotic thing to reduce the consumption of petrol. These arrangements are only put in as a

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matter of course and no one wants to keep them on, for we realize they are difficult to administer.

It is much easier in England. If you have a certain type of car the authorities decide whether you shall be allowed to travel X miles, and give you so many gallons of petrol. If that could be done here it would be simple. In point of fact, owing to local conditions each case has to be decided separately as to how many gallons of petrol shall be allowed. It is a difficult task and there may be many anomalies. I realize there are difficulties and abuses, and it will interest hon. members to know that at the present moment there is sitting a committee which I summoned, including members from the Air Force and the military, who have come forward very readily to try and assist me in this task, and we hope to be able to report to Your Excellency within a week or ten days. The draft report is written, and there will be a final meeting next Wednesday. The public must realize that in the very near future there has got to be a tightening up. Exactly what form it will take hon. members will hear later, but I do trust it will not mean further anomalies.

It may seem peculiar that I should say anything about the Settlement and Production Board, because it is the one board I have nothing to do with officially. The only reason I refer to it is because I notice that the only protagonists in this Council so far are actually members of the board, and I thought I would take the opportunity as a complete outsider who merely visits them from time to time, and only when called on to go, though I am only too glad to go, to say how easy it is to state that a board is doing nothing to make that Government give a price for wheat or in conscripting labour and so on. Those are easy things to say, but it is not the board's fault that things are not done. I assure hon. members that, having had a good deal to do with this board, unofficially perhaps, in the last month or two, that it is the most practical, hardworking board that I have ever had to deal with. There was a time when it was thought to be too big and cumbersome and might not achieve the object

sought. In point of fact, they resolved themselves into sub-committees, with which I have to deal, and they take the practical view and get more done behind the scenes than any other board I have had anything to do with. I should like to congratulate particularly the chairman of the board on all he has managed to do to my certain knowledge within the last six weeks. (Hear, hear.)

I notice that the hon. member Dr. Wilson is anxious with regard to secondary industries. Since he spoke, I happened to hear an item of news which will probably please him, in that a secondary industry has been set up within the last three weeks in Mombasa not, as he would think, in the vicinity of the Memorial Hall: it is a gas producing industry! so that at last we have made a step in that direction.

I now come to the speech of the hon. Member for the Coast. I must start by apologizing to him for a statement which I made earlier in this session. You will remember that he was seeking on that occasion to lay down some dictum in regard to the legal interpretation of a regulation, and I had the audacity to suggest that he was arrogating to himself a degree of learning to which I did not think he was justified. Well, in point of fact, he now has explained that he received that information from a very distinguished lawyer, based on what evidence or consideration we do not know, but I am the first to apologize to the hon. member and to say that, had I known it was learned counsel's opinion and not that of the hon. member, I would have been a great deal more respectful in my reply! But I will reply as follows: that if the hon. gentleman really believes that that regulation is *ultra vires*, he has the simplest of all means of finding out, namely, by offending against it and seeing whether or not he gets two years hard labour. (Laughter.)

MR. COOKE: On a point of explanation, I do not think such a regulation really concerns penal punishment at all; I think the hon. member misunderstood me.

MR. HARRAGIN: I can assure the hon. member that there is no single regulation which has been passed just

[Mr. Harragin] does not contain some punishment, and in this particular case the punishment is a fine of £500 or two years. (MR. LOCKHART: Take the two years!)

The next point made by the hon. member was to endeavour to obtain some free legal information from me—on this occasion he apparently had not asked the same counsel as he did before—as to the definition of the words “alarm and despondency”. He was quite rightly called to order by the noble earl when he pointed out that it was perhaps an unfortunate time to ask for such an explanation because at that very moment the Court of Appeal was considering the matter.

MR. COOKE: On a point of explanation, I was very careful to explain that there were other cases taking place, and I think that that is a most unwarranted insinuation to make, having made the explanation I did to the noble earl.

MR. HARRAGIN: If the hon. member will permit me to finish—I readily accept the fact —

MR. COOKE: I never said any such thing. I said that was not the only case, and the hon. and learned member is putting words in my mouth, and Hansard can easily prove what I said.

MR. HARRAGIN: I accept the explanation in whatever form the hon. member likes to put it but, merely speaking for the information of Council, I thought it a most peculiar coincidence that at the same time that question was being asked of me in this Council the Court of Appeal was being asked a similar question. I accept the hon. member's explanation that the question had nothing whatever to do with the case in progress, and I do so for a variety of reasons.

The first is because I realize that the hon. member reads the paper in the same spirit that I do myself, and that therefore, coming across some drab and dreary paragraph in the paper that such and such a case was going to be tried he would be the first to skip it and pass on to a more interesting item. I will now apologize to the hon. member

in that I failed to read his letter in the paper which appeared a few days ago. Without wanting to give him a legal definition of alarm and despondency and merely for the information of Council, I will say that the words are used in their ordinarily accepted and recognized way and meaning, and that an example will show exactly what they mean, namely, that when certain hon. members rise to address this Council the atmosphere created might be said to be one of “alarm and despondency”. (Laughter.)

I am sorry the hon. member for Trans Nzoia is not here, because I find I have to tender him also an apology. I fear that I was not aware that the hon. member was an officer in the Kenya Defence Force, but I can only say in mitigation that I erred in good company and that the military authorities themselves were not aware of it either. Under those circumstances, I can only express surprise that, instead of his feeling (in view of the result of the case) being one of gratitude towards me it should be one of reproof, and I will say that in future I will never make the mistake of allowing the hon. gentleman to be tried in a court of law instead of a court martial. (Laughter.)

There was a point raised by the hon. Member for Trans Nzoia which I am not quite sure I followed, and I am sorry he is not here to correct me if I am wrong. I understood him to say towards the end of his speech that it was a pity the K.D.F. did not come under the Army Act. That is what I wrote down at the time and, if that is what he said, he must have overlooked the Defence Force Ordinance, which is surprising for an officer of the Kenya Defence Force for I have no doubt he studies it regularly. Section 23 says:—

“The provisions of the Army Act, 44 and 45 Vict., Ch. 58, and all Acts amending or substituted for the same, and all regulations made thereunder (hereinafter referred to as the Army Act), shall, as to the provisions therein contained respecting discipline, apply to officers of the Defence Force and to the permanent staff thereof (if not otherwise subject to the Army Act) at all times and to members of the

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Defence Force when on active service, when they are called out for active service, during peace training, when they are engaged in any military exercise of drill or musketry, when they are carrying out any escort duty or guard of honour and when they are in uniform at any time or place, subject to the following modifications”.

I can assure the hon. member that in view of the fact that most of us are in the K.D.F. we shall be subject to the Army Act, and that section seems to me to cover every possible case where a member of the Force is doing any military duty. However, I may have mistaken his point, but as far as I am at present advised that is the answer.

There was one small point made by the hon. Member for Aberdeen, for which I am grateful, in which he mentioned the fact—I think he was referring to the Nanyuki area—that natives had been engaged by the military at an increased rate of wages and without having their *kipandis* signed off. On the face of it they are committing an offence by doing so, but I can assure the hon. member that I took the matter up immediately it came to my notice with Force Headquarters, and within a very few hours orders went out to stop this iniquitous habit, and I shall be grateful to the hon. member if he will let me know if it occurs again. It will then be a military as well as a civil offence.

The hon. Member for Uasin Gishu made a point with regard to mine workers. I suppose he realizes the majority of mine workers occupy a long list—I cannot remember how many but there were something like 30 occupations—have been placed on what is called the list of reserved occupations, so that I think to a great extent the point, and a very good point, which he made with regard to people leaving mines has been met. Even if the people to whom he refers are skilled or semi-skilled workers, he can rest assured that now they will not be able to leave without just cause.

MR. RENNIE: Your Excellency, few points remain to be covered, but there are, however, one or two points that I

wish to take up on behalf of those heads of departments who are not members of this Council, and in connection with whose work there has been some criticism.

Dealing first with the remarks made by the noble lord the hon. Member for the Rift Valley, he mentioned the question of internal security, and this point was also referred to by the hon. Member for Mombasa, I can assure hon. members that Government has been fully alive to the need for taking all precautions in respect of internal security. The Civil Intelligence Department has been reorganized on a basis to cover both civil intelligence and security and an officer has been placed in charge of that department who has direct access to Your Excellency.

The noble lord also mentioned the inter-territorial aspect of security and I may assure him that this particular aspect of the question has not been lost sight of and that the necessary steps, which it would not be wise for me to refer to in detail, have been taken.

More than one reference has been made to women on farms, and the remark has been made, although not in this Council, that Government has been giving no consideration whatsoever to these women. That remark, as you are aware, Sir, is absolutely incorrect. Several months ago I went into the question with the Commissioner of Police and made certain arrangements by which officers in the various districts were given additional clerical assistance which would enable them to be freed from office work and so enable them to visit the women on farms. He has assured me when I have raised the question on several occasions that he has given very strict instructions to his officers to visit lonely women on farms whenever they can. The point remains, however, as the hon. and learned Attorney General has mentioned, that the Police Department is very short of staff and, at the present time, although we have been endeavouring to obtain releases from the military forces to fill the vacancies which exist in the Police Force we have not been successful, and we are now attempting to fill vacancies by application both to the home authorities and to South

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Africa. Recently the matter has been gone into further, as my hon. friend the Chief Native Commissioner has indicated. We have gone into the question with the Provincial Commissioners and they are making arrangements, that the names and addresses of the women referred to should be listed in their offices and, with the co-operation of the local police officers, for visits to be paid to these women whenever possible.

The noble lord also asked whether Government was considering whether the pressure on the prisons could be relieved by the provision of camps outside the prisons. My hon. friend the Director of Public Works has dealt with this point, so far as camps for road-making purposes are concerned. I would also assure the noble lord that in all there are five camps, three for road-making purposes and two for other very necessary war purposes and the total in these five camps is in the region of 800 prisoners.

Turning to the speech made by the hon. Member for Mombasa, I would refer first of all to his very kind invitation to me to visit the Coast Province at the first possible opportunity. No one is more alive than I am to the necessity for the Chief Secretary, especially one who is new to the country, getting away from the Secretariat and breathing the free and open air of the wide spaces, and I may assure the hon. member that, now that the pressure of work has to some extent slackened off, I hope, with your permission, Sir, in the course of 1941, to pay visits to various parts of the country. The attractions of Mombasa have been described to me by various people at different times, and I had marked it down for a very early visit. These attractions are considerably enhanced by the prospect held out to me of seeing the hon. member frolicking on the sands of Mombasa, and if the hon. Member for the Coast will promise to add his frolics to those of the hon. Member for Mombasa, I am sure that the temptation will be too strong for me to resist. (Laughter.)

The hon. Member for Mombasa also referred, to quote his own words,

women who cannot find a job owing to the importation of women from other sources. Perhaps these words may convey a wrong impression, and I should like to mention that at a recent meeting which I attended at which there were present representatives of the various women's organizations such as the Kenya Women's Emergency Organization, the East African Women's League, the Women's Transport Service and also the military authorities, it was made very clear in the course of the discussion that there are not in Kenya at the present time a sufficient number of women, with the necessary qualifications, for the vacancies that exist in the various military units and other organizations in the country. And it was agreed at that particular meeting, even by those ladies who were most anxious that the women of Kenya should be called upon to do the necessary work in the country before women from outside should be called in, that there was a very real and urgent need to bring in women from outside. It has become very obvious to me that there is work, more than enough work, for all the women of Kenya at the present time, and I should like to add my own tribute to the tributes paid by other hon. members already to the extraordinarily fine work which is being done in Kenya to-day by the women. (Hear, hear.)

The hon. member raised his hardy annual, if I may so describe it, in dealing with bankruptcy. I have made some investigation into this question. He raised the point that there is undue delay in dealing with these bankruptcy cases. My information is that the delay is occasioned to a very large extent by the fact that some of the men concerned are at the present time on active service, and it is not possible for the Registrar General to close down these cases because he does not wish to put undue pressure on the men who serve. The Registrar General has also informed me that in recent years there has been a change of procedure in dealing with such cases and that, instead of closing a case immediately the assets have been realized, it has been the practice to allow the case to continue and to extract, if

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I may use that word, from the bankrupt instalments from his salary so that creditors may receive in that way more money than they might otherwise do. I pass on that information to the hon. member and perhaps, if he is not satisfied with it, he would like to discuss the matter with me, I shall be only too glad to go into it further.

Dealing with the speech of the hon. member Mr. Isher Dass who referred to the question of discontent among European subordinates in the Police Department, I must admit that this particular reference, which has also been made by certain other hon. members, has come to me somewhat as a surprise. No official intimation had been made to me from any source, and I should have liked the opportunity of going into the matter before the question was raised openly in this Council. I think that would have been a better method of procedure in fairness to the head of the department concerned. I should like to make it quite clear that the Police Department is in a special position and that some of the discontent amongst the subordinate officers may be due to the fact that the Commissioner of Police quite rightly, has not allowed his younger officers to join the military forces. The Commissioner is not the only one to blame in that matter, because on occasions I have been more anxious than he to see that some particular officer was not allowed to go in view of the pressure of work on that department at the present time. I may be wrong, but it seems to me that that may be one reason for discontent among the subordinate officers. I should like to ask the hon. member Mr. Isher Dass, if he knows of any particular officers who have grievances, to request them to submit their grievances in the ordinary way. Every government officer knows that he is able to appeal to His Excellency the Governor and, if necessary, to the Secretary of State if he is not satisfied with the manner in which he is being treated in his department. If any subordinate officer has a grievance, or thinks he has, then I should like him to state his grievance in the ordinary way to me.

I might perhaps take the opportunity at this stage to refer to the further criticism which has been made against the police force. So far as I have been able to ascertain, the only specified criticism—which has been made in connection with women on farms, I think sufficient has been said to-day to show that that particular criticism is not altogether justified so far as the Commissioner of Police is concerned. He has done what he could with the personnel at his disposal and if the criticism against him is based on that particular instance—and no other specified instances have been mentioned—I think, perhaps it is not quite fair to him. But if there are other instances in which there is any disgruntlement against the police force then I shall be very glad to have a statement of such instances to enable me to go into them.

The hon. member Mr. Isher Dass referred to the Information Office and I gathered by his reference that he was by no means satisfied with the work the office is doing or that it was good value for money. He referred in particular to a copy of the report of the activities of the office that had been sent to the European Members but not circulated to the Indian Members of Legislative Council. The point there, I think, is this. The Information Office was aware that the work of the office had been subjected to considerable criticism by the European Members. I personally was not aware that there had been any criticism from the Indian Elected Members and when it was suggested that a copy of that report should be sent round to the critics, namely the European Elected Members, I saw no objection to the procedure. If I had realized that the hon. member Mr. Isher Dass was amongst the critics, I should have been only too glad to send him a copy too. I may mention that we have an Indian member on one of the committees of the Information Office who has recently brought this matter to the notice of the Information Officer and has received an assurance from him that copies of any report sent to the European elected members will also be sent to the Indian members.

[Mr. Rennie]

Turning to my friend the hon. Member for the Coast, he raised the question of destructive criticism as compared with constructive criticism, and expressed ignorance of the real meaning of the words "constructive critic". Perhaps I may be permitted to explain by means of an illustration which, if I may be allowed to draw an inference from the speech of the hon. Member for Mombasa, will be familiar to the hon. Member for the Coast. The illustration is as follows: If, while the hon. Member for Mombasa is frolicking on the sands, the hon. Member for the Coast comes up to him and says "Hon. member that was an extraordinarily poor effort of yours" when he is trying to do a hand-spring, I would describe that as destructive criticism. But if, on the other hand, he went into the technicalities of a hand-spring and their application to that particular display, he would be a constructive critic and if the hon. Member for the Coast went further and gave an illustration himself of the hand-spring he had described he would be showing himself a versatile and useful citizen. (Laughter.) I hope my words have made the position sufficiently clear to the hon. member, but I also hope I have not thrown so much light on the subject that I will find the hon. member, inspired by the illustration I have given, sitting in my chair when I go to the office tomorrow morning. (Laughter.)

Dealing with the hon. Member for Trans Nzoia—I am sorry to see that he is not here this afternoon—I will only touch on one point he raised, that is the Information Office. I do not propose to go into details of the estimates now. He criticized the very large increase in expenditure which is shown in the Draft Estimates and made the suggestion, which I am anxious to refute, that that large increase is due to the fact that some people in the office have made an attempt, and have apparently succeeded to the extent shown by the increase in the estimates, to obtain very large salaries for themselves. That suggestion is absolutely without foundation and I would assure the hon. member if he were here that, so far as new posts in the Draft Estimates are concerned, not

one new salary is in excess of £500. I would also have mentioned to the hon. member that at the present time in the Information Office we have several members of the staff who are doing voluntary unpaid work and very good work at that, and I should like to take this opportunity of expressing the appreciation of Government to those members of the staff who are working in this much-criticized office in that way. (Hear, hear.)

Also, I should like to suggest to the hon. member, after the very interesting information which he gave us yesterday on recent happenings in Turkana, that he might consider the desirability of offering his own services to the Information Office and in that way achieve a three-fold purpose. He himself would become more intimate with the work of the office; he would add to the official *communiqués*, which he has criticized in somewhat scathing terms, that life and colour which they no doubt lack at the present time; and he would free the Information Office from that liability from which we all suffer, the liability to make mistakes.

There is only one other point to which I should like to refer now and that is the Settlement and Production Board. The hon. Attorney General has dealt with the position from his point of view. He stated that apart from occasional attendances at meetings of the board or sub-committees of the board he had not had very much to do with the work—I hope I am not misquoting him when I say that. I, on the other hand, have come into contact with the Settlement and Production Board to a very considerable extent in recent times, and I endorse what he has said about the work of the board and about the very strong efforts which the members of that board, especially the executive committee, have been making in recent months in connexion with agriculture in this country. And I think if some of the hon. members who criticize the work of the board were better acquainted with the work the board is doing their criticism might perhaps be directed elsewhere.

The hon. Member for Aberdare dealt with points to which I have already re-

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ferred, namely, the question of the police force. I need not add to what I have already said except to say this much: From my own point of view, so far as the relationship between the Secretariat and the police is concerned, the work which comes up from the headquarters office is of a very high standard indeed and I have never found the slightest cause to complain about it.

I think that concludes my remarks.

MR. LOCKHART: Your Excellency, there is little criticism so far as the figures of the Estimates are concerned to which I have to reply, and this budget debate, unlike some of its predecessors, has shown a refreshing freedom from suggestions of increased expenditure on the one hand and reduced taxation on the other. We heard in the last budget debate one hon. member succeed in combining both suggestions in the same speech! There are, however, a few details for me to deal with.

Dealing first with the speech of the noble lord, the hon. Member for Rift Valley, he will be pleased to know that negotiations in regard to a refrigerator at Adu River are proceeding, and have been re-transferred to Nairobi for discussion with military headquarters here. That was a week ago, and I have not had much time in the last few days to pursue them, but I believe the company are producing figures.

The next point of the noble lord was, that it would be a safe matter for Government to guarantee a price for wheat. The safety of the guarantee depends on the price guaranteed. So far as the wheat produced in 1941 is concerned, it would in my view be quite safe to guarantee a price of Sh. 16 but we have been promised a considered memorandum from the Settlement and Production Board, and despite their very large output of memoranda this is one which has not yet arrived.

Several members referred to this matter, but in considering the question of guaranteed price it is no use contrasting what has been done for farmers in the United Kingdom, where there is a perfectly secure market. Conditions governing the price of agricultural produce

in Kenya are dependent for the most part on circumstances over which this Government has no control. We have tried, and I do not think we have left any stone unturned, to obtain a fair price—and a secure price, and I think that if we cease to talk at large and come down to the facts it can be said that we have not done too badly.

Taking what is produced in any quantity: there is butter, which is sold under contract and in this country at price which can be said to be stabilized; live stock is also sold at prices which everyone knows and which are fixed by the Meat Control. Coffee, as everyone admits, we cannot control in price because it is sold overseas and is subject now, of course, to peculiar difficulties—these difficulties we are dealing with as best we can and I am afraid we may have to come to some painful expedients before this season is over. Pyrethrum is also sold overseas at a price we cannot control but which nobody suggests is not satisfactory; we have a contract price for sisal with the United Kingdom and a minimum price of sorts for non-quota markets—I do not know what more can be done in regard to the sisal price; sugar prices are controlled in the country, and the export is sold under a fixed contract with the Ministry of Food; wool is also sold under a fixed contract with the Ministry of Supply; flax is also sold under a fixed contract at a fixed price with the Ministry of Supply. Vegetables—I think it is true, not through any fault of this Government I may say, that vegetables for military orders have not been placed under very satisfactory conditions, but as the hon. Director of Agriculture said, producers' contracts at fixed prices will be offered in the near future; in regard to potatoes, they are controlled and at present bought at a fixed price—the control does not guarantee that this price will continue indefinitely, the reason being that an enormous proportion of the crop is native and that if there is a surplus it will have to be sold overseas and I see no reason why the Kenya taxpayer should put his hand in his pocket to provide cheap potatoes for consumers in India, but as far as can be foreseen potatoes will be controlled to maintain a stable price.

[Mr. Lockhart]

We come to maize, and that, I suggest, is the crop we are talking about all the time. In connexion with the resolution of the Settlement and Production Board which the hon. Member for the Aberdares read out, I had the pleasure of receiving a small deputation on the subject of the resolution, and really maize is what it boils down to. We did find perhaps that the terms of the resolution were a little loosely worded and required more examination before there would be any hope of applying it in practice, because it is easy enough to speak of giving quotas to producers if you have in mind the farmers of Trans Nzoia, but when you extend it to cover all the native maize growers in the country it becomes a slightly different problem and, as everybody knows, it is the native maize grower who is the problem. The hon. Member for Trans Nzoia says the matter is of the utmost simplicity, and all that it is necessary to do is to get the sisal industry, the coffee industry, and the maize growers together to settle the whole thing. That has been tried fairly steadily in the last twenty years and they have not settled it yet, and I should not have thought this was a particularly propitious moment to bring a settlement about.

But the position is, if we are to have a quota system for maize, we shall have to not only control production but control the market, and to do that we shall have to have a complete maize control scheme for the marketing of maize of natives and Europeans, or restriction by quota, sale at fixed prices, and marketing through a full-blooded maize control scheme. In my view, it would be a scheme extremely difficult to work, and we should certainly have to impose it by legislation and not by agreement, on the coffee and sisal growers. While I think we are going to have a maize surplus in view of the shipping difficulties this year and we may have to consider control but let no one under-estimate the magnitude of the task. I again suggest that when people talk of a guaranteed price for farmers, it all boils down to the maize problem.

The noble lord referred to the shipping position in regard to coffee. It is hardly

necessary for me to give an assurance that this Government, in conjunction with the other East African Governments, will do all it can in that direction, but if the ships are not there the space is not available.

The hon. Member for Mombasa referred in matters of taxation to the surcharge on trade licences which is estimated to bring in £6,000, and he asks why we do not get the money in some other way. The hon. member gave no reason why we should not get it in this way. This point was also dealt with by the hon. Member for Nairobi North, who made the amusing observation that it was akin to taxing individuals with red hair or those who were six feet tall. I suggest that red hair is an affliction sent from God (Laughter), whereas indulging in trade is at the free will of the individual and he embarks on it for the purpose of making a profit and, as the hon. Member for Nairobi North knows, at the present time they are making very good profits. As the hon. member knows, salaries and wages have not gone up; we are informed that the profits of the farming community have not gone up; but no one has yet had the hardihood to suggest that the profits of the trading community have not gone up this year. That being so, I suggest that that is a very good reason for imposing this very modest sum.

The hon. member Mr. Kasim did say that although the profits of the traders were better in the townships, it was not so in the reserves, and suggested that the surcharge should not apply to trade licences of Sh. 30 in the reserves. It is difficult for me to prove that that is not so, but I suggest that an additional tax of Sh. 1/25 a month is not going to lead to any serious hardship for traders in those areas.

The hon. Member for Mombasa referred to the requisitioning of a particular house at Mombasa. I have not been able to trace this case, but I will take this opportunity of making it quite clear that there are only two persons in this country entitled to sign a requisition order for any house or any other property. One is Your Excellency, and

[Mr. Lockhart] the other is myself, and if in the particular case to which the hon. member referred the requisition order was not signed by Your Excellency or myself I suggest the hon. member should advise his complainants to take legal advice on the law of trespass and have the occupier ejected.

The hon. member Mr. Isher Dass, on the question of trade licences, suggested that the present scale which is graduated according to the stock held should be readjusted because of the higher values. The licence is fixed in accordance with value and if the stock has gone up in value, then the turn-over has gone up also and so have the profits.

The hon. member also referred to the Kisumu Indian School. The position is that we have an estimate of £7,800 and approximately £4,000 is available. As the hon. Director of Education said, this was not regarded as a very suitable moment to carry out building, but I can say that the hon. Director of Public Works will consider whether it is possible to make a start next year.

The hon. member also complained that Indian sub-inspectors of police had to wait a considerable time on the top of their grade. I have no doubt it is so, but it is a disability they share with many public servants, including some sitting on this side of Council!

The hon. Member for the Coast made a very surprising, I thought, appeal which was apparently directed to this side, that hon. members should avoid personalities. (Laughter.) If there is one hon. member who does indulge in them it is the hon. Member for the Coast, who devoted the main part of his speech to the subject of himself.

I have dealt with the point raised by the hon. Member for Nairobi North regarding trade licences. There was one contention he made which I must say surprised me. He said that although Government collected trade licences the interests of the commercial community must always give way. If there is a trading community in the world which is consulted by the government of the country, it is here in Kenya. To take a current example, the question of the

control of prices, not a single regulation has been introduced by the Supply Board or published or implemented without first reference to the Chamber of Commerce and the Associated Indian Chambers. I should be extremely surprised if any Chamber of Commerce in the United Kingdom was consulted by the Board of Trade on a subject of that kind, and I would also say with special reference to the hon. member himself that I should be very surprised to learn that in the Board of Trade is to be found an officially appointed representative of the commercial and producing interests concerned in the administration of the War Risks Commodities Bill. What this neglect of commerce is to which the hon. member refers I am quite at a loss to understand.

The hon. member was critical, I am free to say justly critical, in regard to the provision of capital for telephone and telegraph services. I had said in moving my motion that the provision of long term capital was, of course, the only solution, but for reasons connected with the war we are unable to deal with it, but we must admit, I think Government admits, that had we been able to find capital—and there have been difficulties in the way which the hon. member might not appreciate—we might have made better progress in that way.

Another point dealt with by the hon. member was native taxation, and he said that matter had not been given a thought. As he is not himself a member of what has been described as the star chamber—which I learn with some surprise from my hon. friend on my left, referred to Your Excellency's Executive Council, I am not aware how he reaches the conclusion that this matter has not been given a thought. In fact, it has been given a great deal of thought. In considering native taxation one must first of all consider the nature of our tax. That can be been criticized—it has been criticized freely ever since I have had anything to do with East Africa by everyone who has considered the question; for example Sir Alan Pim had a good deal to say about it, but none has produced a workable alternative.

[Mr. Lockhart]

So long as we have this flat rate of tax we must consider not only the position of those native taxpayers who happen to be better off—but also the very large body, I have not the figures, but, I venture to say, the overwhelming majority of native wage earners in this country who have had no increase in wages, as well as the increase in the cost of living of the natives, and it must be remembered that the price of imported goods is a factor in the native cost of living, which is very much higher than in the case of other races. Also, by the imposition of double excise duties and the surcharge on imports, their cost of living has gone up. When that is borne in mind it is considered, and I certainly consider, that any substantial increase in the rate of native taxation might easily have a disturbing effect on the present wage level, and that is what our economic policy since the beginning of the war has been designed to avoid. Once you start a movement of that kind it is difficult to check and it is difficult to see its ramifications, and unless there is a substantial increase in native taxation the effect of the budget is not worth the disturbance.

That is the reason why additional taxation is not proposed, and not because the matter has been overlooked.

The hon. member referred to the question of industrial development, and spoke as if it were a thing which governments bring about. They do not, but what a government can do is to make conditions favourable by cheap land, cheap transport, low taxation, by pursuing a general financial policy which gives confidence to investors, and those conditions, I suggest, in this Colony have been fulfilled by this Government. There is also the provision of information and consideration of protective duties, and that is a matter which the Standing Board of Economic Development was charged with and which did a great deal of work.

That also was referred to by the hon. Member for Ukamba, who spoke on this subject. The board had done a good deal of work, and had a very energetic and able secretary and, as the hon. member rightly said, something happened.

What happened was not, I think, the mischievous suggestion the hon. member made, but the war broke out, and the officials of that board and the members of that board dealt with other matters, and normal economic development became subject to different considerations which were better dealt with by the Supply Board and the Settlement and Production Board. It was because questions had not arisen which could more properly or more usefully be dealt with by the Standing Board of Economic Development that the board has not been called together and not as a calculated affront to the members of it. There has been as a result of the war a good deal of investigation into the possibilities of what can be produced in this country, but industrial development is subject to considerable handicaps in these times, and I think it would be, looking ahead, rather a mistake to force, through special wartime requirements, the creation of industries. By far the better people to deal with prospects of industrial development are industrialists. Our business is to give them all the fiscal protection necessary that we can, and the general pronouncement of the policy of secondary industries produced by the Standing Board of Economic Development makes our policy in that matter perfectly clear.

The hon. Member for Nyanza Province inquired whether I could give her an assurance that the present Estimates contain financial provision for carrying out soil conservation rules. No such provision is included specifically in the Estimates. She also asked if Government had any plan to change over from the production of coffee and sisal to more profitable crops. That seems to me rather a tall order in one sentence, and so far as I am aware there is no such plan.

LADY SIDNEY FARRAR: On a point of explanation, I asked whether there were any reserve funds to assist in the possible change over of those crops?

MR. LOCKHART: Yes, there is the normal provision of agricultural credit which is provided through the Land Bank and, as the hon. member knows,

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we voted the sum of £80,000 the other day. Apart from that form of agricultural credit, there is nothing specifically provided in these Estimates.

The hon. member also asked whether rent which was being paid for certain buildings occupied by the military was specially earmarked for the construction and expansion of schools. It is not being earmarked but forms a normal item of Government revenue.

The hon. member Mr. Patel referred to the question of import permits being cancelled. The position is that if any holder of a cancelled permit can show that he placed an order on the strength of it the permit will be renewed. With regard to the other point, it is true that goods earmarked to be sold to the military have been subject to delay. We have gone into that, and now a military officer with a staff of assistants has been appointed to deal with these questions on the coast, and we have also set apart a godown, so that free storage can be given if necessary for the maximum period during which such goods can be held to a maximum of fourteen days. In practice it ought to be possible to reduce that period very considerably.

The hon. Member for Nairobi South also referred to the pay of the members of the Kenya Auxiliary Air Unit. That will, of course, be continued throughout the war but will be a diminishing amount as a result of the promotion of the men concerned which we hope they will get; in fact, the amount is already reduced to £4,000.

The hon. Member for Uasin Gishu referred to the question of consultation with the military authorities regarding the disposal of this surplus. The hon. Member for Trans Nzoia also made a protest about the money being voted away and so, I think, did the hon. Member for Ukamba. Of course, this is surplus revenue, and the purposes for which it will be applied can only be as a result of a vote in this Council, and the necessary vote will have to be taken. I cannot undertake that there will necessarily be any consultation with the local military authorities on the matter.

The next point of the hon. Member for Uasin Gishu was that of mining royalties. He gave some quotation, which did not seem to me to have any great bearing on the point at issue, in regard to gold, and he also forecast three possibilities which might happen to us. But he overlooked a fourth, very much more likely than the others—the price of gold after the war remaining exactly as it is to-day, but those producing it being asked not to produce quite so much at that price.

MR. GHERSIE: I think I did mention it, so that I do not think there is a fourth point at all.

MR. LOCKHART: I do not want to go into details, because no one except the hon. member has the slightest interest in the point! [Laughter.] But the hon. member did say that if the price of gold remained at its present figure or even rose the industry would become a tremendous future asset to the country. I was pointing out that the price of gold might well remain at Sh. 168 an ounce, because there are very strong interests in this world with an enormous amount of money invested in gold and there is no desire to write the assets down, but there might be the possibility that not so much gold would be produced and offered for sale, in which case the gold industry here would cease to expand. However, the real point at issue is quite a simple one, the collection of our mining royalties. The hon. member said that more enlightened countries had adopted a more scientific system. That is true too, and they also had a larger mining royalty, not one of 5 per cent which we have here and in Tanganyika and Uganda but in South Africa, in addition to heavy royalties, they took 100 per cent above Sh. 130 an ounce. If we started from that basis I do not think the hon. member would be very happy with the result.

We did put three possible formulae to the mining industry. They considered them. They have been very leisurely about it, but I did have a letter from them a week ago. During the luncheon interval—which now seems a long while ago—I saw a letter from the reconstructed Chamber of Mines which I hope

[Mr. Lockhart] will now speak with one voice (we were assured they were so speaking a year ago but they soon started to say different things), and we hope they are now going to stick to what they have now said about the proposal. It does not seem to me to be any more scientific than the method of a 5 per cent royalty—it might be more satisfactory to the industry but there would also be a substantial reduction in the revenue item in the budget, and I suggest we are not justified in reducing that item by one shilling. The 5 per cent royalty is accepted for Tanganyika and Uganda; it is the lowest in the world, and in almost every other country there is some special taxation applied to the gold premium. As I have said before, and say again, I will consider any suggestion and discuss the matter with the industry, but we shall not be justified in accepting less than the sum represented by 5 per cent on the present price of gold.

The hon. member referred to head 3 of the Estimates—Military Contribution—and by the process of multiplying £18,467 by 15—the number of years before the last payment is reached—he has come to the conclusion that the total loan was £227,000. He said that the repayment of that loan should not be deducted from the military contribution. Well, I really do not know on what grounds he bases that suggestion. This is a sum for which we are assuming responsibility and it has been spent, all of it, on the equipment of the forces since the war began, and it is a burden far over and above the annual burden which we are now carrying and why, since the suggestion has come from the War Office itself, we should not be deducting that sum as we have been allowed to do as part of the whole settlement, I really see no argument whatever.

The next point which he raised was that he expressed the hope that in connexion with War Loan which is coming off, every facility should be given for investment by members of the army. Well that is, to some extent, more of a matter for the Chief Paymaster's Department to which the hon. member now belongs and, in view of his remarks about the re-equipment loan, apparently

now speaks. I hope the hon. member will bring his influence to bear to see, however inconvenient it may be for the Chief Paymaster, that facilities will be provided for the troops for accumulating saving in this loan.

I do not propose to deal with the criticism of hon. members who are not present, but as a matter of some general interest I would just like to say a word or so on this question of economy in connexion with essential articles. I do not propose to deal with the speech of the hon. and gallant Member for Ukamba on his economic thesis and pronouncement on the quantitative theory of money because really, it is a question of common sense. And it must be obvious that owing to war conditions there must be a shortage of goods arriving in ships and if the people still wish to spend just as much money as before, the price of those goods in production is going to rise. This fact is obvious to everybody. Whatever may be the views of the hon. and gallant member I could quote a statement (which I think would carry conviction to most of us although perhaps not to him) of Lord Stamp which appeared in the *East African Standard* not very long ago and I also have a pronouncement here made by the President of the Board of Trade on the 13th November, all to the same effect. Surely it is obvious that if a resident in the United Kingdom is exhorted to economize in silk stockings, if she transfers herself from the United Kingdom and comes to Nairobi, the effect of her buying silk stockings in Nairobi is just the same except that somebody has had the trouble of bringing them out here. An appeal has been made to us—and we do not oppose it any more than is done in Great Britain—to economize and save. But except in regard to foodstuffs and steel it is not at present proposed to use the import licensing system here to reduce imports from England, whether it will be necessary to do so later on remains to be seen.

The question was put and carried.

ADJOURNMENT

Council adjourned until 10 a.m. on Tuesday, 17th December, 1940.

Tuesday, 17th December, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 17th December, 1940. His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

MINUTES

The minutes of the meeting of 6th December, 1940, were confirmed.

PAPERS LAID

The following paper was laid on the table:—

By Mr. RENNIE (Chief Secretary): Report of Standing Finance Committee on Draft Estimates of Revenue and Expenditure for 1941.

ORAL ANSWERS TO QUESTIONS

No. 36.—MILEAGE RUNNING ALLOWANCES, K.U.R.H.

MR. KASIM:—

Will the Hon. General Manager, K.U.R.H., state if it is a fact that the Asian and African tugmasters and mates, who are performing most responsible and arduous duties on the Lake Victoria, are not given the mileage running allowance as is given to the drivers and guards on the line?

If the reply is in the affirmative, will the Hon. General Manager sympathetically consider placing them in the same category as the drivers and guards and grant them the allowance?

SIR GODFREY RHODES: It is a fact that Asian tugmasters and mates employed in the Marine Service of the Kenya and Uganda Railways and Harbours are not paid mileage allowances. They are remunerated on a salary basis that is consolidated to cover all aspects of their duties. The introduction of running allowances would necessitate a review of their basic salary scales, and taking into consideration the varying conditions on the three lakes, would not generally be in their interest.

So far as African tugmasters and mates are concerned, their basic salaries are on a much lower scale and running allowances at the rate of 10 cents per 100 miles run are paid to this section of the Administration's employees.

No. 41.—WATER SUPPLY, NAIVASHA

MR. KASIM:—

(a) Is the Government aware of the fact that the residents of Naivasha Township experience hardships on account of there being no proper water supply in the township?

(b) If the reply is in the affirmative, will the Government state what steps are being taken to provide a good water supply for that township?

MR. STRONACH: The answer to part (a) is in the affirmative.

With regard to part (b), the Public Works Department has investigated a number of water supply schemes for Naivasha, but it is considered that when funds become available there are a number of other townships that must also receive consideration.

No. 43.—SISAL BAGS

COL. KIRKWOOD:—

Will Government please state why the price of locally manufactured sisal bags is not related to the cost of production?

MR. LOCKHART: Owing to the continual fluctuations of the Liverpool and Calcutta markets, it is difficult to establish a fixed price for locally produced sisal bags. If the price of the latter were controlled on the basis of a fixed percentage over the cost of production there would be times when the imported bag would be more expensive and other times when it would be cheaper than the local bag. It is therefore necessary, in order to ensure continuity of manufacture and economic working, that the price of sisal bags should be related to the price of imported jute bags. The price of locally produced sisal bags is kept below that of the imported article, and is subject to the provisions of the Price of Goods Regulations.

No. 44.—SETTLEMENT AND PRODUCTION BOARD

COL. KIRKWOOD:—

Will Government please state:—

(a) Who are the present members of the Settlement and Production Board?

[Col. Kirkwood]

(b) Who were the past members of the Board?

(c) The number of meetings held?

(d) The date of the last meeting?

MR. RENNIE: (a) The present members of the Settlement and Production Board are:—

Major the Hon. F. W. Cavendish-Bentinck, M.L.C. (Chairman),

The Hon. the Director of Agriculture,

The Hon. the Commissioner of Lands and Settlement,

The Hon. the Director of Veterinary Services,

The Hon. E. H. Wright, M.L.C.,

The Secretary of the Land Bank,

H. Barclay, Esq.,

G. Burton, Esq., O.B.E., M.C.,

W. A. C. Bouwer, Esq.,

Captain F. O'B. Wilson, C.M.G., D.S.O.,

The Chairman of the Kenya Farmers' Association.

(b) Since the establishment of the Board on the 30th of September, 1939, the Hon. Director of Agriculture has become a member, and Col. G. C. Griffiths, C.M.G., C.B.E., has been co-opted on occasions both by the Board and by the Executive Committee of the Board. There have been no other changes.

(c) Six.

(d) The 11th of November, 1940:

MR. SHAMSUD-DEEN: Your Excellency, arising out of the answer, I find that Indian members are conspicuous by their absence. Will Government kindly consider appointing an Indian member of the Board in order that Indians might be able to participate in the settlement and production of the Colony?

WAR LOANS

MR. LOCKHART: Your Excellency, I beg to move:—

Be it resolved that, under section 2 of the War Loan Ordinance, 1940, this Council authorizes the raising of loans not exceeding £500,000 by the issue, and sale whether within or without the Colony, of registered bonds.

I desire first of all to make it clear that the East African war loan is a continuing loan; that is to say, subscriptions will be received until further notice. It is, however, necessary in the terms of the Ordinance for the amount to be raised from time to time to be sanctioned by this Council, and it was decided to place as our first objective, not the final objective, the sum of half a million pounds. When that has been reached, Council will be asked to sanction the next step, whatever may seem a suitable figure to aim at in the light of the response to the first appeal. It has been difficult to select a figure. We did not want to aim at something so far ahead that we shall fail to reach it, and this figure has been selected as one that Government is confident is well within our capacity to reach and in a comparatively short time. If there is any strong feeling among hon. members that the figure is placed too low, if sound reasons are given I do not think Government will resist an amendment, but our view is that we should aim at this figure first and try to reach it as early as possible.

MR. HARRAGIN seconded.

LORD FRANCIS SCOTT: Sir, as one of those who have more than once expressed the hope that a local loan will be issued in this country, I rise to support the motion and to welcome the fact that at last this loan is before us. As there has been a general demand in the country among people who wish to do what they can to help on the war effort and who cannot actually give away their money but who wish to lend it to the country for these war purposes, I sincerely trust that this loan will be a great success, and that the figure which is before us to-day will be reached at once and that then we may be able to go on to some larger figure. I beg to support the motion.

MR. NICOL: Your Excellency, being a member of the War Savings Committee, I rise to support this motion.

I had considered moving an amendment to bring the £500,000 figure to £750,000, or even to perhaps a million pounds but, on reflection, I consider it

[Mr. Nicol]

would be wiser to leave the figure as it is, because I think it will be reached within a very short time and it will be a good advertisement also for the success of the loan if this Council has to be asked comparatively soon to increase the figure. On present indications which I have I should not be at all surprised to find it reached £750,000 by the end of April.

I should like to make one suggestion to the hon. Financial Secretary. That is, that application forms for particularly the B series be sent out in quantities to companies and employers of labour, clerical or otherwise, so that they can be sent with individual salary cheques and companies can organize their own savings campaigns.

After Your Excellency's very able speech last night and the *East African Standard's* very good leader this morning, there is very little one can add to commend this loan to the public. There is undoubtedly a very real need for a drive to effect personal economy, and this East African loan provides a means by which savings can be effected. The terms are identical with similar issues at home which have been subscribed to by the people of London, Coventry, Sheffield, Edinburgh, Southampton, Glasgow, Cardiff, Bristol, and other bombed areas. There are two differences to the East African investor so far as these loans are concerned; that is, the East African investor is not subject to bombing and also is not subject to the very high rates of income tax paid by the people at home, and I consider it is the duty of all of us to see that this loan is made an unqualified success. Individuals who talk about the unattractiveness of 2½ per cent give me a pain when you take into consideration the backing the loan has

I draw hon. members' attention to the War Savings Committee's advertisement which appeared yesterday and to-day in *The East African Standard*, and particularly to the extract from the letter from England, which I will read:—

"Let us not count the cost in pounds, shillings and pence, but rather in the need of Britain and those people of

Britain, whose service to us cannot be assessed in money."

Sir, I say here now that any person who tries to sabotage the success of this loan is not a fit person to be a member of the East African communities or the British Empire! I support the motion.

LADY SIDNEY FARRAR: Your Excellency, I rise to support the motion in the words in which the noble lord the hon. Member for Rift Valley opened his speech. But I should like to refer once again to the point I raised the other day, namely the advisability of a smaller unit.

I have read Your Excellency's speech in the paper this morning, and appreciate the difficulties that you pointed out. In view of those difficulties, but in view on the other hand of the equal difficulty which a large proportion of the community in this country have of raising such an amount as £5 at a time for savings purposes—I am speaking particularly of the members of the small mining and farming communities and some of the smaller commercial community and also of quite a number of persons serving in the military forces—I would suggest that in the war savings campaign should be included a strong appeal to people to invest in the savings bank to which you referred. Something should be done to point out to those who cannot afford to put in £5 at a time that they can help by investing smaller sums in the post office savings bank. I sincerely hope that that will not be lost sight of, and that possibly later on it may prove possible to reconsider the decision that units in this loan cannot be issued in smaller denominations than that of £5. I support the motion.

MR. SHAMSUD-DEEN: Your Excellency, on behalf of the Indian elected members I associate myself with all that has been said, and beg to support the principle that underlies this motion. (Applause.)

MR. LOCKHART: Your Excellency, with regard to the point raised by the hon. Member for Mombasa, supplies of the application forms will of course be made available to local firms, and I hope that is one point to which the War

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Savings Committee, to which the hon. member belongs, will address itself. But they can be obtained now from any sub-accountant's office and found on the counters of every branch bank in the country.

With regard to the hon. member for Nyanza, as pointed out in Your Excellency's speech, deposits can be made in the post office savings bank of sums as small as one shilling, and she will agree that we cannot have a smaller sum than that. In regard to savings certificates, hon. members may not know that where in England they are worked through the post offices, they are in a bond book very little different in appearance from the post office savings book. Similarly, the post office savings bank accumulates at compound interest in exactly the same way as the war savings certificates payable in 6 or 10 years. The Savings Campaign Committee will, I know, because they are keen on it, emphasize that investments in the savings bank are in every way as valuable to the war effort as investments in war bonds, and I do very seriously suggest that they are also in every way as convenient to investors and do allow an investment to be withdrawn on demand except for very short notice in the case of larger sums.

The question was put and carried.

K.U.R.H. ESTIMATES

2ND SUPPLEMENTARY, 1939

SIR GODFREY RHODES: Your Excellency, I beg to move: That the 2nd Supplementary Estimates of the K.U.R.H. for 1939 be adopted.

This is purely a formal motion to record the final results for the year 1939, and as these results have already been fully reported in the annual report of the Administration it is unnecessary for me to say anything more in support of the motion.

MR. RENNIE seconded.

The question was put and carried.

1ST SUPPLEMENTARY, 1940

SIR GODFREY RHODES: Your Excellency, I beg to move: That the 1st Supplementary Estimates of the K.U.R.H. for 1940 be adopted.

If hon. members will open their copies of these estimates at page 4 they will see there the Railway's revenue account as revised for 1940. It will be noticed that the chief changes from the original estimates for the year are, firstly a considerable increase in revenue and, secondly, a very satisfactory decrease in expenditure. As regards the increase in revenue, this is made up chiefly of an increase in passenger traffic, and also quite a large increase in goods traffic. I think the latter is due almost entirely to the fact that the military population of East Africa has increased considerably since the original estimates were drafted.

I may say that this increase in revenue has been achieved in spite of the fact that considerable reductions in charges on military traffic have been granted. Hon. members will no doubt remember that the first reduction on military goods traffic was to 10 cents per ton mile, which is calculated to cover the actual average costs, but in view of the betterment of the position a further reduction to 8 cents per ton mile was made later in the year. In addition to that, reduced charges for military passenger traffic were introduced, the object of the Administration being not to make any profit out of military traffic if it could be avoided.

On the expenditure side of the abstracts, a definite saving is shown under all abstracts, with the exception of Abstract B where, owing to the increased cost of coal, a slight increase in total costs is shown.

The net result of these two factors— increase in revenue and decrease in expenditure—shows that we are carrying forward to Railway net revenue account £729,609, which is £168,247 above the original estimate. That figure is carried forward in the table just below where the Railway's net revenue account is shown. I do not think that that table calls for any special comment, but the final result is that we carry forward to the combined net revenue appropriation account the sum of £191,278, which is £159,740 above the original estimate.

On the next page we find similar figures for the Harbours, and a similar improvement on the revenue side. We have, however, some increase on the

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expenditure side caused by shore working and corresponding payments to shore handling and lighterage contractors having gone up with increased traffic. However, we are carrying forward to the net revenue account £259,888, which is £44,937 better than our original estimate. The net revenue account of the Harbours is shown on page 6, and it will be seen from the table that we are carrying forward to the combined net revenue appropriation account £36,346 as against the original estimate of a deficit of £8,012.

The combined net revenue appropriation account which incorporates these figures is shown on page 7. On the credit side is seen the amount brought forward from the Railways account and also Harbours, and also the balance unallocated from 1939. It will be remembered that we left over a rather large sum at the end of 1939 for subsequent allocation in view of the war situation as it had then developed. On the expenditure side there is no need for comment, with the exception of one item, where we show the remission of charges on military traffic of £250,000. Hon. members will also recollect that during the year it was agreed that the charges on military traffic on the Railway up to £250,000 in 1940 and a similar amount in 1941 should be remitted. The effect of this remission during 1940 with the improvement in the revenue position shows, according to this table, an estimated deficit of £69,199. I may add, however, that since these estimates were printed the position has still further improved, and I have every hope therefore that this deficit will be wiped out altogether and that we need not carry any deficit forward into our accounts for 1941.

Turning to the next page, the two Abstracts L and M—estimate of expenditure on works in progress and proposed—the only point I should like to make there is that the programme as originally designed has been reduced where possible and the amount spent has been further curtailed owing to the fact that supplies of material, particularly rolling stock, have not been forthcoming from England.

MR. BROWN seconded.

The question was put and carried.

ESTIMATES, 1941

SIR GODFREY RHODES: Your Excellency, I beg to move that the Estimates of Revenue and Expenditure of the K.U.R.H. for 1941 be adopted.

In what are known as normal times it is difficult enough to try and estimate what the results will be some 18 months after the preparation of the estimates has been taken in hand. In a period of war it is, of course, quite impossible even to see six months ahead. I therefore suggest we should not devote too much attention to a discussion in the estimates for 1941 of figures which may be quite irrelevant by the time we get half way through the year. I may say, however, that the estimates as printed have followed previous practice and policy, and have been amended only in the light of the latest information as regards crop prospects and other matters of that kind. The usual explanations with regard to expenditure have been printed with the estimates, and also marginal notes have been attached to the different abstracts. I will therefore endeavour to confine my remarks to the more salient features and will try to make them as brief as possible.

I will ask hon. members to open their copies of the estimates at page 5, where we find the Railways revenue account for 1941. If we look first of all on the right side of the table and bear in mind the figures we have been discussing in connexion with the 1940 Supplementary Estimates, it will be noted that we have budgeted for an increase over the original estimates for 1940 of £46,500. We think that these figures are reasonably conservative, and take into consideration the fact that military traffic will be charged the reduced rates to which I referred in my previous motion. I may add that the possible effect of a shortage of shipping during the coming year has not been taken into account "beyond" the fact that we are allowing only for some 50,000 tons of cotton seed being exported, and a similar quantity of maize. Both of these totals will be much below the actual

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tonnage of the crops that will be reaped. Apart from that we have made no special announcements because it is quite impossible to foresee what the shipping position will be. I may add, too, that all rebates have now lapsed, and no allowance has been made for them in the coming year. It is hoped that it will be unnecessary to make any special allowances on this account during this year.

In dealing with the estimates last year I expressed the hope that we would be able to keep the tariff level as it was during the whole of that year. As we have seen from the 1st Supplementary Estimates, that has been possible, and I now repeat that hope in connexion with the tariff position for the coming year. I hope that with any luck it will be unnecessary to suggest any increase or surcharges to make up for increased costs.

If we now look at the expenditure side of the table, we will see that here again substantial savings are shown, with the exception of one abstract only, B, where there is a very heavy increase of £55,000. That is due almost entirely to the fact that we are having to pay a great deal more for our coal which, as hon. members know, comes from South Africa. That is a question over which we have no control, and I cannot say that the figure we have used in calculating this estimate will not be exceeded before the year is out, but we hope the price we are now paying is reasonably near the maximum we shall be asked to pay.

Generally speaking, costs are going up, but we have been able to control the position fairly satisfactorily by cutting out expenditure which is not absolutely essential for the maintenance of efficiency. In addition to that, of course, the tendency for traffic to increase helps us in a situation of this kind and, as I have already stated, we hope it will not be necessary to consider any increase in tariff charges to cover unexpected increases in costs. One point will, of course, involve extra expenditure, and that is the fact that the extra traffic we are being called on to carry and deal with will inevitably require additional staff, and we have already had

to take steps to increase the numbers employed.

The final effect of this table is that we shall carry forward to net revenue account the sum of £573,216. We add to that interest on cash balances and a small sum realized from released and retrieved material. On the expenditure side of the net revenue account there are no items that call for special comment, and it will be seen that we carry forward to combined net revenue appropriation account the comparatively small sum of £26,356.

Turning over the page we find similar figures in the harbours net revenue account and there again no special comment is necessary because we have calculated the harbour figures in the same way as we have calculated the railway revenue account. We show a carry forward to the net revenue account a sum of £274,224. On the expenditure side of the account we have the usual loan interest and redemption charges and other small items and we carry forward to the combined net revenue appropriation account a satisfactory balance of £51,347.

If we turn back to page 4 we find there a small table showing where these sums have been taken in the net revenue appropriation account. On the expenditure side of that account we see a small sum, under the reserve for superannuation fund, of £20,000, of only £6,356 contributed to the railways betterment fund while to the harbours betterment fund we have credited the whole of the anticipated surplus of £51,347. Now, below that, we see again the remission of charges on military traffic, and on the other side of the table a corresponding deficit of the same amount. Again I hope, though the point cannot be considered until the final results of the year are known, an improvement in the revenue position will help us to wipe out the whole or a large part of that anticipated deficit. In any case this is shown here for convenience because the action that will be taken when the time comes is not as yet known. It is our hope that we shall have no deficit but any deficit which arises from this head will be financed from

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the reserve funds. But if, of course, a better position enables us to wipe it out as in the case of 1940, so much the better.

I pass over to the abstracts for which, as I have already said, explanations have been printed in the estimates, and I would ask hon. members to turn to page 30. On that page we find "Abstract L—Estimates of expenditure on works in progress and proposed" and in the last group of columns is one figure that interests us at the present moment. Hon. members will see from the bottom line of that group column that the expenditure for our new works in 1941 has been reduced to the comparatively small figure of £96,277. All expenditure has been very carefully scrutinized before it has been put into this schedule, and the consideration of the cost of each work when sanctioned will again be examined carefully by the Railway Administration. The next page, page 31, shows a similar table for the harbours and again, the expenditure has been reduced to a minimum. Turning over the page we come to a table which usually excites a good deal of interest in this Council, it is Appendix 1—"Statement showing the approximate position of renewals and betterment funds and capital and reserve accounts." If we look at the last line of that table we see there the balances that we anticipate will remain in these various votes at the end of the year, the 31st December, 1941. You will see that in the first column under the railway loan head that the balance will be practically eliminated, there being £178 only. In the next column under miscellaneous credits the sum of £257,534 is gradually decreasing, and in the next column, the betterment fund, £218,481 which is approximately £1,000 below the normal. The reason for that is the fact that we have only been able to credit a very small sum to this head during the year under review. The renewals balance is £2,290,744, which may be described as normal. No comment is necessary under the harbour head, and when we come to the reserve accounts the only column to which I would like to draw attention is the one headed general reserve which stands at £155,045. That is a very low

figure indeed for an administration dealing with sums of the magnitude we have to face each year. A new column will be noted called "Deficit Account, Provisional", in which is shown the two items to which I have referred already. First of all there is the anticipated deficit during 1940 and again the deficit during 1941. As I have already explained, the first item I hope will be entirely eliminated and the second item is subject to the results we may achieve during the year.

The remaining appendices call for no special comment and therefore I will leave the printed estimates and turn to other matters of interest.

The first matter I would like to speak about deals with the question of new works. Hon. members will know that the Uplands-Gilgil realignment is making steady if somewhat slow progress. The reason of course for the slowness is the fact that we have taken labour away from that particular project whenever necessary to help the military authorities. I may say that the work is proceeding satisfactorily and the earthworks should be completed by about the middle of next year.

I would like now to say a word or two on the proposed new Gilgil-Nakuru diversion. As hon. members know, this is a matter upon which there has been a certain amount of difference of opinion and strong opposition to the project has been voiced by farmers who are resident in that area, and therefore who will be affected by the proposed diversion. The Railway Administration holds strongly that the views expressed by this group of farmers are not in the general interests of the country as a whole, and therefore it cannot agree to being a party to these demands unless the country itself definitely chooses to adopt those suggestions. In view of that position we have, as hon. members know, printed a White Paper containing a memorandum on the proposed realignment and regrading of the line between Gilgil and Nakuru. And in that White Paper, which has, incidentally, been approved by the Railway Advisory Council, we have endeavoured to set out fairly impartially the pros and cons of

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the arguments with regard to this matter. It is hoped that hon. members, and the public generally, will study the facts and figures given in that memorandum and that whatever decision they come to in the end it will be taken with the full knowledge of all the facts.

It will be noted from the White Paper that the Railway Advisory Council proposes to consider this matter again at its next meeting, probably in February of next year. It will also be seen that before anything can be done with regard to these proposals a motion will have to be moved in this Council. It may, of course, be urged that the present is not a suitable time to carry out work of this kind, even if it is agreed to by this Council. Well, I am inclined to agree with that. It is a separate point which requires special consideration if and when this proposal is accepted. But I think, apart from that, it is desirable that the farmers in that area should know what is happening in order that they can plan their future farming policies accordingly. Of course it is possible, as in the other realignment programme, that opportunities may occur to carry out part of the work without interfering with military requirements. I therefore repeat that I hope hon. members will study this matter very carefully and the public of East Africa too, and that they will take their decisions only after carefully considering the different points at issue.

The next new work we have under contemplation which would normally be carried out after the completion of works to which I have made reference, is the realignment proposed between Nairobi and Uplands. The first realignment was designed to benefit trains running in a down direction towards the Coast, whereas this realignment is designed to benefit trains going up-country. As hon. members know there is a very heavy grade between here and Uplands. We should like, in the interests of the Colony, to ease these grades and so enable us to haul larger trains and reduce the level of traffic charges. The project has been before the Nairobi Municipal Council Town Planning Committee and as hon. members may have

seen from the Press, certain members of the public have contended that their view will be spoilt by the railway being sited in front of their houses near the aerodrome, and also there is the fact that there is a certain amount of noise every time a train passes. I agree these are disadvantages, and I regret that it should be necessary to introduce this problem, but I suggest that from one aspect alone it should interest Nairobi clearly. That is the fact that by eliminating level crossings over the main line we hope to eliminate a very serious potential source of danger. I hope, when the merits of this project are considered, Nairobi will bear that fact in mind because it is a very important one from their point of view.

I want to mention too the fact that we are doing a great deal of military work. Obviously I am unable to give details but I have no doubt that hon. members know a good deal of what we are doing. I may say that the addition of this military work on top of our ordinary civil work has strained the capacity of our organization to the utmost. The Chief Mechanical Engineer and his workshops have been placed at the disposal of the military and a great deal of very valuable work is being carried out there. The Chief Engineer, on his side, has been building sidings and factory and godown areas and has put up large numbers of sheds for the military authorities. The Transportation Department has been called upon to carry out very many and heavy movements of a military character which have necessitated the use of all the available rolling stock from other parts of the country and therefore some inconvenience has been caused to the civil population. But I hope that inconvenience has been a minimum and I would ask the public to remember that this railway was never designed as a passenger railway to that extent, and to deal with the many thousands of passengers that has been necessary has meant the assembling of every vehicle we have got to avoid undue delay. I am very glad to say that all our commitments to the military have been met and I have received several letters of commendation from the military authorities

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with regard to the way troops and stores have been moved. (Applause)

That brings me to a matter about which I have to say something each year, and that is with regard to general financial policy. This rouses and calls for some criticism in certain quarters each year and this is the only opportunity I have of explaining what is behind our policy and why we do accumulate certain reserve funds. I may say that although our capacity has been strained to the utmost by the extra military calls made upon us, we are, I think, in a better position to deal with them than we have ever been at any time before both as regards the assets available and also as regards the condition of those assets. I suggest that that fact is due alone to the financial policy that we have been allowed to follow in past years. As a result of the way in which the work has been carried out, I think it has been evident to everybody in this Colony, we have received less criticism than usual with regard to our financial policy. In other countries I may say that such criticism that we do get would normally be dealt with by the technical Press or by correspondents who are well informed on matters of this kind. In this country we have no technical Press and as a result our correspondents are not very well informed on these matters, but their criticism is none the less honest and genuine for all that and I think we must take the opportunity of meeting it.

I do not want to add to what I have said in previous years, but I would just repeat that the results that have been obtained during the recent months of the war would not have been possible had any other policy been followed; we could not have renewed our assets and we could not have carried out the one hundred and one items of betterment that have helped us to meet this call. I would again point out that this country itself has had the experience of quite a different type of policy when the railway was under Government Administration. It is true that as a result of that policy there were no vast accumulations of reserve funds which, according to some of our critics, is our greatest crime. But it is also true I think

there was no railway, at least no railway that could function as such. The hon. Member for Ukamba once described the railway at that time as a ribbon of rust extending from Mombasa to Kisumu. That would have been of no use to us in the present emergency, and I suggest to you that the accumulation of reserve funds which we have been able to carry out in the past has proved profitable and, in fact essential to the military effort of this country.

A very interesting document came into my hands the other day, and I would like to quote very briefly the opinion of another railway administration on matters of this kind. It is the Report of the Victoria Railways Commissioners of Australia, which is, I think, enlightening. Writing on the question of making adequate provision to meet wear and tear of equipment, rolling stock, etc., they say:—

"We would reiterate that the effect of this inadequate provision for depreciation is to understate the actual working costs and inevitably lead to recurrence of the overcapitalization from which the railways were relieved in 1937.

"While the provision of a relatively limited amount of special funds has been of some assistance in overtaking arrears, it is an inescapable fact that so long as the amount available for current maintenance and renewals is insufficient to do what is needed, there must be a deterioration of the physical condition of the property, with a detrimental effect on the service to railway patrons and on the financial results.

"There cannot be any question as to the paramount importance of maintaining the State's greatest asset in a sound condition from year to year to ensure long term stability and thus enable it to meet normal peaks. This fact is given great emphasis under present day conditions.

"The experience of other countries since the outbreak of war has demonstrated more conclusively than ever the vital necessity for well-equipped railways capable of handling emergency traffic on a large scale."

[Sir Godfrey Rhodes]

That is exactly our policy at the moment. Then, in writing on the question of betterment programme, the Commissioner says:—

"We have stressed in our annual reports for several years past the urgent need for making regular provision for a largely increased works programme. This includes the construction of locomotives, country and suburban passenger carriages and truck stock as well as important betterments and renewals of way and works, such as the re-laying of tracks, the renewing and strengthening of bridges and the reconditioning and improvement of departmental buildings and structures generally."

Now, these are the words of Railway Commissioners who know their job but who have not been allowed to do it and I think it is a sufficient vindication of the policy followed here where, fortunately, we have been allowed to carry out a policy such as that advocated by those Commissioners.

On the question of rates, I have already mentioned that we hope to maintain the present rates during the coming year. Hon. members will note from our annual report that that rate level is the lowest that has ever been in the history of this railway and if we can maintain that during the war then I think we shall have achieved all that we can be expected to achieve.

As regards costs, I have already pointed out that there is a tendency for the cost of materials such as coal and other items, especially steel, to go up. We have attempted to counteract that by reducing the amount of work we are carrying out, and we are only dealing with those works that actually tend towards increasing the efficiency of the Administration and towards meeting the military traffic we have been called upon to deal with. Again, the tendency for the traffic to increase helps us to meet this problem of running costs. I think I need say no more about that particular matter at this stage because I can assure hon. members that the position is being very carefully watched from day to day. I think it is unnecessary

for me to add that these estimates were very carefully reviewed by the two Advisory Councils and have received Your Excellency's approval for submission to the Secretary of State.

I cannot conclude, however, without paying a very warm tribute to the work of the staff throughout the services during these very trying times. (Hear, hear.) I cannot speak too highly of the way in which one and all have met all the calls made upon them hitherto and I know, too, that their loyalty and zeal in the future will ensure that the Railways and Harbours Administration will continue to bear its full share of the Empire's war effort that will in due course achieve final victory.

I have dealt very briefly and perhaps very inadequately with some of the main points that are included in these estimates but I have no doubt that if hon. members opposite require any further information they will not hesitate to let me know in the course of the debate and I will do what I can to answer their further inquiries.

MR. HARRAGIN seconded.

MR. NICOL: Your Excellency, once again I have much pleasure in congratulating the hon. General Manager on the excellence of the Kenya and Uganda Railways. He must be getting very tired of the paeans of praise he receives all round which will no doubt be likened to the roaring rail between Mackinnon Road and Voi, which seems to get louder every year! The only criticism I have is in regard to the estimate of produce which it is considered will pass through the harbours.

It appears that the estimate is framed on the capacity of the country to produce as opposed to the capacity of the steamship companies to take away. I think it would have been wiser to have taken the revised 1940 export figure of 431,000 bill of lading tons as the basis for the estimate for next year. If that had been taken, it would have shown a drop in revenue of between £35,000 and £45,000 in the figures before us. But I sincerely hope the estimate will prove correct. It is entirely a question of the provision of tonnage and whether the

[Mr. Nicol]

Ministries at home are able to purchase their requirements from nearer markets, thus save shipping, and whether they are able to keep us well supplied with ships. The indications are that the shipping position is not particularly easy.

As the hon. General Manager has touched on the memorandum of the proposed realignment between Gilgil and Nakuru, I take it that we are in order in discussing the matter briefly.

After studying this document, and particularly the appendices thereto, I see nothing to alter the opinion I formed some months ago when I had the honour of serving on the Railway Advisory Council. The opinion I formed then was that Scheme C will meet all necessary requirements. According to my calculations, with regard to Scheme A, based on the probable 1942 traffic, it shows a saving in operating of approximately 4 per cent something per cent, but if you take the saving on capital only, leaving out renewals and betterment, it shows a saving of approximately 13 per cent. Betterment, of course, is certain capital expenditure paid out of revenue, but although it is capital expenditure it is not necessarily capitalized in the accounts; it depends on the magnitude of the work. Scheme B shows a saving on 1942 figures of about 2 per cent, whereas Scheme C, if you include betterment, shows a saving on 1942 of 11 per cent something per cent, but if taken on capital only, leaving out renewals and betterment, it shows a saving of 23 per cent. It looks as though Scheme B is entirely uneconomic. . . .

SIR GODFREY RHODES: On a point of order, Your Excellency, I suggest that this is not the appropriate time to discuss the merits or demerits of the proposal. I have referred to it in my speech merely with the object of asking hon. members and the community as a whole to study the problem, so that when we do or if we do bring it forward we shall at least know what we are talking about. I was not proposing to deal in detail with the pros and cons of the project as explained in the memorandum, and I suggest we should allow hon. members to discuss this with their con-

stituents, and if the Elected Members Organizations wish to go into the matter in detail they should ask me and the Chief Engineer to appear before them and explain the Railway side. We have not had that opportunity. I suggest therefore the details of the proposal should not be debated at the present time.

HIS EXCELLENCY: As a point of order has been raised, I fully agree with the attitude adopted by the hon. General Manager, but I am in some difficulty about exercising that control too severely because, strictly speaking, the hon. General Manager was scarcely in order himself in referring to the project! As he has done so, I wish to allow a reasonable latitude in the debate but I fully agree, and I am sure the hon. member will also agree, that to go into the question of costing and figures on this matter in this debate, when most of us have not had an opportunity probably of studying this white paper at any length, will probably be of no useful purpose. But I should be quite agreeable to the hon. member advancing, as shortly as possible, his attitude in the matter.

LORD FRANCIS SCOTT: On the point of order raised, as this matter will be discussed by the Railway Advisory Council in February and there is no likelihood of this Council meeting before then, I should like to know when it is suggested this Council should discuss it?

HIS EXCELLENCY: I think this will come up after the question has been considered on a loan resolution which I think has to be brought before this Council eventually. That will be the opportunity for this Council to have a full debate.

MR. NICOL: One of the reasons why I want to raise this particular question now is, as the hon. Member for Rift Valley pointed out, that before the next meeting of the Railway Advisory Council it is not likely that this Council will meet to discuss the matter. If it is brought up on a loan proposal it can be more or less assumed that a decision has been taken, and we will not then have the opportunity of expressing approval or

[Mr. Nicol] disapproval of the expenditure of certain large sums, particularly if those sums have to appear in a Kenya loan schedule. That was the point I was coming to later on. And there is the important question of compensation, whether or not the Railway Council is going to accept liability or whether Kenya Government will, and as a member of the Standing Finance Committee I do not see that we are in a position to accept that particular principle.

HIS EXCELLENCY: I must ask the hon. member to abide by the ruling of the chair, that there shall not be a general debate on this subject this morning, although there is no objection to making references, as I explained before.

MR. NICOL: Well, the main point I wish to make is that there is this question of compensation which we are under a moral obligation to pay fourteen farmers who are going to be the sufferers by any realignment. I maintain that moral obligations override the legal view or legal ruling, and if this Government or any government or railway or anybody else goes and ignores their moral obligations all I can say, sir, is God help us!

DR. WILSON: Your Excellency, I hope I shall be in order and in accordance with your ruling if I refer to the White Paper which the hon. General Manager quoted. I do not intend to discuss the merits or demerits of any particular scheme of realignment of the railway from Gilgil to Nakuru, but as he referred to the White Paper I might perhaps be allowed to quote two or three lines of what was written by your predecessor:

"In order to bring about the well ordered development of a new country there must be balanced progress. In Kenya the railway is already ahead of other forms of development such as roads, water supplies and education."

and so on. In view of the answer by the hon. Director of Public Works to a question asked on this side regarding the water supplies of Naivasha, I do suggest that the question of the balanced development of the country is very important.

On one or two occasions in the past I have taken the trouble to criticize these Railway Estimates, and that was stupid of me, because no discussion, no criticism, in this Council can have any practical effect on the figures of the estimates, but so long as this motion for the adoption of the estimates comes before this Council and continues to be brought forward, so long there is this danger of being drawn into discussing them, because this debate is about the only chance we have for discussing railway affairs.

These estimates come up every year as a reminder of the staggering contrast between the wealth of the Railway and the poverty of the other public services of the Colony. I admit I am getting very tired of worrying myself over this frightful anomaly and working up a hate about it. If the Railway can succeed year after year in getting away with it, one is tempted to sit back and say, "Well, good luck to them". And there is this: that however much one may resent the fact that the Railway has so free a hand or is allowed a free hand in the disposal of the money which it extracts from the public, money which is collected under Government protection and with Government assistance, however much that may be resented one has to admit that the Railway does at least succeed in providing the public with an efficient service, and that is what cramps one's style in working up a hate, particularly just now when, in this emergency of war, we are so fortunate in finding such a highly efficient railway service and port service ready for military purposes. It is a pity one cannot say the same about the other half of our system of transport, the roads, and that, of course, is where the complaint comes in—that the other public services of the Colony, such as roads, are so far behind the railway.

Why is the railway so far ahead? I think that the answer is that the railway is not only allowed to spend its own revenue but is able to raise loans on the strength of that revenue. I shall be in order in this case in referring to the realignment of the line between Gilgil and Nakuru because the figures are in

[Dr. Wilson] Abstract L of these estimates—I take it they come under item 2. Like many other people I have been amazed that such large sums of money should have been made available for what seems so small a public benefit, but it is quite simple. It can be shown from the figures of the Railway running costs that enough extra profit will result from the reduction or saving of running costs to pay for the interest on a loan and sinking fund plus a little bit more for the Railway. In other words, the loan is paid for by extra Railway profits. So one is inclined to congratulate the Railway on getting this loan and bringing this extra capital into the country; that is to say, if there is any new money coming in—there does not seem to have been any. Up to the present it seems to me that the Railway is paying for new construction out of its own revenue.

But why is it so difficult to make out a case for a loan for road construction or any other form of development? Is it that the hon. General Manager is the only servant of the public—I know he will like that description!—the only one with sufficient business ability to persuade the Imperial Government that it is a sound investment to lend money to Kenya and the only one who is able to find the means of paying interest on the loan? It is no disparagement of his business ability and financial genius to say that there is a little bit more to it than that. The fact is that the Railway in its privileged position is able to get and to keep more than its fair share of the total amount of money that can be extracted from the people of this country to pay for public services.

I know my hon. friend will object strongly to the suggestion that money paid in railway freights or port charges is extracted as it were by force from the public. I know he likes to use the expression "users of the railway", but, with all respect, that is a misleading expression, because we are all users of the Railway willy-nilly—we cannot pick and choose whether we use the railway or not. Every native in this country who buys any imported article, even if a blanket or a piece of American, is an indirect user of the K.U.R. & H. system.

I am not saying that as users of the Railway they do not get very good service, and I acknowledge the great advantages the railway has brought them. The point is that no one in this country can avoid subscribing something to this semi-Government organization, and so money or revenue raised in railway rates is on the same footing as revenue raised by any other form of indirect taxation.

I know all the arguments for the Railway controlling its own finances, and this is not the first time I have heard the hon. General Manager speak in support of the policy which has been adopted. I was here in those old days when the Railway revenue was absorbed into general Government revenue and, as he said, the Railway in those days was not so good. But to allow the Railway to control its own finances is not to say that this Government-protected monopoly should be free from any contribution to general revenue. Whenever such a contribution is suggested, the answer is always made that the Railway makes no profit, that it is quite impossible that it could make a profit because it is not allowed to do so by the Railway Ordinance, that most useful Ordinance which the hon. General Manager has not quoted to-day, but behind which he always takes cover when any attempt is made to get him to disgorge some of his ill-gotten gains, or we are told that if any contribution to the Colony's revenue, like income tax, were to be paid by the Railway it would simply mean that higher rates would have to be paid by the public because there are no profits from which it could be paid.

It is a remarkable thing that year after year the Railway not only makes a profit but a very large profit, and I have no doubt that the usual large profit will be forthcoming in this coming year because if I can make anything of these estimates, I seem to gather from them that the predicted surplus is about £78,000. Incidentally, one cannot help contrasting this sum with the miserable £256 surplus as estimated in the Colony's draft budget which, by extraordinary exertions on the part of the Standing Finance Committee during the last week,

[Dr. Wilson] they managed to raise I believe to nearly £1,500. Anyway, there is this estimated surplus of about £78,000, and the realization of the Railway revenue invariably exceeds the hon. General Manager's prediction. And so we can take it that the Railway will again come out on the right side. In fact, as I understand him—I may be quite wrong because I always get lost with these astronomical figures—a quarter of a million pounds will be used in washing out charges on military traffic.

But the point is simple: that this profit will, I am sure, be again forthcoming as it has resulted in every previous year. The Railway has never been unduly embarrassed by this annually recurring miracle of an unexpected and apparently impossible and quite illegal, profit. Some of it has been absorbed in prodigal expenditure on a scale never possible in any Government department, and most of it has been diverted into these various kinds of reserve funds to which the hon. member referred as being a subject of annoyance on this side of Council. Most of that which has been diverted into reserve funds would never have been allowed exemption from taxation by any commissioner of income tax in the case of any other business.

There are two big items missing from these estimates: one is income tax and the other is customs duty. I am not suggesting that those two items should be inserted as such in the estimates; but I do say that while Government allows the Railway the privileges it enjoys Government has a claim on a substantial part of the revenue which results from those privileges. I was going to say the cash value of the privileges is incalculable, but on second thoughts I believe the accounting branch of the Railway Administration is so clever that it could frame a financial statement setting out the actual value of such privileges as exemption from customs duty and income tax, suppression of competition, and many other hidden advantages which one has never thought of! That statement would demonstrate the difference between the financial circumstances of the Railway as it is and what the circumstances would be if it were an ordin-

ary commercial company. Such a statement might be included as another appendix to these printed estimates in future. I commend that idea to the hon. General Manager: it would add to the interest of his publication, and the effect on his public might be astonishing.

As it happens, we have in the estimates this year an indication of how the Railway revenue and reserves ought to be dealt with. I am referring to the item of £250,000 remission of charges on military traffic. That is not exactly a contribution to Kenya Government, but it comes to the same thing, because Kenya ought to be bearing as much as it can of the financial burden of the war, and when the war is won I hope the Railway will continue to contribute on an equally generous scale to the peace time expenses of the Colony as, of course, it should be made to do.

In conclusion, I want to refer to one particular item of expenditure on page 5, "Passengers, £220,000". That is a very respectable sum, and a good deal more than half will come from third class passengers as will be seen from the figures in the annual report of the Railway. I remember some years ago the hon. General Manager complained that members of Council did not study his annual report sufficiently. I think he said that if we studied his report more we should be more sympathetic about his estimates. This year most Government departments had to sacrifice their printed annual reports, much to our disadvantage, if I may say so, but the Railway is not deterred by anything like that and has produced its annual report, if not quite as usual at least in its familiar substantial and, dare I say, extravagant binding.

But about these third class passengers. On page 11 we read:—

"Following the increase by 16 per cent in third class travel in 1938, the further increase of 15 per cent during 1939 is again very gratifying. These increases are the direct result of the lowering of third class fares in recent years and, to a lesser degree, to the attraction of the new third class coaches of greatly improved design which were placed in service during

[Dr. Wilson] the year under review. Compared with the year 1936, when the fares were at the old level, third class passenger journeys have increased by over 100 per cent, but the revenue from third class travel is less than 50 per cent higher. The question whether the extra cost of carrying the additional passengers is covered by the additional revenue earned is one that requires careful watching."

On another page I see that no less than 35 new third class coaches were delivered in 1939.

On behalf of the Kenya natives I wish to express my appreciation of the great improvement in the third class passenger accommodation and the reduced fares, and I hope that the careful watch which the hon. member says he will keep on the third class passenger traffic may result in even more and better accommodation and at least no increase in the present rates.

Your Excellency, in view of the inclusion of this item of £250,000 for remission of charges on military traffic in next year's estimates, I shall not vote against the motion!

MR. ISHER DASS: Your Excellency, I am very sorry that I have not been able to persuade myself to give approval to these estimates submitted by the hon. General Manager. The picture which the hon. member has painted is one-sided, but when I have finished speaking on this motion and have given my reasons I am perfectly sure that my remarks will create very serious alarm and despondency—alarm in the minds of hon. members who are not aware of the circumstances and the position in the Railway, and despondency in those sympathetic minds who feel that Government or the Colonial Office have allowed those circumstances to remain in existence.

The hon. member Dr. Wilson has explained in detail, and I agree with every word he has said, though I will go a little further and say that year in and year out since I have been an elected member of this Council I have maintained that the sooner we do away with

the Railway Administration as a separate entity the better it will be for the general taxpayers of the Colony. There are heads of Government departments who are members of this Council, and they come under criticism whenever a session of this Council is held, but the hon. General Manager is placed in a different position that, he, like Christmas, which comes but once a year, submits the estimates once a year before the hon. members of this Council who have no control over the estimates except to sharpen their tongue and pass criticism on them and then go away. As I have said before, my patience is exhausted in speaking for 8 years on these estimates, and I feel it is time the whole position was exposed so that Government should take immediate action, first to remedy the position now in existence, and secondly that the Secretary of State for the Colonies and the Imperial Government should be asked without further delay for the abolition of this department as a separate entity and amalgamated with the general administration of the Colony.

Speaking on the first point, the hon. General Manager gave us some figures of what he has been doing in 1940. It is a fact that the Railway has been able to loan a very good amount from its funds to the Imperial Government towards the prosecution of the war. The Railway has also been able to give certain concessions to the military by reducing rates on goods. The Railway has also increased its revenue in view of the different circumstances. At the same time, the Railway is setting up a reserve fund. All these things have been done, not because of any genius or an exceptional commercial brain, but because of certain privileges which the Railway authorities or the hon. General Manager enjoy. As the hon. member Dr. Wilson pointed out, if this department was a part of the Government of Kenya and its revenue were to go into general revenue, things would be different.

This department as a separate entity does not pay a penny in income tax, a penny in customs duties, and on top of it it enjoys privileges which amount to a monopoly, and also by means of legislation the carrying of goods by other

[Mr. Isher Dass]
transport is prevented. All these concessions are factors which are the means of enabling the hon. General Manager to place these concessions at the disposal of Government and the military authorities. Another help to that end is the devotion to duty and the loyalty of the Asian and African staff and European staff in the last few years. Those are the factors.

For the last eight years, as I said, we in this Council have been asking that on the Railway Advisory Council there should be at least one representative from the Indian community. I hold that never at any time have the Indian community felt the necessity of having a representative more than we feel now. If I am permitted to say what is actually going on behind the scenes, which is likely to cause alarm and despondency, I will take hon. members to the date 18th November, 1940, and I would like to inform the hon. General Manager of the elementary principle of economics that if you cripple a nation you make it a prey to revolution and other factors. In the same way, if you cripple an individual you expose that individual to accepting all sorts of "isms". Referring to the 18th November, 1940, workmen in the C.M.E.'s Department and other branches of the Railway have for years been making representations to the hon. General Manager for the redressing of their grievances and the improvement of the disgraceful conditions under which they were living. No action seems to have been taken so far, and the final appeal was made on the 30th September. I hope this Council will excuse me if I just read some notes which give an exact version of the affair that cannot be contradicted by anyone outside or inside Council.—

"The conditions in which many temporary artisans of the Railway are working for several years is a standing disgrace not only to the Railway Administration but to the local Government as well. Every budget session of the Legislative Council has afforded the Indian representatives an opportunity to lodge a protest against the exploitation of Indian labour for the swelling of the finances of the

Railway. And during every one of these sessions the General Manager has swept aside all pleas and arguments in a cold blooded and autocratic manner, sure that he has the support of the Governor and his government.

"But with the advent of this war things have come to a pass. The Government have on their part taken all measures to bring these men under Defence Regulations, making it impossible for them to leave their jobs. That the men had been labouring under the slavish terms of service in the Railway did not concern the Government. That rates of wages fifteen years old could not be a just and fair retribution for labour at a time when the cost of living has increased by at least 20 per cent, did not matter. For, after all, these are Indians and Indians ought to live contented under any circumstances under the beneficent British Raj.

"The men recently laid their grievances before the Railway authorities, but did not receive any sympathy. On the contrary, they were treated with usual contempt which the Railway Administration has always displayed towards Indian interests. The last response to the workmen's petition was dated 30th September and it got the stereotyped and callous reply: 'The hon. General Manager is giving the matter his immediate consideration. And months rolled on without this official getting to anything which in the English language can be called 'immediate'. He has had all the terms of the present petition before him during past debates on Railway budgets.

"The present petition asked for one of two simple things: Firstly, that all the Asian artisans be absorbed in the permanent service. Or, that they be given increase in their daily wage; sick leave with pay; quarters or allowance in lieu thereof; 14 instead of 7 days of local leave; and pay during public holidays. Desperate over the studied ignoring of petition, the men decided that they should meet some day after 4 p.m., the time when they

[Mr. Isher Dass]
complete their statutory term of daily work. They informed their officer about the meeting and invited him to attend it.

"At 4 p.m. on Monday, the 18th November, the men met and were addressed to by two of their leaders. The official was present there and it is reported that he asked for the assistance of the police without any reasonable cause."

HIS EXCELLENCY: I must ask the hon. member not to read his speech.

MR. ISHER DASS: Well, sir, at the meeting these officials were present, and they asked the assistance of the police without any cause. The police arrested two people, and they were taken to the police station. Three people nominated by the other workmen to go and explain the position, that the meeting had been held with the consent of the Railway officials, were also arrested and taken into custody.

MR. SHAMSUD-DEEN: On a point of order, Your Excellency, the hon. member was reading a quotation and not his own speech.

HIS EXCELLENCY: If so, he is entitled to read from a document, but I was under the impression that he was reading his own speech.

MR. ISHER DASS: I was reading a quotation, because sometimes a statement is made and people make wrong assertions, and members are put to the inconvenience of contradicting them. I was referring to the meeting, when five people were taken into custody. There is no law in Kenya, not even the Defence Regulations, which prohibits men from holding meetings with the knowledge of their officials.

These people, having very strong grievances against the Railway officials, decided to take some action. They thought that their grievances should be remedied, and as a result of the unsympathetic way in which they had been treated by the Railway, these people decided among themselves that they would not work any more for the Railway Department. In the evening, these

people decided among themselves to appoint five representatives and these five representatives at about 7.30 in the evening happened to meet me in the club and I advised them that it was much better for them to seek assistance somewhere else, in the most sympathetic quarters. Having heard their grievances and the position I thought, in the best interests of good government and amicable settlement I would take these people personally to the European Club at 8.30 in the evening, and that the only person whose possible assistance could be invoked for unlawful arrest was the Hon. the Attorney General. The whole position was explained to him and I may say, as the local Press stated, it was his kind and timely intervention that saved a serious position which was likely to arise and that a truce was affected. These people were told that this question of arrests would be thoroughly investigated.

I am glad to say that owing to this intervention by the Hon. Attorney General, who not only played his part in a most sympathetic manner, and to that of the Labour Commissioner, to whom I pay a tribute in showing tactfulness in his job, the next morning these people went on as usual to their work and since then have been carrying on their work without further incident.

In these circumstances I appeal to you, sir, and your Government, that immediately, to solve these problems, an Arbitration Board should be set up and have before it all the grievances of the Railway and other employees to consider and a final decision taken. This is exactly the position. Yet this treatment is being meted out to those whose efforts have resulted in this well-known finance of the General Manager and not because of the genius of his brain or the qualifications of the hon. mover. Your Government itself, sir, is a great deal to blame for this thing alone since your Government has allowed such a state of affairs to remain in existence in view of the representations of the Indian members which have been made in this Council, year after year.

There is one other point with regard to the Railway of which probably the hon. members on this side of Council

[Mr. Isher Dass]

are not aware. If I may mention it, it is that there is also a great deal of corruption going on in the Railway. This matter was brought to the notice of the authorities by me personally and what I asked for was that either an inquiry should be opened to go into this matter or that certain facts which would be placed before the authorities should be inquired into. I was directed myself to place all this information at the disposal of the General Manager and when I did see him, and I do say I very much surprised indeed, he replied to me in connection with these statements that there was no truth in the facts at all. On the other hand, I was simply told that if I insisted in my statement the police would be sent for. Well, that is not the way to remedy corruption and I would say this that even the General Manager has admitted before me that there was not so much corruption as I had presumed but nevertheless there was a good deal of corruption in the Railway in his own opinion—those are his exact words.

We have tried in the interests of good government and in the interests of better relations between the hon. General Manager and the employee, to see that corruption should be abolished altogether but, unfortunately, when we put the facts before the General Manager, he says there is no remedy. That is the state of affairs that has been going on and probably going on on an increased scale. And in less than two weeks from now, on December 24th, if any of the unofficial members are interested and just sit outside the railway office at Nairobi, or anywhere, they will see any amount of presents, liqueurs, champagne, brandy, going inside ostensibly as Christmas gifts. No one objects to good citizens sending Christmas cards or exchanging greetings but I would suggest that these bottles of champagne can hardly be termed greetings. In connection with such matters, certain measures have been adopted by means of circulars sent to the departments that they should not accept any kind of presents from their employees. But these things are still going on and those circulars have been thrown into the wastepaper baskets.

The picture painted by the hon. General Manager is not exactly the picture which should be taken seriously. And if the hon. General Manager wishes to achieve more results from the working of these people then it is absolutely essential that he should have a very contented lot of labourers under him. It is no use having discontented labour in your department and when you know the cause of the discontent of your labour and when it has been explained to you what you should do then you should do it.

I am perfectly certain, in conclusion, that all the requests that have been made to you are not likely to produce results. And if I may respectfully repeat once more, the only remedy is that there should be an Indian member appointed to the Railway Advisory Board to look after the interests of the Indian employees and of the commercial community. The Government and the hon. Attorney General have already promised to consider very favourably to set up an arbitration board so that disputes that have arisen out of present conditions should be submitted for their final decision and the question of the personnel on it is also under the consideration of Government and I hope that there will be no delay lost in selecting the personnel of this Board immediately. I sincerely hope that what the hon. Dr. Wilson has said will be considered for I sincerely believe that the only remedy which lies at the moment is to abolish this department and amalgamate it with the General Administration. That situation would ease the general taxpayer as well as increase the efficiency of the department and increase the contentment in the minds of the employees also and at the same time will be acceptable to one and all.

With these views I do not sincerely believe that I am in a position to approve or give approval to these estimates.

DR. WILSON: Your Excellency, on a point of explanation, I may have misunderstood the hon. member, but I certainly never said that I wished the Railway to become a Government department.

MR. HUNTER: Your Excellency, as a member of the Railway Advisory Council I do not propose to comment in detail on the estimates. I have already had an opportunity of doing so if I had wished. But one or two points of principle have been referred to mainly on this side of Council and I want to follow them up and say something about them.

In the first place, I would like to assure the last hon. speaker that even if everybody else is in agreement with the suggestion that it would satisfy one and all if the Railway was removed from its present administration and made a part of the Government of Kenya, it certainly would not satisfy me. Nor do I believe that it would satisfy the four or five odd million people living in the country next door which some of us seem to forget, namely Uganda.

The suggestion has been put forward, I think by both the last two hon. speakers, that the Railway should be subjected firstly to income tax and secondly to the payment of customs duties. The Railway, whether you approve or whether you do not approve of the amount of money put on one side for betterment, renewals, reserve, etc., is not run for the sake of anything except for the Railway and the users of it. The hon. General Manager is responsible to the two territories and for that purpose he is not a shareholder and he has nothing to gain by trying to do anything but run the Railway efficiently and as a useful concern. If you compare that with certain other utility concerns, such as the Post Office, which as I have had occasion to remark before is used to my mind to an excessive extent as a taxation machine, it seems that the last two speakers are suggesting that the Railway should be placed in a similar category and that the rates should not be fixed partly for the purpose of carrying produce efficiently and for future extensions of the railway but as a taxation machine—that is what it amounts to. The only purpose of raising income tax or customs duty would be to redistribute it among the Governments of Kenya and Uganda and the effect, of course, would be to add to the cost to

the railway users, and even though you might reduce some other taxation elsewhere I do submit that by using public utilities as a taxation measure you are employing the worst possible method of raising revenue.

Notie the less, it is perhaps interesting to set out at times perhaps a comparison between the at any rate adequate reserves of the Railway and the somewhat poverty stricken nature of the Colony's financial reserves. And while it is obviously the business of the hon. General Manager to look at the thing purely from the Railway point of view and obtain the best he can both in the way of financial allocations, renewals, &c., for the Railway, it seems to me that the people of Kenya and Uganda do come into the picture in that part of the rating policy. Surely we are fully entitled to say whether we consider that sufficient funds should be put into the Railway or whether they should be put to other uses such as those of roads, etc., which have already been referred to. We have a case in point in this memorandum with proposals for the realignment between Gilgil and Nakuru, which I hope to refer to as briefly as did the hon. General Manager in his opening remarks.

The main issue there seems to me to be that it is clear that the interests of the minority must give way to those of the majority, if the interests of the majority are sufficiently overwhelming. But there is the question of compensation which has been referred to and raised by the previous High Commissioner of Transport and which cannot be ignored. I do submit that both having regard to the rights of the people of Uganda and Kenya to seeing how their money is to be expended and having regard to the position which we have arrived at, namely that on the one hand you are morally bound to pay compensation, and on the other you dare not do so because of the repercussions in other directions if compensation were paid. I therefore submit that we have not yet in this case reached the stage at which the arguments in favour are sufficiently overwhelming to enable the project to proceed at the present time (hear, hear). I beg to support the motion.

LORD FRANCIS SCOTT: Sir, I have very little to say. Like the last speaker, I am a member of the Railway Advisory Council, and one waits to hear whether any point can be dealt with in that respect, and I do not think there is anything I wish to say.

With regard to this particular question of the White Paper after all, the hon. General Manager raised the question, and so he cannot complain if other people speak about it in return. I think it would be an intolerable position if an official mover were allowed to refer to a subject and unofficials were not allowed to reply. In the course of his remarks, the hon. member said the interests of the farmers in the part concerned were not the interests of the country as a whole. I submit that the interests of the farmers in this country, especially good farmers—and among the fourteen referred to there are some who are very good—are always in the interests of the country as a whole, and it would be a very dangerous precedent if it were going to be accepted that owners of land, who have taken up land with the railway giving them necessary facilities, suddenly find the railway taken up and put down 10 miles away, for it affects the whole economics of their farms.

There is quite a lot I could say on this subject, but in deference to your wishes, sir, I do not propose to go into any details. I would like to put my views briefly and concisely here. I submit that the great advantages for Scheme C are: (a) it achieves the main object of all the deviations which are being undertaken, which is the improvement of grades; (b) it does not entail the need for loan money; (c) it can be achieved right away so as to make the deviations between Uplands and Naivasha of practical use; (d) it inflicts no hardship on anyone; (e) it raises no question of compensation; (f) it gives much the best percentage savings on the money to be expended.

That is all I have to say on that subject.

I should like as a member of the Railway Advisory Council as well as a member of this Council, to associate myself with the remarks of the hon.

General Manager regarding the splendid work done by all Railway servants during these difficult times, the result of which is that the military have been able to get all their goods delivered in a most expeditious way. I do feel they deserve public testimony to their good work.

With those few remarks I support the motion.

COL. KIRKWOOD: Your Excellency, in rising to support the motion I should like to comment on one or two things.

It seems a very controversial subject, the realignment of the railway, which was gone into in full detail in the memorandum on the proposal to realign and regrade the main line between Gilgil and Nakuru. It has become a very controversial subject. Sir Robert Brooke-Popham, when he was Governor and also High Commissioner for Transport, covered the whole ground in that memorandum, in his despatch which is Appendix 1 on page 8 of the White Paper. I only propose to take a couple of extracts before I pass on to the Secretary of State's reply to the High Commissioner.

On page 9, in paragraph 8, the High Commissioner says:—

"If the question of compensation did not arise, I should be ready to agree with Sir Philip Mitchell that Scheme A should be carried out, and that I think would have been the view of Railway Council. As matters stand, however, I am satisfied that the farmers who would suffer most from removal of the line have a strong case in equity for compensation. The report of the committee, which reaches the same conclusion, has been published."

It is a conflict between equity and the definite legal aspect of the case, on which I will make a remark or two at a later stage. Paragraph 13 of the same communication I should like to read in full and I suggest to the hon. General Manager that he reads it every time there is a meeting of the Railway Advisory Council before the ordinary business is started:—

"In order to bring about the well ordered development of a new

[Col. Kirkwood]

country there must be balanced progress. In Kenya the railway is already ahead of other forms of development such as roads, water supplies and education, and although the railway, like every other form of activity, must work to its maximum efficiency, up to the present the amount spent on this particular form of transport is disproportionate to that expended on other services. It is not desirable that it should get further ahead and so increase the gap between it and other forms of development, but rather that it should pause until other services get level with it."

I think there is a great deal of wisdom in that paragraph, and hope it will be taken to heart in the future deliberations of the Railway Council and that they will pause. It is for that reason and for the reason given in the paragraph plus those which I need not state that I am against Scheme A, certainly at the present time and under war conditions.

If you turn to the Secretary of State's reply in Appendix 2, page 11, the gist of this lengthy communication is to argue a case against compensation. It does not touch on the equity of the case, but deals with it purely on a legal basis. Yet it is astounding that when you get to the last 9 it suggests that there might be a case for equity. That is rather astounding. It is argued right through to paragraph 8 that there is no case for compensation and they rule definitely against it, but paragraph 9 admits the equity of payment to the farmers concerned:—

"It would be reasonable for the Government of Kenya to consider... whether any reductions should be made in their rentals, such consideration taking the form of an *ad hoc* inquiry as regards each tenure affected. In making this suggestion I am aware that, as the total rentals of the farms in question amount to some £702 only... for an acreage of 166,000,"

and so on, but it does admit there is a case for equity; that there is a case for compensation, and the question is what compensation should be paid as and

when and if Scheme A is carried out. Scheme A, to my mind, is the only logical and business proposition from the Railway's point of view and from the country's point of view. I admit the quandary the Secretary of State is in, but I think it puts us in a quandary, for it will have a very grave and probably very large bearing, a financial bearing, on the future. You might argue that if you alter the railway line it is much better it should be taken through the golf course to the south of Nairobi and not through Nairobi—I think Gibb reported on that—and take away the level crossings, and if you did you would have claims for compensation from owners of certain godowns which are now on the railway line, and would also have objections from people because the puff-puff was going past their houses, and the question arises: are individuals to be considered or the country as a whole?

It is a complicated question, and fortunately I am not the one who is asked to settle the case otherwise I would settle it fairly quickly. As it is, the hon. General Manager, and also Your Excellency as High Commissioner, and the Railway Advisory Council have to do that, and I would express this view for the benefit of hon. members on this side of Council who are members of the Railway Council: that in the meantime Scheme C should be proceeded with. For the reasons given by the noble lord, it has outstanding advantages under present conditions. It will do away with the capital expenditure of £160,000, it will avoid the question of compensation for the time being, which is something.

I do not think that Scheme A in any case should be proceeded with under our present conditions, that is war conditions. I am thinking not so much of my proposed trip to Addis Ababa at the end of June, but I am thinking of the post-war conditions. There are going to be repercussions in this Colony after the war which are not visualized judging by the budget of Government. But I do not want to digress. To sum it up, I suggest to the hon. member on my left and the noble lord on my right, our representatives on the Railway Advisory Council,

[Col. Kirkwood] that they should do their best to have Scheme C implemented, for it will do all that is required now, as Scheme A is not a scheme to be proceeded with under present conditions, and as it may be quite a considerable time before it comes up for discussion I do not propose to delay the Council any longer to-day.

MR. SHAMSUD-DEEN (Indian Central): Your Excellency, with regard to this compensation scheme which has been referred to in some detail with regard to the Railway Estimates, I wish to state that I entirely disagree with the last hon. speaker and some other European Elected Members, who say that some compensation should be paid to those farmers who have lost the use of the railway, or will lose the use of the railway as a result of re-alignment. The last hon. speaker referred to the remarks of Sir Robert Brooke-Popham as regards the justification of compensation being paid, but I must remind him that this phase has since been considered by a number of experts and authorities of the various railways in the world and the Colonial Office themselves and they reviewed the whole position. If I remember correctly, when an offer was made that the present line should remain where it is and the new alignment should also be made, the settlers declined to accept the offer. The Colonial Office put the whole position in a nutshell by saying that they (the settlers concerned) definitely did not want the line but that they wanted the money.

I do not think any exception should be made by paying out compensation to individuals when it was in the interests of the whole community to re-align the railway. I think the last speaker made a very pertinent remark when he said that we have got to consider the whole country as against individuals. At any rate I feel I am voicing the views of my Indian colleagues when I say that we should certainly very strongly oppose any proposal of compensation being paid to any individual farmers.

Generally speaking with regard to the Railway Estimates there appears to be an impression abroad that the railway

is very unpopular. It is nothing at all like that, in fact we are very proud of the way the railway is flourishing. But what we do resent is the dictatorial methods adopted by the head of the administration by which the yearly copy of the estimates is brought before us to be formally adopted and not passed as we pass the estimates of the Colony. The amounts budgeted by the railway and the Colony are approximately the same. Yet, while we spend something like a fortnight in examining every item of the Colony's estimates, by the Standing Finance Committee with the Heads of Departments, and scrutinize them thoroughly, against that a sort of formal statement of account is placed before this Council in the shape of the Railway Estimates, and we are asked to associate ourselves as to its correctness—that is what is resented at any rate by me. I think the Railway Estimates should be subject to the same procedure and scrutiny as the estimates of the Colony.

I may say, Your Excellency, I have never quarrelled with the efficiency of the Railway. I have seen railways in Europe and India and I have had the opportunity of seeing them in South Africa somewhat closely, and I may say that I have come to the conclusion that our railway is by no means anywhere the least efficiently conducted railway in the world, and I would like to pay the hon. General Manager the compliment by saying that it is run more efficiently than many other railways I have seen. I saw recently that the mail trains between Johannesburg and Durban take no less than seventeen hours to do the journey which is equal to that between Mombasa and Nairobi; and sometimes there are delays on the road for hours at a stretch when something or other happens. I think our railway is much more efficiently run than some of the South African railways. But as far as the finances of the railway are concerned in comparison with the way the railway was run in the past, while I have the greatest respect for the hon. and gallant mover of the motion in that he is a competent and efficient engineer and manager, I must say it was by no means the fault of the past administration that

[Mr. Shamsud-Deen] it was not then run efficiently. I know the history of the railway practically from the year 1900 and I must say that some of the ablest men that Britain could produce came out here as managers of the railway. But the real trouble in the past was that this Colony was still in its infancy and the money that was earned by the railway was paid into the revenue of the Colony with no regard being paid to a reserve being maintained for renewals. And so it went on and the Colony took over all the revenues. It was but natural that we had to find the money for renewals as well in such circumstances. So I do not think it is the fault of the past railway administration that the position deteriorated to the extent it did. Now, admittedly the revenues have increased as a result of the development of the Colony and the railway is in a much better financial position but you cannot divorce the railway from the other systems of communication in this country. The Railway is in a happy position, there is no doubt about that because it has been able to get all the railway line and the machinery as a free gift and without any out of pocket costs. It has to pay no taxation, customs duty or income tax as any other private railway would do. It would be of very great interest I think, if for the purposes of comparison, we could find out and have a comparative statement of how the railway would fare if it had to pay taxes and other contributions that would devolve on other private railways in the world.

Then again there is this point I want to raise; it is one that I have stated before in this Council: We are very lucky indeed that up to now the railway is running normally, but suppose the railway met with anything like the same fate as it did in the last war, and supposing the railway line was dislocated between the coast and up-country by enemy action, what would be the state of the communications in the Colony? At any rate it has been enjoying a monopoly of all the transport and communications and I feel that there is a suspicion abroad that the roads have been deliberately neglected in order to keep the railway going. One hon. mem-

ber referred to the roads and said that the roads had nothing to do with the railway. Of course it is understood that the roads have nothing to do with the railways. But as a matter of fact the railways would be much happier if there was much less road communication in the Colony. Therefore, I submit that it is time that we refused to allow the railway to prejudice road communications. We ought to have better roads and as far as possible allow other means of transport to share in the transport of the Colony.

Your Excellency, there are one or two other points I want to take up. One, which the hon. Mr. Isher Dass referred to, is the absence of an Indian member on the Railway Council. I will only give one instance of the hardship which is suffered by the Indian community as a result of this. The Indian community, I think it is admitted, contribute quite a large quota to the revenues of the railway. The railway has also a very large Indian staff—which I think is a right policy for any administration to follow. But what happens? The lot of the Indian employees is becoming from bad to worse daily. This is one of the reasons I am giving for the justification of an Indian member on the Council. There is not a single member on the Council at present who could understand exactly the hardships suffered by the Indian employees or have any sympathy for them. The treatment of the Indian employees of the railway is again arbitrary because it is not responsible to any other higher authority except the Railway Council and this excuse about Kenya and Uganda being joined together by this Council is very convenient for the administration being responsible to no one.

Rules have been recently introduced to obtain some consideration of privileges for employees—but, in fact, these are the most monstrous measures that could be adopted by any employer. Imagine the fate of any employee having sixteen or seventeen years' service in any department or institution or in any domestic establishment being considered in the category of a temporary employee and that he was in a position of being

[Mr. Shamsud-Deen] told to go the next morning if his employer did not wish him to stay! On the other hand we have been having so many Boards created for fixing the maximum and minimum wages and so forth in this Colony and the reason for that is owing to the provisions of the war people in the same trade are at a premium and the wages they are drawing are almost unrestricted. But these railway people are quite contented to remain where they were sixteen or seventeen years ago, without quarters, and without any kind of long leave or rise in pay. And then, after say three or four years, or even after sixteen or seventeen years, they are not entitled to long leave even. They are treated worse than inanimate machinery, that is with regard to their work. Even machinery wants rest after prolonged and continuous work or it gets hot but unfortunately these people in the railway are not allowed even such consideration—at least, not until they are taken over as members of the permanent staff—and they can be taken off temporarily because there is no one to represent them on that Council.

It is all very well to say that you find in India and England that the same system prevails. But I think it is entirely wrong to compare the conditions of the railways in India or England. In India, if a man is told that he is not wanted and to go he has got some house to go to, some room or shelter but in this Colony, where he is thousands of miles away from his home country, and where rents are going up higher and higher every day, when he is asked to leave the railway quarters he does not know where to go. I have heard of several cases of people whose wives were giving birth to children within a few weeks, being told that they have got to get out of their houses otherwise they would be taken off by the police.

I think Your Excellency will find that if not to-day after two or three years we shall have to scrutinize the Railway Estimates in a more thorough manner than is done at the present moment.

The only reason why I think I must support this motion is because of the wonderful contribution and services

rendered by the railway to the military. I think this also is to the credit of the whole Colony and not merely to the railway, but, nevertheless, I think this is one of the reasons why the Railway Administration should be congratulated because it is a very spectacular contribution from this Colony.

I did want to speak about a lot of other things but I do not think there is time and I only want to say now that while I appreciate the advance made in the railway system I do not think there is much justification for crowing too much about the improvements introduced and effected on the railway. After all, the railway improvements that have taken place with the progress of the day have no more justification for any specific boast by the Railway Administration than those which Henry Ford is making with his mass-produced V8 motor cars as a consequence of his Ford system.

HIS EXCELLENCY: If the hon. member wishes to address the Council further as time is getting late I suggest that the debate be now adjourned until to-morrow.

MR. SHAMSUD-DEEN: I do not wish to continue my speech, Sir.

HIS EXCELLENCY: The debate will adjourn until to-morrow, but before Council adjourns the first readings of three bills will be taken.

BILLS

FIRST READINGS

On the motion of, Mr. Harragin the following bills were read a first time:—

The Land and Agricultural Bank (Amendment No. 4) Bill.

The Personal Tax Bill.

The Native Liquor (Amendment) Bill.

Notice was given that further stages of the Bills would be taken later in the session.

ADJOURNMENT

Council adjourned until 10 a.m. on Wednesday, 18th December, 1940.

Wednesday, 18th December, 1940

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 18th December, 1940. His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

MINUTES

The Minutes of the 17th of December, 1940, were confirmed.

ORAL ANSWERS TO QUESTIONS

No. 37—DUTY ON IMPORTED DATES

MR. KASIM asked:—

(a) Has the attention of Government been drawn to the correspondence and editorial note appearing in the *East African Standard* dated 19th September, 1940, 11th October, 1940, and 1st November, 1940, in connexion with the date trade between Arabia and East Africa and the heavy duty levied on dates imported in bulk?

(b) If the reply is in the affirmative, considering that dates have high nutritious value and that we cannot produce them here, will Government consider reducing the duty on dates imported in bulk?

MR. NORTHROP: (a) The answer to this part of the question is in the affirmative. In so far as the articles mentioned relate to rations for troops, such importations are not subject to duty.

(b) The suggested reduction in the rate of duty on dates imported in bulk is a matter for consideration jointly with the Governments of Kenya, Uganda and Tanganyika in view of the maintenance of a common tariff in the three territories. The desirability of reducing the present duty on dates will be examined, with other matters, when the customs tariff is next under review by the three Governments.

No. 40—DEPENDANTS OF LOCAL FORCES MEDICAL TREATMENT

MR. GHERSIE asked:—

Will Government state whether they are prepared to consider the granting of free medical and hospital treatment to the dependants of Kenya personnel serving with His Majesty's Forces?

MR. RENNIE: The answer is in the affirmative, but the honourable member will appreciate that examination of the implications of the proposal will necessarily take time.

No. 42—KISUMU INDIAN SCHOOL AREA COMMITTEE

MR. KASIM asked:—
1. Is it a fact that the Kisumu Indian School Area Committee has resigned *en bloc* for the following reasons—

(a) That the accommodation provided for about 550 pupils in the Kisumu Government Indian Boys' School is most antiquated, insanitary and unsuitable for housing such a large school.

(b) That 60 or more pupils attend to their lessons in one room and under the instruction of only one teacher and that in some cases two classes receive instructions in the same room.

(c) That the staff as well as equipment is inadequate.

(d) That neither the School Committee, which is supposed to be an advisory body to be consulted on all important affairs in connexion with school matters, nor the parents have been consulted about the change in school time which has been introduced recently.

2. Will the hon. Director of Education state why the grievances of the Kisumu Government Indian School are not redressed and the Kisumu Area School Committee not taken into confidence?

MR. LACEY: The Kisumu Indian School Committee has resigned *en bloc* on the ground that it was not consulted with regard to the system of overlapping sessions which was recently introduced into the school as the result of two inspection reports and after consultation with the educational staff at Kisumu.

2. The Kisumu Indian School Committee has always been consulted on matters connected with the school and the question of school sessions was discussed with it as long ago as the beginning of 1939.

The Government realizes that there is considerable room for improvement in the accommodation at the school and

[Mr. Lacey]

I would refer the hon. Member for the Western Area to the recent statement made by my hon. friend the Financial Secretary on this subject in reply to the debate on the motion to refer the Colony's estimates to the Standing Finance Committee.

K.U.R. & H. ESTIMATES, 1941
The debate was resumed.

MR. KASIM: I should like to compliment the hon. General Manager on the satisfactory position of the Railway finances as disclosed in the estimates. I should like also to take this opportunity of thanking the Railway Administration for introducing through passenger train services between Nairobi and Kisumu which has been greatly appreciated by the travellers on that section of the line.

It is gratifying to note that on page 15, abstract D, the provision of £956 has been made for normal increments for guards, ticket examiners and the running staff. Since the introduction of the caboose system on the railway, drivers, guards and ticket examiners have to travel longer distances, up and down the line without rest, and they deserve their increments.

There exists some misunderstanding with regard to the reason why a large number of Indian employees tendered their resignations before the promulgation of the Defence Regulations under which no Railway employee can resign from the Railway service. The causes that led to this are that they are obliged to do extra work and with short staff. In recent years heavy fines have been imposed on mistakes of not a serious nature while the cost of living has gone up 50 per cent over their normal increments. All these combined to prompt the staff to tender their resignations. As far as the Indian employees are concerned I can assure Your Excellency that they are next to none in their loyalty and desire to serve the Railway, but the Railway Administration, instead of redressing their grievances, sought Government assistance under the Defence Regulations which was rather unfair and unfortunate.

The question of Indian representation on the Railway Council is a question of

long standing and I trust that the Government and the Railway will give their attention to this very important question.

MR. COOKE: Your Excellency, since the question of compensation was mentioned yesterday, I should like my own position to be made quite clear. Personally, I oppose any compensation because I see no obligation or legality for such payment.

COL. GROGAN: Your Excellency, as my friend the hon. mover referred to me specifically as having at one time described the Railway as a ribbon of rust and, also, incidentally, made a sly attack on the part of the general community, I would ask him to remember that there is all the difference in the word between a ribbon of rust and a platinum necklace! I would like to point out that the whole weight of our criticism is based on this: there should be some proportion in respect of his policy as between the various needs of the community as a whole. It is quite well known that at that particular time the community was fattening on the rusting carcass of the Railway, but the suggestion now is that the Railway is battenning on the rotting carcass of the community (laughter) and it is simply a matter of a balance between the two. In other words, strike a balance between the community as a whole, or rather between the whole body politic and the alimentary canal which is the special organ which my hon. friend controls.

I do not think my hon. and gallant friend is entitled to any cheap criticism. In matters of major policy with regard to the Railway I think we are all prepared, and certainly I am, to throw all sorts of bouquets at him in respect of his organizing ability and for his industrial operation. I think everybody is completely satisfied with the organization of the Railway itself and the attention it pays to the needs of the community is beyond very serious challenge. But I do ask him to bear carefully in mind the fact that he does in fact control practically all the marginal moneys available from the community and that the great trust which is in his hands ought to be operated with due regard to the users of the Railway itself.

SIR GODFREY RHODES: Your Excellency, the first matter which I would like to reply to is the point made by the hon. Member for Mombasa with regard to the question of shipping and the probable difficulty in obtaining sufficient ships to take away the produce next year and the consequent result on the revenue. This point was very fully considered by the Harbour Advisory Board and also the Railway Council, and it was decided that it would be quite impossible to foresee in any way what might be the position next year from the point of view of war activities. The matter is really of academic importance only, because if what my hon. friend says eventuates then it will mean that our revenue will not be as high as we expected and therefore we shall have less to disburse in the way in which we propose. It will not in any way affect the policy of the Harbours Administration nor will it prevent them from controlling expenditure in every possible way.

The other point raised by the hon. Member for Mombasa in connexion with the White Paper I propose to deal with when I answer the question put by the noble lord the hon. Member for Rift Valley.

If I may now turn to the comments of my hon. friend Dr. Wilson, the member for native interests, I would like to take up a little time in dealing with his points because he raised issues that are of some importance and about which we ought all to be quite clear.

The first point is in connexion with the question of balanced progress which has been mentioned by several speakers and again by the hon. member who has just sat down. For the life of me I cannot see any objection in spending money to earn money; I can see a possible difficulty in spending money on non-productive works where a use can be found for it in other ways, but I cannot see any difficulty in spending money where a satisfactory return will be received for that money. In all our Railway projects that have been put forward lately that is the position. We propose to spend money, and large sums from time to time, but the resulting savings will enable us to pass on those savings

by way of reductions in rates to the community or, to use the words quoted by my hon. friend, it will help us to reduce some of the taxation that this community has now to pay in the form of railway charges. That seems to me to be a perfectly logical and straightforward procedure and the more we carry out that type of expenditure the better. We would put ourselves in a better position to meet other difficulties and other charges after the war. I do not for a moment accept the fact that because we spend that money someone else is going short. We get our money fairly easily simply for the reason that we are able to show a good return for the benefit of the community.

COL. GROGAN: Your Excellency, on a point of explanation, I was only referring to the money extracted from the community and not loaned, of course the point really being that moneys extracted from the community in excess of the railway rates and other profits of the Railway would be much more beneficially spent on reducing the rates than going into the funds of the Railway.

SIR GODFREY RHODES: The hon. member also stated that criticisms in this Council had no effect and I think the last speaker also drew attention to the fact that I had, in my opening speech, said something about criticisms being uninformative. I should perhaps make it quite clear that I was referring to criticisms outside this Council and not in this Council. I assume that all hon. members in this Council are entitled to criticize the Railway in any way they desire, and I would like to add from my own point of view that I pay a great deal of attention to all such criticisms. Indeed, hon. members will know that I invite criticism from the amount of information I try to give to the community at large in our annual reports and in our bulletins. But that does not necessarily mean that I always accept these criticisms as sound. But I do welcome all informed criticism, and I am very glad indeed to consider every point that is put up to me.

The hon. member contrasted the wealth of the Railway Administration with the poverty of other departments and made

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certain suggestions whereby the Railway Administration might perhaps be called upon to contribute to the revenue of the Colony. That proposal is quite a proper proposal and it is one that is adopted in some other countries. But I would suggest that that type of proposal really leads to grave political difficulties sooner or later. I have heard criticisms in this Council, for example, of the Post Office who have not been able to provide you with sufficient telephones and telegraphic services and the postage rates are perhaps higher than justified. Well, that is I think probably due to the fact that the Post Office does happen to contribute towards the revenue of the Colony and has not been able to devote its revenues to the development of the Post Office services. I am quite sure my hon. friend the Postmaster General would very much like to be in my position and be able to devote his surplus revenues to the improvement of his services. I think the community has benefited very greatly by the fact that the Railways and Harbours Administration has been in that position. The hon. member has perhaps forgotten that during the past three or four years no less than £700,000 has been returned to the community in reduced tariff charges. That is the way we pay our dividends to the community. I suggest that all our expenditure has been designed to bring about better results in that particular way. In fact, the hon. member and several other members themselves have taken the sting out of their criticisms by saying that they must admit that the Railway is efficient and is doing its job of providing cheap transport. That is quite good enough for me, and if I can satisfy them on that point I am quite satisfied about our expenditure proposals.

The political consequences that may follow a policy of contributing to the Colony's revenue are of course well known to hon. members, because we have had examples all over the world of what happens in those cases. Sooner or later advantage is taken of the facility of getting money out of the railway. Rates are put up or expenditure which should be incurred to maintain efficiency

is not incurred and the machine deteriorates and we get, in due course, back to our "ribbon of rust" again. I think we ought to avoid that process if we possibly can.

I come now to what I call the deplorable speech of the hon. member Mr. Isher Dass. He made a certain statement with regard to the staff on this Railway which would lead every one hearing him to think that the Railway Administration has been the whole time trying to bind down the staff to conditions of service that are entirely unjust and unfair. We are the biggest employers of labour in the country. We employ an Asian staff of something over 2,300 men. I deny categorically any such suggestion that the staff is not well treated or is not adequately recompensed for their services. The hon. member has made this attack with the sole object of drawing attention to one section only of our staff, and that is our daily paid artisan. He is quite entitled to bring that question up. He has done it on other occasions in the past, and on every occasion I have tried to explain that not only on the Railway but also in other Government departments and also in private practice it is the custom to pay certain of the staff on a daily basis, that is, the staff whose employment depends on the work for which they are required, and when that work disappears then the staff are paid off. That is a common practice here and all over the world, and I suggest that if these services are to be operated economically we must follow that practice here for that type of staff. That does not mean that these individuals are not properly recompensed for their services. We pay them a reasonable and fair wage comparable with and based on the wages that are paid generally in the country. In addition we give them certain privileges which other employers are not able to give them; we give them two free passes per annum for their wives and servants where there is a family, after six months' service, and no other employers do that; we also give them seven days' leave per annum after twelve months, accumulative up to fourteen days. I do not know of any other employer doing that; we also give

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them fourteen days' notice of the termination of their services after employment of not less than twelve months, and one month after not less than two years' previous service. That is the most we can do in regard to labour of this kind. It is, in my view, quite wrong to suggest that any other policy should be adopted in connexion with this particular class of employee.

The hon. member then drew attention to certain complaints that have been specifically raised in recent months, and complained that inadequate attention has been paid to their representations. Well, the hon. member knows as well as I do the appeal from these individuals was dealt with at once by the head of the department concerned, was passed to me for action and was also dealt with by me the same day or the following day in sending it forward to the Kenya Government. This problem, which includes the question of wages, was then under investigation by a committee presided over, I think, by my hon. friend the Attorney General. Government had the whole matter in hand and no reply could be given by me to the staff until Government had come to its decision on the matter. That was very carefully explained to those individuals by the head of the department on several occasions and the staff themselves fully appreciated and understood the reason, and they knew they would get a reply just as soon as it could be given. Actually, I am in a position to state that finally was reached a few days ago. Actually instructions went out to the head of the department three days ago, and I have no doubt that the head of the department is dealing with the matter and that these petitioners should receive a reply either to-day or to-morrow.

As regards the question of police action, that I am not responsible for in any way. That may be left in the hands of the Commissioner of Police whose officers dealt with the position. I can only say that in all these matters we work in close touch with the Government Labour Commissioner's Department and in most cases we have had a representative of that department down with us when we have interviewed the staff.

The hon. member also raised the question of corruption. Again, he knows that there is no one more anxious to eliminate corruption in the Railway than I am. And I have, from time to time, as he also knows, taken very serious steps to deal with proved cases of corruption. What I cannot do, and what he knows I cannot deal with, is vague hearsay statements which cannot be proved. In all cases the hon. member has the right to go to the police and place any information he has at their disposal, and I am quite sure they will follow it up if there is sufficient evidence.

I would suggest to the hon. member that he could help his friends to remove this problem, which I do not think is a serious one in this country—it does exist, I know, but it is not as serious as he suggests—and he could help me. If corruption does take place there must be some offer from another person and most of these offers come from individuals who may be in the constituency of the hon. member. If he can help me by producing real evidence of corruption I will assure him that I will do my best to deal with it from my end, when authentic cases occur.

I come now to the remarks of the hon. Member for Nairobi North who, I now see, has changed his personality as the substantive member has returned to his chair. The late member dealt with the point raised by my hon. friend with regard to the question of income tax and customs duties, and I think he rather held the view I have just explained that to convert the Railway into a taxing machine is not a sound policy to adopt. He also made the point, and I agree with him, that where money is to be spent the country should have some say in the matter, and that is why all proposals for loan expenditure must go to the Legislative Council concerned before any expenditure can actually take place. And that is why we have taken considerable trouble to produce this White Paper so that the public of both territories can examine from all points of view the proposals we are making.

I may say, with regard to compensation to which he also referred, I was very sympathetic originally with the idea that some form of compensation could

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be paid, but apparently I played dangerously with fire and got my fingers burnt because the next thing I knew was that the compensation asked for amounted to the prodigious sum of £240,000. That was reduced by a committee to a smaller sum, but the whole question of compensation is a very awkward one and will have to be very carefully studied before anyone can give an opinion on the matter.

The noble lord, the hon. Member for Rift Valley, took me to task for having referred to this White Paper and then protested when hon. members opposite started a debate on the contents of it. I fully appreciate that point, but my object in referring to the memorandum at all was to explain to the Council and the public at large why such an unusual step had been taken and to ask hon. members and the public carefully to consider what was contained therein. The actual debate on the proposals I assume can be at a later date when the motion has to be moved in this Council, if decided on and that, I suggest, is the proper time to discuss the whole question in full. I am chiefly anxious now that the matter should be studied carefully, and in that connexion I repeat what I said earlier, that I hope hon. members will take the opportunity of consulting their constituents regarding this matter, and if I or the Chief Engineer can be of help in explaining the problem we will be very glad indeed to place ourselves at their disposal.

I will not refer to any point in detail, except to say that I think I can agree with every one of the points mentioned by the noble lord in favour of scheme C. I did not make a note of them all, but as far as I could tell I am able to accept every one of the points. The only trouble is that the scheme does not deal with the whole problem. We still have the distressing fact, and it is distressing to transport men, and some seven million ton miles of traffic must go round the circumference of a circle when we could take it across a shorter route, and that is costing now every year over £6,000. Scheme C offers half a cake only when we would like the whole.

MR. NICOL: On a point of order, the hon. General Manager seems to be telling us all about the scheme which we were not even allowed to discuss yesterday!

SIR GODFREY RHODES: I accept that rebuke, Sir.

I would like to thank the noble lord very much for his reference to the work of the staff of the Railway and Harbour Administration. I think it is due to the staff, who have performed magnificent work under very trying circumstances. If any hon. member will one night go down and see what has to be done in the Nairobi yard under black-out conditions, he will agree that the staff are doing very sterling work, and work of a kind that nobody else can do except those people who are employed in that particular sphere. If that work does not go well it reacts on all train movements throughout the system, and I cannot but express my gratitude to them for careful work in very severe and difficult circumstances.

The hon. Member for Trans Nzoia also introduced this question of balanced progress, and suggested that paragraph 13 of Sir Robert Brooke-Popham's dispatch should be given considerably more attention. For the reasons given I fail to appreciate that point of view. It seems to me a policy of biting off our nose to spite our face, and while the Kenya side of the face may be prepared to do it I doubt whether Uganda will. However, that will be settled later. Perhaps, it has occurred to me, the hon. member has a rather guilty conscience with regard to undue expenditure on non-paying branch lines, and particularly as regards the Kitale branch, because if that is the point he is making . . .

COL. KIRKWOOD: On a point of explanation, Kitale branch line was a paying proposition years before you took over the Railway.

SIR GODFREY RHODES: I will not go into any argument on that point!

The hon. member Mr. Shamsud-Deen complains that the Railway estimates come up very casually to this Council, and thinks they ought to be subject to the same procedure as the Colony's estimates. Well, I do not think the life

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of the General Manager would be worth living if that were to happen. He has four or five meetings of the Railway Council and Harbour Board which are in effect sub-committees of this Council. For example, the four Kenya members of Railway Council are members of this Council, and they in effect are your Finance Committee, and they not only deal with these problems at one meeting at the end of each year but follow them right through the whole year. That, I suggest, is a much more satisfactory procedure than bringing the estimates before a Finance Committee of the whole Council composed of people not in touch with Railway problems during the year.

The hon. member also mentioned one point in pressing for further expenditure on better roads, wherein he said the Railway was liable to damage by war action. That is so, but I would suggest to him that all experience elsewhere goes to show that that damage is usually very slight and is usually very quickly repaired. In these days, of course, when heavy bombing takes place considerable damage may be done, but our facilities for repair are such that normally we can repair war damage to the permanent way or to bridges even more quickly than some of the damage we have suffered from washouts and damage of that kind when we are often not able to get at the seat of the trouble owing to the water for some considerable time.

In connexion with the suggestion that we should have better roads, I would like again to make it quite clear—and I think the hon. Chief Secretary will support me—when I say that whenever I have been a member of Government committees dealing with roads problems I have pressed for more expenditure on improving the Colony's road system, because I think, and no doubt hon. members will agree with me, that with the modern type of transport you cannot economically maintain a satisfactory system of transport on murrum roads. The competitive position of the roads ceased long ago when the Transport Licensing Board was introduced and a system adopted whereby road transport is now controlled in the public interests.

I think that is quite a satisfactory method, and I should like to take this opportunity of congratulating the hon. Attorney General and his board on their work in trying to get order out of chaos in the road transport of the country. It is a slow process, but they are doing excellent work and the results will become evident before long.

The hon. member also raised the question of having an Indian member on the Railway Advisory Council. This is a matter for the Government of Kenya and not for me, but I would like just to say this: that the principle of anybody representing any interests, whether of racial or whether industrial or any other kind of representation on the Railway Council has never been accepted. What we have tried to obtain from both Governments are four intelligent men from each country who can give consideration to the problems that arise in managing and running a railway. I suggest that both Governments have acted very wisely in the choices they have made in past years. I cannot speak too highly of the assistance we have received from the Railway Advisory Council and Harbour Advisory Board at all times in dealing with the problems we have to decide from day to day.

I do not think I have anything to say with regard to the points raised by the hon. Member for the Western Area; he also mentioned the point regarding an Indian member of the Railway Council.

The hon. Member for Ukamba, who spoke last, raised this question of criticism which I hope I have answered to his satisfaction. We welcome informed criticism at all times, and are glad to pay the fullest possible consideration to it, although, as I said, I cannot always accept it. The other points he made were with regard to the question of expenditure, and I think I have already dealt with that adequately. I feel that expenditure, where it can produce useful results and reduce the cost of living and of taxation to members of the community, is fully justified and should be encouraged. That is new money, I refer chiefly to loan money. Even though we may temporarily finance such expenditure from our reserves, that is a purely temporary expedient until it is convenient

[Sir Godfrey Rhodes] to raise loan money at a reasonable rate of interest. We must see that we are not rushed into borrowing at high rates as after the last war when loans were raised at 6 per cent.

I think this is all I have to say on the points raised, and I hope I have answered them satisfactorily.

The question was put and carried.

REALLOCATION OF LOAN MONEY

MR. LOCKHART: Your Excellency, I beg to move:

Be it resolved that this Council hereby approves the expenditure of a sum of £1,288 upon the purposes specified in the schedule hereto, as a charge against Loan Account, and further approves provision being made therefor by reallocation of the amount from the sum outstanding in respect of Mombasa under I Colonial Development (b) Water Supplies of the schedule to the Specific Loan Ordinance, 1930.

SCHEDULE

I Colonial Development

(b) Water Supplies—

Eldoret	£652
Kisumu	£636

This is to give formal approval to adjustments in loan expenditure as between water supplies which have been accepted and carried out.

MR. HARRAGIN seconded.

LORD FRANCIS SCOTT: Sir, I have one point to raise. This is to provide money for water supplies and in view of the answer given to the question yesterday by the hon. Director of Public Works I do trust that Government will seriously consider the matter of water supplies in such places as Naivasha, Thomson's Falls, and one or two other places, which badly need them.

The question was put and carried.

THE LAND AND AGRICULTURAL BANK (AMENDMENT No. 4) BILL

SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Land and Agricultural Bank (Amendment No. 4) Bill be read a second time.

As hon. members will probably realize, this is an indemnifying bill, for it would appear that in the past, and in fact since the principal Ordinance was passed, the Land Bank Board have been permitting certain rebates to applicants which the auditors now discover are not strictly according to law. In order to indemnify the Land Bank Board against these illegal though equitable rebates it is necessary to make the amendments now before Council. I will refer to them very shortly.

The first is the proviso in line 15:

"Provided that, where the application is in respect of a short term advance, the fees to be paid shall be such fees as may from time to time be prescribed by the Governor in Council by notice in the Gazette;"

The Land Bank Ordinance as originally drafted dealt with long-term loans. When we introduced short-term loans we did not make the necessary amendments to the schedule, and it is manifestly unjust to make a man applying for some small amount for a short time to pay exactly the same fees as a man applying for a long term advance. This amendment makes it possible for the Governor in Council to amend the present fees and make special provision for short-term loans.

The second amendment is in (c), line 20, which refers to such payment by way of fees for clerical work and advertisements in the Gazette which have to be made in every case.

(c) on line 30 also refers to the same fees.

(4) reads as follows:

"The Board may charge to and recover from the mortgagor any expenses, including copying charges, actually incurred at any time during the continuance of a mortgage by the Board in connexion with such mortgage."

It occurs from time to time that a borrower of money has to have his mortgage deeds copied out and details of loans submitted (possibly for creditors), which involves a certain amount of clerical work to the bank staff and it is only right that they should be paid for.

[Mr. Harragin]

The most important item, as usual, comes at the end; that is (5):

"The Board may, in its absolute discretion, in any particular case, or in any class of cases, waive the payment of any costs or fees payable under the provisions of this section."

It occurs from time to time that some unfortunate applicant applies for a loan which is eventually refused. In applying he incurs a debt to the Land Bank, which is very seldom paid, but remains on the books for ever in theory, and it is only right and equitable that in these cases, where a man is unsuccessful in his application, the bank should be permitted to waive the statutory fees.

MR. BROWN seconded.

The question was put and carried.

PERSONAL TAX BILL

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move that the Personal Tax Bill be read a second time.

In clause 2, I think the only definition which requires a reference is that of "total income", which hon. members will see means the same tax as under the Income Tax Ordinance.

Clause 3 sets out the proposed rates of the tax, and hon. members will see there is a standard rate and a war rate. In the case of an income not exceeding £60, the standard rate is Sh. 15 and the war rate Sh. 20; exceeding £60 but not £120, Sh. 30 and Sh. 40; exceeding £120, Sh. 40 and Sh. 60.

The method of assessing income is, in the case of permanent residents, the income of the preceding calendar year, but, where a permanent resident has come into the country, the first two years' income which can be reasonably supposed to accrue is taken. The reason is that there is no preceding calendar year upon which the income can be assessed. In the case of a non-resident, it applies in practice only to a visitor who has land or other interests in the country, and again the income taken is that reasonably expected to accrue.

It is an annual tax, due to be paid before the 30th April each year, and if it is not met there is the usual penalty

of 50 per cent. That penalty is taken on the standard tax and not on the war surcharge.

Clause 7 deals with the collection of the tax, and the position is this. It is the duty of the taxpayer himself to tender the tax for which he is liable. That is quite a usual provision. There is the simple example of a motor car licence where you are required to find out yourself what the proper licence is and, in view of the simple differentiation here, no one can have any difficulty in knowing whether their income exceeds £60 or £120 a year, and those are the only two points for decision.

A collector has the right either at the time when the tax is being paid or any time within three years, or if the tax is not tendered at all, to serve a demand on the taxpayer for the sum which the collector thinks is due. If the taxpayer disagrees with the amount demanded, he may within thirty days write to the collector and explain the reasons for his disagreement. If he fails to convince the collector that he has been over-assessed, he has the right to appeal to a magistrate. I think hon. members will agree that that is a simple and workable form of assessment, and the cases in which the collector and taxpayer are unable to agree in the point at issue will be few and far between.

Until clause 16 there is little in the bill calling for comment. There are the usual provisions which are common in an ordinance of this kind and nothing to draw special attention to. Clause 16 fixes the liability, and the tax is applied to all non-native male persons over the age of eighteen years resident in the Colony, and also to all independent women provided they have an independent income from their earnings or other means which exceeds £120 a year. There is also provision for the exemption of visitors, and under (f) Your Excellency can exempt any class of persons. That is intended to deal with present war conditions, in which there are persons who come to the country for the purpose of the war, and it has been laid down as a principle by this Government that direct taxation should not be levied on people who have come to Kenya on war service.

(Mr. Lockhart)

That, I think, sufficiently describes in broad outline this quite simple revenue measure. It has been referred to in previous discussions in this present session. It is designed to replace the present non-native poll tax, a tax which grew up as a result of conditions which have now passed away, and I think all members are agreed that the present simple income differentiation is more logical and more equitable in its operation.

MR. HARRAGIN seconded.

LORD FRANCIS SCOTT: Sir, I rise to support the motion, because in the words of the hon. mover it is more equitable than the old method of a flat-rated poll tax. The tax which is being rescinded is the non-native poll tax, but the heading of this bill is "A Bill to Provide for the Payment of an Annual Personal Tax", and there is no question there of any racial differentiation.

I have been asked by various people, including Nairobi Chamber of Commerce, to move an amendment to clause 16 (d), that at the end of that sub-clause should be added the words "whose personal income does not exceed £60 per annum". There are in the Colony to-day a large number of natives who are earning quite good incomes. They are competing with Asian artisans who are liable under this tax, and it does seem equitable that such people should contribute more to the revenues of the Colony than the less fortunate natives in the reserves and so on whose incomes are very small. This is not a racial measure in any sense, with the exception of that one sub-clause which exempts all natives from this tax whatever their incomes may be, and it is considered that this opportunity should be taken to amend the clause so that the better-off natives in this Colony should contribute slightly more than what they do to-day and bring it into a fairer proportion to what the poorer natives have to pay.

MR. NICOL: Your Excellency, I rise to support the motion.

The measure which is being repealed, the Non-Native Poll Tax Ordinance, 1936, I believe did not cover the collection of poll tax from females, whereas

I understand this bill does embrace them as well. If that is the case, I think one or two drafting amendments will be necessary, and I give an illustration, and if that is accepted I can move the amendment in committee. For example, in the last line on page 1, after the word "his" should be inserted the two words "or her" "residence in the Colony".

With regard to clause 16, the people who are exempted under (e) are those on a temporary visit to the Colony, who are not owners or lessees of land in the Colony. People make business visits and visit branches as between the territories of Kenya, Uganda, Tanganyika and Zanzibar, and they possibly only come here for a couple of days: I take it is not intended that they should be subject to this particular tax?

MR. MONTGOMERY: Your Excellency, I had no idea that there was going to be any mention of bringing natives into this bill, and I am not quite clear whether the hon. member moved an amendment or made the suggestion. (Lord Francis Scott: I can move it in committee.) In that case I hope he will not move an amendment but that the matter will be considered by Government on its merits. We cannot interfere with native taxation in one morning when it has not been heard of before, so far as I know. It would appear that if the Chamber of Commerce asked about the natives working on the Railway or in some office earning Sh. 150 a month, there are some, of course, but why tax them alone and not natives living in reserves whose annual income from property is such that it cannot be assessed? For that reason I think they were left out of the Income Tax Ordinance. I hope the amendment will not be moved, but the hint has been given and no doubt Government will consider the matter in due course.

COL. MODERA: Your Excellency, I merely rise to support the hon. Member for Rift Valley in his contention in regard to (d). I agree with the last hon. member in regard to this being rather rushed, but I think if the hon. mover could see his way to saying that this question will receive close examination the necessity of an amendment at a later stage will be obviated.

DR. WILSON: Your Excellency, I only rise to support what my colleague, the hon. member Mr. Montgomery, has said. In the "Objects and Reasons" of the bill it is stated that this is "to impose a personal tax, based on the income of an individual, in lieu of the present non-native poll tax", and clause 19 says "The Non-Native Poll Tax Ordinance, 1936, is hereby repealed". I do suggest that we cannot suddenly in the committee stage of this bill consider what is a complete reversal of all past principles regarding native taxation. I say that without prejudice to the argument I have often put forward, that I do object to the flat rate of hut tax and I do consider the system requires revision, but a very very carefully considered revision, and I do suggest it is quite improper to propose this amendment to a bill which, on the face of it, has no relation whatsoever to native taxation.

COL. KIRKWOOD: Your Excellency, I rise to make a small point in connexion with clause 7. The first part of it provides that:

"Every individual who is liable to the tax under this Ordinance shall tender to a collector the amount of tax for which he is liable and the collector shall accept the amount so tendered and shall issue to such individual a receipt in the approved form."

It then goes on in the second part to provide that the collector may demand any amount which he thinks has not been paid, but it says nothing at all about any amount in excess being refunded or reclaimed.

MR. LOCKHART: Your Excellency, to deal first with the proposed amendment to clause 16 (d) referred to by the noble lord and the two hon. members representing native interests and the hon. Member for Nairobi South, I think Government would be quite prepared to accept the attitude taken up by the last three hon. members who have spoken. This proposal, which we have heard for the first time this morning, is obviously one requiring very careful consideration. Of course, the tax is levied on total income, like the Income Tax Ordinance, and that ordinance does raise difficult

questions with regard to the value of housing, the average net rent paid, and so forth, which will obviously require close consideration in application to natives. I do not think I can go further than to say in accepting the suggestions from the other side of Council that Government will consider the matter.

Referring to the points raised by the hon. Member for Mombasa, I am advised by my hon. and learned friend the Attorney General that masculine includes feminine and there is no necessity to add the words he suggested. Regarding visitors, I think I am correct in saying that the provision has not been altered from the Non-Native Poll Tax Ordinance and, as the hon. member knows, living in Mombasa, no difficulties have arisen regarding temporary visitors there on business from Tanganyika whom he probably had in mind.

The only other point was raised by the hon. Member for Trans Nzoia, who will find on reference to clause 17, that Your Excellency may refund the tax or penalty or any part thereof on any good reason being shown. The likelihood of anyone tendering a larger tax than he is required to pay is not a very probable one, but should that occur there is power to deal with it.

The question was put and carried.

THE NATIVE LIQUOR (AMENDMENT) BILL

SECOND READING

MR. HARRAGIN: Your Excellency, I beg to move that the Native Liquor (Amendment) Bill be read a second time.

As hon. members are aware, at the moment licences under the Native Liquor Ordinance may only be granted to two classes of persons. In the first case to a native and to no other person other than a person of native extraction or born in Africa. Secondly, later on in the ordinance, provision is made for the establishment in municipalities and townships of municipal beer houses such as we have in Nairobi to-day.

The difficulty which has arisen in practice in the provinces is as follows. Take, for example, a large sisal estate or a mine which desires to set up a

[Mr. Harragin] properly run beer shop for its employees. It is precluded from doing so except when it acts as agent for a local authority, and this, for a variety of reasons, is undesirable though it is done in one particular case. It is precluded from running a respectable beer house even where the profits are to be put aside for the natives in that area by the provisions of that ordinance. This amendment which Council is being asked to consider makes provision for such institutions. As I mentioned before, mines and sisal estates and the like, will, by this amendment, be able to set up a beer house in their compounds which will be properly controlled and subject to supervision by the local authority—in most of the districts the local authority is the District Commissioner—and will have to keep proper accounts and devote the profits out of the beer house to assist the local inhabitants of their district.

We have taken power in this ordinance to provide for inspection so that the District Commissioner can satisfy himself at any time that the licensee is in fact conducting these licensed premises in a proper manner and keeping proper books, and that the surplus goes to the fund which has been approved by you, Sir.

The opportunity is also taken in section 4, clause 4, to amend an error which had crept into the law. Originally, when the principal ordinance was passed, the Teita District was not a part of the Coast Province. But since then it has been brought into the Coast Province, and Your Excellency has been advised that it is undesirable that the Teita District should come under the provisions of the Native Liquor Ordinance dealing with the Coast Province and thus clause 4 is made to exclude Teita.

MR. BROWN seconded.

MR. KASIM: Your Excellency, in the Objects and Reasons of this bill it is stated:

"The principal object of this Bill is to permit large employers of labour to establish native liquor canteens for the natives employed by them and to ensure that any profits derived from the manufacture and sale . . ."

This means that there will be a large number of canteens opened by private employers all over the country. Your Excellency is aware that the drinking of liquor by Africans in the reserves and in the towns is on the increase and it is a problem now how to check this, and I think certain licences should not be given. I also think that legislation which tends to increase the opportunities for African consumption of intoxicating liquor should be discouraged.

DR. WILSON: Your Excellency, in view of the last hon. member's remarks I do not take it that this is a question of any number of uncontrolled breweries or *tembo*-producing establishments springing up all over the country. I do not know what my predecessor would have said had this bill come before Council in his time. I am afraid he would not have approved of it; but, speaking for myself, and I imagine I am in agreement with my other colleague here, I think it is a proper scheme for the control of what is an absolutely universal habit of the human race, the drinking of alcoholic beverage. We have the provision that the Governor in Council has to authorize these licences and they have got to be on the recommendation of the local authority. So I think we can take it that these canteens will not be multiplied to a dangerous extent, and that the management of them will be under proper control.

As the hon. member said, drinking in the native reserves may be on the increase, but that does not come into the question at all. To my mind the question now is one of controlling drinking, and as such I support the bill.

MR. HARRAGIN: Your Excellency, the hon. Mr. Kasim carefully read out the "Objects and Reasons"—or rather a part of it—which he believed supported his contention. But I would ask hon. members to read the last two lines of the first paragraph of the "Objects and Reasons" which answers completely all the hon. member has said:—

"It is hoped that the establishment of such canteens will assist in the suppression of illicit trafficking in native liquor."

[Mr. Harragin]

One of the principal objects of this ordinance is to prevent Tom, Dick, and Harry carrying on an illicit trade in the various areas to which I have referred, and to suggest that because they are being suppressed will add in any way to the drunkenness on these estates is beyond my comprehension. Further, to suggest that there are going to be large numbers of these private canteens springing up all over the country, when they will be a nuisance to run and will bring no profit to their owners whatsoever is surely incorrect. They would only be established (a) to keep down drunkenness on estates and (b) to keep the natives happy. I would be pleased to think that many concerns would take the opportunity of running these canteens, but I shall be very surprised if there are a great many applicants in view of the additional trouble they would involve.

The question was put and carried.

SUSPENSION OF STANDING RULES AND ORDERS

Under Standing Rule and Order 108 and with the consent of His Excellency, on the motion of Mr. Harragin, seconded by Mr. Brown, Standing Rules and Orders were suspended to enable the War Taxation (Trading Licences) Bill to be passed through all its stages.

WAR TAXATION (TRADING LICENCES) BILL

FIRST READING

On the motion of Mr. Lockhart the War Taxation (Trading Licences) Bill was read a first time.

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move that the War Taxation (Trading Licences) Bill be read a second time.

This measure in which is proposed a surcharge for the period of the war of 50 per cent on trading licences with the exception of commercial travellers' licences, has been referred to in the course of the budget debate, and has been the subject already of some discussion. But I suggest that none of the hon. members who have so far referred to it have really made a serious effort to deal with the position. Various red herrings have fallen across the track

but the real point at issue is that we need for the period of the war additional revenue and we are seeking to levy it where we feel it can be paid by a section of the community that is in a better position to pay up than other sections.

One particular red herring—and I refer to a local East African press suggestion—is that there should be a trading licence on civil servants. Well, nobody can suggest that civil servants are any better off than they were before the war, and while I know nothing of the financial affairs of the *Kenya Weekly News* I shall be extremely surprised to learn that their circulation has declined or that their profits are less than they were before the war.

LORD FRANCIS SCOTT: They are.

MR. LOCKHART: Well, I am surprised to learn it. That, Sir, is the point at issue. Whatever the position of the *Kenya Weekly News* may be, or, for that matter, may deserve to be, the profits of the traders as a whole have increased. I have made that statement several times in the course of the budget debate and I make it again and I have yet to hear it contradicted.

Well, let us get at some sense of proportion, and let us consider the issue with which we are dealing. The position is this: the maximum amount a business is asked to pay is the sum of Sh. 10 a month. In the case of small traders with stock of between £100 and £300 it is Sh. 3 a month; and in the case of a trader in a trading centre, who invites sympathy, assuming that his shop is in the centre of a native reserve, then it is Sh. 1/25, and assuming that it is outside a trading centre then it is 42 cents a month.

Now, that, Sir, is the hardship under which the trading community is groaning as a result of this imposition. It is a small thing from the point of view of revenue but it does bring in £6,000 which we need at the moment and, which is the point at issue, places the burden on the shoulders of those able to bear it.

MR. HARRAGIN seconded.

MR. NICOL: Your Excellency, I rise to support the bill, and I do say that as it is a war measure the arguments put forward by the hon. Financial Secre-

[Mr. Nicol]

are perfectly correct. The burden which is being put on the trading community as such is not a heavy one at all. We are not arguing about that at all. It is the principle behind this particular means of taxation which we object to. I think my hon. friend the Acting Member for Nairobi North and myself made it quite clear in our speeches in the budget debate that the commercial community have always objected to this form of taxation as a taxation measure itself. We have always argued that traders' licences should be utilized to give traders some protection against persons, or rather against undesirable types of traders who are liable to come into existence. That is the only point, the principle. We are not quarrelling about the tax because the burden is not there at all. Sh. 10 a month is neither here nor there, and coming down the scale I think the last figure of 42 cents is not hard on anybody at all. It is purely a matter of principle.

MR. KASIM: Your Excellency, this surcharge will be very burdensome on the petty traders. The traders who pay licences of Sh. 30 should be exempted from this surcharge or the bill should be amended allowing them to stock goods from Sh. 2,000 to Sh. 4,000. And those traders who pay Sh. 75 licences the value of their stock should be from Sh. 6,000 to Sh. 10,000. I have a letter here from the Federation of Indian Traders addressed to the hon. Chief Secretary, suggesting this argument, and stating:

"Though my committee further places on record their emphatic protest against this contemplated 50 per cent increase in trade fees, it is indeed a desire of the trading community to assist the Government in its official task of balancing the budget of the Colony in war time and to help generally in providing war sureties."

MR. ISHER DASS: Your Excellency, I rise to support this bill. The point raised by the hon. Mr. Kasim I raised myself in the debate and it was discussed in Standing Finance Committee, and in view of what the hon. Financial Secretary stated I agree with the unanimous decision there that the bill should go

through as it is. The question of hardship was considered and as it was shown that the strain was trifling it was not considered necessary to change the legislation.

During the past two or three days I wish to bring to the notice of the hon. Financial Secretary that it has been brought to my notice as a result of a close examination of the Objects and Reasons that among manufacturers' representatives and commercial agents it has been the practice for some commercial agents and manufacturers' representatives to be stock-holders for the firms they represent at home or in India for keeping large stocks of goods for supplies and therefore this will put them into a very advantageous position. It is a practice with these commercial agents or travellers. Now it is becoming too popular and when they go up-country not only do they receive orders but they are also carrying a very large stock in their box-body cars and deliver the goods on the doorstep. I think something has got to be done about this for they are competing with the traders and small shopkeepers who should not be placed in such a parlous position.

COL. KIRKWOOD: Your Excellency, as I indicated in my speech on the budget I did not approve of this method of taxation. There is no equality in putting any amount on to the traders' licences. Nobody who understands the subject will agree but that outside of Mombasa and Nairobi there is a handicap on the rest of the Colony. You may have the stocks here or in Mombasa but up-country you cannot get the stocks or, at least, very little. They certainly cannot get their requirements. The purchasing power of the community has been depleted and the purchasers themselves, the man power, have been depleted and have been taken away from the up-country districts. The traders in the district I have depicted are doing very much less trade than they were doing pre-war. Again, the war imposes an imposition or anomaly where the goods are commandeered by the military and I maintain that it is an inequality to increase the trading licences especially outside Nairobi or Mombasa on the trading people.

MR. LOCKHART: Your Excellency, I am grateful to the hon. Member for Mombasa for his support and I am aware that it is a point of principle. It has been raised on many occasions very consistently by representatives of the trading community, but the hon. member, I trust, on behalf of the trading community for whom he speaks I understand, is prepared to accept it purely as a war measure without prejudice to their attitude to trade licences.

With regard to the point raised by the hon. Mr. Kasim I am gratified to hear, in the letter he read out, that the persons who wrote it are only too anxious to assist in balancing the budget, but I regret that he followed it up with the suggestion that would result in a substantial reduction in the amount of revenue from the present trade licences. Now, for the reasons given by the hon. Mr. Isher Dass I cannot agree to revise the basic figures of the present licensing scale. The value of the goods may have gone up and that has increased the turnover on the business on which the profits are calculated. I am quite sure the hon. Mr. Kasim is not suggesting that the goods have not gone up in price and are being sold at the same actual price as they were before the war.

The point with regard to commercial travellers, the reason why they were exempted from this surcharge is that in the case of a manufacturer's agency and commercial travellers I think, generally speaking, partly because goods more easily sell themselves nowadays, they are a class of the trading community that does not benefit as a result of the war. They do, of course, if they are carrying stocks, become liable to the £12/10/- licence fee.

On the point raised by the hon. and gallant Member for Trans Nzoia an area such as the hon. member represents would benefit less from increased trade than other areas. But as I said in the earlier part of the debate there was power to adjust these licences and I can assure the hon. and gallant member that where it could be shown that there are particular licensees who are doing worse than before the war and to whom the tax is a hardship, these taxes will be reviewed by the licensing officer.

The question was put and carried.

BILLS

IN COMMITTEE

On the motion of Mr. Harragin, seconded by Mr. Brown, Council resolved itself into committee of the whole Council to consider clause by clause the following bills:—

Land and Agricultural Bank (Amendment No. 4) Bill.

Personal Tax Bill.

Native Liquor (Amendment) Bill.

War Taxation (Trading Licences) Bill.

Personal Tax Bill (Clause 16).

LORD FRANCIS SCOTT: Your Excellency, with reference to the amendment which I proposed, I fully appreciate the arguments put forward by my hon. friend Mr. Montgomery that the question of the alteration of native taxation should not be rushed through at a moment's notice. I understand that the hon. Financial Secretary has given an undertaking on the part of Government that this question will be thoroughly gone into at the earliest possible moment. In view of that undertaking I do not wish to press this amendment at the present time, which obviously could not be accepted under the circumstances. I do think, however, that this is an opportunity of trying to get some, anyhow, better adjustment of native taxation. It is a point which has been argued more strongly in this Council by my hon. friend Dr. Wilson than by any other hon. member.

COL. KIRKWOOD: Your Excellency, while agreeing with the noble lord up to a point I would remind Council that in the original bill it definitely states that income tax was not a racial measure and that it was a non-racial measure in this bill and had due consideration of this clause 16 not been promised I had intended to move that the preamble should be altered to: "A Bill to provide for the Payment of an Annual Personal Tax on Racial Lines." I do hope that Government will give some consideration to the amendment of the noble lord, particularly as there are many natives who have the ability to pay and should be paying in some form

income tax and not merely the old tax and get away with it. Some of them are very wealthy indeed and there is no reason why they should get away with it.

HIS EXCELLENCY: I understand that under the circumstances the amendment will not be put?

LORD FRANCIS SCOTT: No, Sir. Clause 17.

COL. KIRKWOOD: Your Excellency, I raised this earlier in regard to clause 17. There is no provision made for revision, that is automatic revision. The revision I had in mind was that which should be made by the Income Tax Commissioner when he discovered that something over had been paid. In clause 17 I do not see that the explanation given covers my objection. As it is at the moment a person has got to realize himself that he has overpaid and then he has got to apply to Government, but what I wanted was that when they discovered someone had overpaid they would refund him the money so overpaid.

MR. LOCKHART: Your Excellency, it is customary for Your Excellency, who has the power, to delegate the power to waive the refund to the Commissioner of Inland Revenue. But still, I do not quite follow the point of the hon. and gallant member. Over-payment would be one in which someone had presumably paid Sh. 40 instead of Sh. 30 or Sh. 30 instead of Sh. 15. Well, the taxpayer would know that and in practice he would apply for the refund and that can be given by the Commissioner for Inland Revenue under the authority delegated to him by Your Excellency in clause 17.

MR. HARRAGIN moved that the four bills be reported to Council without amendment.

The question was put and carried.

Council resumed its sitting.

His Excellency reported the four bills accordingly.

THIRD READINGS

On the motion of Mr. Harragin the four bills were read a third time and passed.

ADJOURNMENT

Council adjourned until 10 a.m. on Thursday, 19th December, 1940.

Thursday, 19th December, 1940
Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 19th December, 1940. His Excellency the Governor (Sir Henry Moore, K.C.M.G.) presiding.

His Excellency opened the Council with prayer.

MINUTES

The minutes of the meeting of 18th December, 1940, were confirmed.

ORAL ANSWERS TO QUESTIONS No. 32—POST-WAR PROBLEMS

MR. COOKE asked:—

Will Government state whether they are yet considering the post-war problems that will arise regarding the re-employment of discharged officers and men of the King's African Rifles, the Kenya Regiment and other units?

If so, will they state how they propose to deal with such problems? And will they give an assurance that no British national who has served in the Forces will be prevented from resuming his old job or taking up a new one by the fact that the job is filled by the national of some non-British state?

MR. RENNIE: The Government is fully alive to the problems that will arise on the demobilization of the East African military forces after the war, and steps have already been taken to set up a small committee to advise on the preparation of schemes for vocational training of European men and women on demobilization, and the question of setting up a similar committee in the case of Indian personnel is under consideration.

The discharge of large numbers of *askaris* from East African units at short notice would clearly raise difficult problems which are fully realized but difficult to anticipate in detail before the event. If the hon. member has any suggestions to make in this connexion, the Government will be glad to receive them, particularly as regards the steps that might be taken to ensure, as the hon. member suggests, that no British national who has served in the Forces will be prevented from resuming his old job or taking up a new one by the fact that the job is filled by the national of some non-British state.

No. 47.—GRASS FIRES LEGISLATION

CAPT. GHERSIE asked:—

In view of the anxiety expressed throughout the Colony with regard to the lack of adequate control in respect of grass fires and the desire that the necessary legislation be introduced into Legislative Council during the present session, will Government state:

(a) whether it intends to introduce a bill to provide for the prevention, and control of grass fires? and

(b) if the answer is in the affirmative, when?

MR. RENNIE: (a) It is not proposed to introduce the bill during the present session.

(b) The report of the committee appointed to consider what steps should be taken to control grass fires and to draft any necessary legislation to give effect to their recommendations was published for general information and criticism several weeks ago, and it is proposed to defer further consideration of the report and bill until the public has had adequate time to consider them.

LOAN TO NAIROBI MUNICIPALITY

MR. LOCKHART: Your Excellency, I beg to move:

Be it resolved, that this Council approves the borrowing of a sum not exceeding £30,000 from the National Bank of India, Ltd., and the re-lending to the Nairobi Municipal Council of the money so borrowed.

The position is that the Nairobi municipal scheme of capital expenditure which was framed with the intention of including it in a colonial loan has been continued in a modified form and financed from various balances of the Council. The stage has now been reached when the balances need replenishing and it has been arranged to borrow on overdraft for a period up to one year after the end of the war from the National Bank of India. The convenient way is for Government to borrow and re-lend to the Council. The rate of interest is 1 per cent over the bank rate with a maximum rate of 5 per cent, and I hope the rate throughout will be 3 per cent per annum.

MR. BROWN seconded.

COL. GROGAN: Will the hon. Financial Secretary inform us whether the expression "bank rate" refers to the English or local bank rate which is more than three times the English bank rate?

MR. LOCKHART: Bank rate, as I assumed all members of Council would know, means the discount rate of the Bank of England.

The question was put and carried.

DRAFT ESTIMATES, 1941

STANDING FINANCE COMMITTEE REPORT

MR. RENNIE: Your Excellency, I beg to move:

That the report of the Standing Finance Committee on the Draft Estimates of Revenue and Expenditure for 1941 be adopted.

Hon. members will see, or will have seen, from paragraph 3 of the report that if the unanimous recommendations of the committee are adopted the result will be that the Estimates for 1941 will show a surplus of £1,544 as compared with the surplus of £256 shown in the Draft Estimates. This result has been achieved by an increase of £89,101 in the Revenue Estimates, and an increase of £80,813 in the Expenditure Estimates. Hon. members may perhaps at first slight think that that is a very large increase on both sides of the estimates, and may be apprehensive lest the committee has indulged in a degree of inflation of the estimates. If, however, they will take note of that self-balancing amount of £51,201 referred to in paragraph 3, they will realize that the figure of roughly £89,000 is reduced to a figure of some £38,000. That £51,000 self-balancing item deals with naval expenditure, and this increase is due to the fact that when the Draft Estimates were being prepared full details of the anticipated or estimated expenditure for 1941 in respect of naval activities were not available. That increase on the revenue side is offset by an equal sum on the expenditure side.

Turning to the estimates of revenue, I will refer only to the major increases.

Hon. members will see from paragraph 4 that, after very careful consideration of the customs estimates, the committee decided that it would not be wise in present circumstances to suggest any in-

[Mr. Rennie] crease there. They thought, however, as regards the excise estimates that it would be perfectly safe to suggest increases to the extent of £20,000 under the items enumerated in paragraph 5 of the report. That means an increase of £5,000 under the beer item, an increase of £10,000 under the sugar item, and an increase of £1,000 under the tea item, and an increase of £4,000 under the tobacco item, a total of £20,000. Apart from that increase the committee have recommended an increase of £5,000 under stamp duties and an increase of £2,000 under rent of lands, and an increase of £4,000 under head 12, land sales. The item referred to in paragraph 12 of the report is one that is to a large extent self-balancing. Hon. members will observe that item 33, War Department on Account of Special Police Guards, has been increased from £5,000 to £13,800. That increase of £8,800 has been offset to a very large extent by an increase under the expenditure item, and £2,000 has been added because, since the Draft Estimates were prepared, the military authorities have agreed to meet part of the cost of certain additional police guards. Under head 14 there appears a reference to that increase of £51,000 under naval expenditure to which I have already referred.

Turning to the expenditure estimates, there is the very large increase of £51,000 which I have mentioned before. Apart from that, the first large increase, to which I might invite attention is the increase under head 21A, Medical Department Extraordinary. That increase has been caused by the necessity for certain control measures which the committee were advised by the hon. Director of Medical Services should be taken against the possibility of the introduction of yellow fever into Kenya. Perhaps if I might expand what is said in paragraph 50 of the report by referring to a Press *communiqué* which will shortly be issued on this medical conference which was held recently on the subject of yellow fever, hon. members will appreciate the situation a little better. The *communiqué* states:

"During the past week there has been held in Nairobi a medical conference on yellow fever attended by

representatives of the health services of the Belgian Congo, the Anglo-Egyptian Sudan, the Union of South Africa, Northern Rhodesia, Nyasaland, Uganda, Tanganyika Territory, and Kenya, and of the military forces in East Africa, and by the Director of the Yellow Fever Research Institute, Entebbe, and the Secretary to the Conference of East African Governors. The Conference, which sat under the chairmanship of Brigadier A. J. Orenstein, C.M.G., was held under the auspices of the Conference of East African Governors at the request of the Government of Kenya to consider the questions of the co-ordination of international and inter-territorial arrangements in Eastern Africa for the control and prevention of yellow fever, and for measures for prevention of the disease in those territories which have hitherto been uninfected and for the intensification of measures already in operation. The occasion of the conference was the fact that early in November it was established that an outbreak of disease which had occurred in a remote area of the Sudan was one of yellow fever, while later in the month a fatal European case of the same disease was reported from an area in the Belgian Congo, some 45 miles south-west of Stanleyville. The Sudan outbreak was of some magnitude, over 15,000 cases having been reported with about 1,500 deaths, and occurred much further to the east of Africa than any previously reported outbreak. During the session of the Conference, all aspects of the situation were considered, definite conclusions were reached and unanimous recommendations were recorded. These recommendations will be submitted forthwith by the various delegates to their respective governments for consideration."

The recommendations which have been made by the Director of Medical Services, Kenya, cover an estimated expenditure of at least £13,000 in 1941, and the Standing Finance Committee, after going into the matter very carefully and very fully, decided that it was bound to recommend that the sum men-

[Mr. Rennie] tioned, £13,000, should be provided for those measures.

I pass on to the increase under head 33, Public Works Recurrent. As explained there, the surfacing of the Lumba-Kericho Road has deteriorated very badly in recent months, and this particular item was considered by the Central Roads and Traffic Board—that mythical body, to quote my hon. friend Dr. Wilson, which holds meetings with somewhat more frequent regularity than it used to do—and the board considered that a sum of £4,000 was urgently required for the work of reconditioning the road. While dealing with roads, I might pass on to the question of the Kericho-Jamji-Litein Road mentioned in paragraph 74 of the report. The condition of this road, too, was discussed at a recent meeting of the Central Roads and Traffic Board, and it was recommended that £9,000 should be provided in order that the road should be brought to a water-bound macadam standard. The Standing Finance Committee accepted both recommendations of the Central Roads and Traffic Board, and have recommended accordingly the provision of £4,000 under head 33, Public Works Recurrent, and £9,000 under head 40, Public Works Extraordinary.

Under head 42, item 5, there is a reference to the increase in police expenditure of £6,800, to which I have already referred. That increase is due to the fact that 250 additional men are required, the greater part of whom will be employed on military duties.

I now turn to the Information Office, and hon. members will see from paragraph 78 of the report that, after very careful consideration of the detailed estimates submitted, the committee found themselves in the position that, if the work of the Information Committee was to proceed on the lines suggested by the Information Officer and his various committees they could not see how that could be accomplished under the sum of £16,400 referred to in paragraph 78. This is an increase on the sum of £12,000 provided in the Draft Estimates but, as the hon. Financial Secretary made clear when he made his budget speech, that sum of £12,000 was

a token figure only. The committee, in dealing with this item, took full account of the various criticisms which had been made against the work of the Information Office, but held the view that, unless you were going to do away with the Information Office entirely, it was advisable to provide for expenditure to an extent which would allow that Office to work upon the lines suggested by the Information Officer and his advisory committees. After very careful consideration the Standing Finance Committee thought that this particular sum of £16,400 should be provided in order that the programme of the Information Office should be fully implemented during 1941, if hon. members wish to have details of how this sum is made up, I shall be only too happy to supply them in my reply or after this morning's session, whichever is more convenient to the hon. members concerned.

I have already referred to the increase in naval expenditure which occurs in paragraph 82 of the report.

I now turn to head 47A, Posts and Telegraphs Extraordinary. There the committee has recommended the provision of £8,000 for three channel carrier equipment between Nakuru and Nairobi, and £2,500 for special teleprinter equipment to bring the Mombasa-Nairobi service more up to date. The reason for the committee's recommendation is sufficiently explained, I think, in the report, and I need add nothing more, except to say that the committee felt itself in a rather happier position this year than it did last year, in that it is possible to provide for some capital expenditure on the Posts and Telegraphs in view of the fact that the Colony's revenue is sufficient to cover the proposed expenditure.

There is one small increase to which I think I should refer. In paragraph 29 reference is made to an increase of £100 in the figure of £2,480 which appears in the Draft Estimates, and the opportunity has been taken to make clear the point that the noble lord, the hon. Member for Rift Valley, raised in the debate, for Mr. Champion's salary and travelling expenses amount to £580.

In view of certain references in the course of the debate to the Standing

[Mr. Rennie] Board of Economic Development, the committee thought it advisable to recommend that the sum of £50 should be provided under head 24, Miscellaneous Services, to make it quite clear that this Board has not been abolished and to provide this small amount for any expenses which might be incurred.

Those are the main increases in the Expenditure Estimates, Sir. The decreases are small. Some of them, however, are of considerable importance, and I would refer first of all to paragraph 18 of the committee's report which deals with the proposal to amalgamate the Native Registration Section with the Labour Department.

The committee went into this matter very carefully, and came to the conclusion that the suggested amalgamation was well worth a trial at any rate. The basis of the economies which are likely to be effected is the introduction of the postcard system of labour returns which is referred to in paragraph 18 of the report. The disadvantages as well as the advantages of that system were very carefully examined by the committee and, in view of the fact that a large part of the saving of £2,540 referred to in paragraph 18 would be the result of the introduction of that system, the committee decided that they should recommend that that particular system should be introduced as soon as practicable. There is a further advantage in addition to economy in this proposed amalgamation. It will mean that some 55 clerks are freed for work with the military forces. The military authorities have made representations to the civil government about shortage of clerks at the present time, and when they were told that there was a possibility of this amalgamation and that they could have some 55 clerks as a result they expressed their appreciation.

A decrease of £2,000 is referred to under head 16a, Kenya Air Auxiliary Unit Extraordinary. This decrease from £6,000 to £4,000 is to indicate that the provision required has been found, after the Draft Estimates were framed, to be less than the original amount of £6,000 which had been estimated.

There is a decrease referred to in paragraph 52, head 22, Military:

"The committee noted, that this item could be reduced by £3,340, which was the amount provided under head 31, item 9, and represented the annual sum which is required for the repayment of the loan for strategic roads, and which the Secretary of State had decided could be deducted from the military contribution."

This decrease may not be altogether to the liking of the hon. Member for Uasin Gishu in view of the arguments he produced the other day, but it has been decided by the Secretary of State that these instalments may be deducted from the military contribution. That means in effect that the 25 per cent additional military contribution is considered by the Secretary of State to cover, *inter alia*, the sums required to repay the loan for strategic roads. I think my hon. friend on reflection will agree that this arrangement is not unreasonable in view of the fact that the loan money is spent on strategic roads.

There is one further decrease to which I would refer; that is a decrease on air raid precautions referred to in paragraph 77, item 7 of head 42. The committee were informed that the sum of £12,000 which is inserted in the Draft Estimates might be reduced by £4,000 in view of the fact that more precise details of the estimated expenditure had been received since the Draft Estimates were prepared. I should like to make it clear that this does not mean that the Standing Finance Committee were anxious to recommend any relaxation of air raid precaution measures or any decrease in the expenditure on them. I took the opportunity, while the committee was actually sitting, to consult the military authorities and air force authorities on this point, and the advice given to me was that no relaxation of our air raid precautions should be taken at the present time.

That, Sir, I think concludes my references to the various decreases in the estimates. In conclusion, I would merely take the opportunity of expressing my appreciation of the expeditious thoroughness with which the members of the committee set themselves to the task before them. I should like also to express appreciation of the work of the Government Press, not only in dealing

[Mr. Rennie] with this report at very short notice but also in dealing with the Draft Estimates which were presented to this Council a few weeks ago.

MR. HARRAGIN seconded.

MR. ISHER DASS: Your Excellency, I support the motion before Council, but I would like to make one or two observations with regard to Kisumu school. In the budget debate when this point was raised the hon. Financial Secretary kindly informed the Council that a sum available and left over from the Primary School, Nairobi, will be available, or some portion of it, for the construction of the Indian school at Kisumu. I should like once more to know that this work will be started in the next year and that no delay will be caused. I feel from the inquiries I have made that the hon. Financial Secretary accepts the position about this and that the work is being commenced in 1941.

In connexion with the police, when I referred to this matter, my suggestions have not met with the approval of the hon. Chief Secretary to setting up a committee of inquiry. I would therefore make a further suggestion: that either these Europeans in the upper subordinate grade should be asked to send a couple of representatives to place their case before the hon. Chief Secretary or, alternatively, to ask for the records of certain individuals whose names could be submitted to him confidentially. If he adopts one or other of these suggestions, I shall be very happy, and it will create a very good impression in these subordinate ranks. With reference to the question of sub-inspectors of the Asian staff, I am perfectly sure that the chart submitted by the hon. member Mr. Shamsud-Deen to the hon. Financial Secretary, will receive immediate consideration that that some action will be taken to remedy this injustice.

There is one unfortunate thing, and that is there is no reference to the Prisons Department. Hon. members on this side of Council will be surprised to know that the wardens in the Prisons Department have to work eleven and a half hours a day while the prisoners have to work only eight hours a day. This position is such, I think, to warrant

some kind of action, for I can see that it will not be very long in the near future before the wardens will make up their minds to change themselves into prisoners and let the prisoners be the wardens. (Laughter.) These wardens who are doing eleven and a half hours a day have no time even for a meal and while the prisoners enjoy their meals in the afternoons the poor wardens have to stand on duty with a gun on their shoulders. I sincerely hope that something will be done to relieve this situation.

There is one other thing I wish to refer to. I sincerely hope that the hon. Chief Secretary will give this Council an assurance that the impression given by the Commissioner for Income Tax in the Standing Finance Committee that it is the approved policy of this Government not to employ Indians in the Income Tax Department is not a correct one. When it was stated in Standing Finance Committee I was really surprised to hear that no Indians should be employed in the Income Tax Department.

MR. COOKE: Your Excellency, in the budget debate we had from the other side of Council the usual invective and rather cheap debating point and the inability to return a straight answer to an honest question. I myself was particularly unfortunate in that respect, because two rather important questions, or what I considered rather important, were not dealt with and the hon. gentlemen concerned resumed their seats before I could draw their attention to it.

If I may digress for a moment it would be interesting to have a definition of "sitting down" in this Council. I know, of course, in a physical sense it is the coming into contact of one's seat with the chair, but in a parliamentary sense it seems to me that the hon. member has not sat down until some other member has caught Your Excellency's eye. About a year ago I addressed an awkward question to the hon. Chief Native Commissioner and I was foiled, I tried to get an answer, but I was foiled because the hon. member sat down in the physical sense in what appeared to be in the middle of his speech and when I got to my feet Your Excellency's dis-

[Mr. Cooke] the distinguished predecessor, the hon. the Attorney General, ruled that it was not question time. My hon. friend tried the same move with the noble earl but this time he was foiled. . . .

HIS EXCELLENCY: I do not wish to interrupt the hon. member, but to which section of the Standing Finance Committee Report is he referring?

MR. COOKE: I want to get a ruling, Sir, on this question, because the questions that I have asked have not been answered.

HIS EXCELLENCY: The point is, that at the moment we are discussing the motion that the Standing Finance Committee Report be adopted, and it is clearly laid down in Standing Rules and Orders that that report is the subject of the debate. If there are any matters which are not recorded in that report that the hon. member thinks should be recorded then it is open to the hon. member, in advance, to table an amendment to that report to be debated and passed or negatived. To my knowledge no such amendment has been tabled this morning. I do not want to constrain him unduly but I really would ask him to deal with the matters that are referred to in this report.

MR. COOKE: The question I was leading up to ask Your Excellency was for permission to discuss for a moment an item in that report. I informed Your Excellency that I wished to digress for a moment and I assumed that I had Your Excellency's permission to do so, but as Your Excellency has called me to order I must obey Your Excellency's ruling. So I will go on at once to explain that on the administration side I am going to ask two questions, one of which will be destructive and the other I hope my hon. friend, the Chief Secretary, might call constructive.

Item 5—closer collection of the native hut and poll tax, where it states than an increase in revenue officers will considerably enhance the revenues. Well, I was under the impression that the taxation under these two columns was the maximum that could be obtained at the moment and I was under the impression that that was a decision arrived at by

the hon. Mr. Montgomery's committee some time ago. I cannot quite understand, in these circumstances, why these two revenue officers can extract any more money in the matter of native hut and poll tax. I know too, that my hon. friends, the provincial commissioners, are very conscientious officers and naturally would not take any more than they should and I think it would have been better to increase the travelling votes of the administrative officers so that they could travel round the settled areas and perhaps help in this way of getting in outstanding taxes.

I would like to congratulate the Government on bringing the salary of the post of District Commissioner, Mombasa—it is held by a junior officer—up to the maximum of that grade. At the present moment that officer is working extremely well and it will be an encouragement to other junior officers that this step has been taken.

In Tanganyika there are four stations which have this rule and I think it might be applied to three other stations in Kenya; it gives the younger men in the service the opportunity of getting a chance of promotion.

I have nothing further to say except to ask the hon. Financial Secretary to bring his great brain to bear on the post-war unemployment problem and also to give us an assurance that if this campaign suddenly ends, as I am well informed it may, the greatly increased war expenditure will be dealt with at once by the reduction of staffs and that some machinery will be put in motion by which we can save as soon as we reasonably and possibly can the present large sums that we are paying on account of the war.

LORD FRANCIS SCOTT: Sir, rising on a point of order, I suggest that we are out of order in debating this motion. The suspension of Standing Rules and Orders was not moved to enable this report to be debated.

HIS EXCELLENCY:—On a point of order, the noble lord is perfectly right. I understood from the hon. Chief Secretary that an arrangement had been come to with hon. members that the report should be debated to-day but, none the less, we should have formally recorded

[His Excellency] that arrangement in Council by the suspension of Standing Rules and Orders.

LORD FRANCIS SCOTT: Sir, I beg to move the suspension of Standing Rules and Orders.

MAJOR CAVENDISH-BENTINCK: Your Excellency, I second.

MR. COOKE: Your Excellency, would it be in order to start the proceedings all over again? I will promise not to digress this time. (Laughter.)

HIS EXCELLENCY: Fortunately, in a matter of this sort, I think we are away at liberty, with the general leave of Council, to adopt a particular procedure. I gather that it is the wish of hon. members that we should proceed with the debate as originally proposed but, since the noble lord has pointed out that the position should be regularized I formally put the question that Standing Rules and Orders be suspended to enable us to continue this debate this morning.

COL. GROGAN: Your Excellency, will it be in order for the hon. member to make another speech?

HIS EXCELLENCY: No, it will not.

COL. KIRKWOOD: Your Excellency, rising on a point of order under rule 43, paragraph (x), which I will explain. I spoke last on the 6th of the month and the hon. Attorney General's reply, as reported in the *East African Standard* on the 13th instant, contains there a rather ironical personal note, for I was accused of ingratitude. With your permission, Sir, I will read that paragraph and I hope in two minutes or three to bury the hatchet and get on with the business.

HIS EXCELLENCY: If the hon. and gallant member wishes to raise a point of order under this particular section he should have done so at the time of the debate and called my attention on that occasion and obtained a ruling from the chair. But now, I really cannot, in the course of a debate on another subject, discuss the question as to whether improper motives were imputed on a former occasion. I am afraid the hon. and gallant member has missed his opportunity.

COL. KIRKWOOD: Your Excellency, unfortunately when that statement was made I was conspicuous by my absence (laughter) and I did not have the opportunity.

HIS EXCELLENCY: In that case the chair can give no assistance.

MR. COOKE: Your Excellency, on a point of order, the permission of Council has not yet been obtained to the suspension of Standing Rules and Orders and I think my hon. friend is correct as the debate has not yet started.

HIS EXCELLENCY: The ruling from the chair is that the debate should continue and I called upon Col. Kirkwood to resume the debate under the impression that he was going to do so.

COL. KIRKWOOD: I understand I may proceed?

HIS EXCELLENCY: If you wish to raise a question on a point of order it should have been done before.

COL. KIRKWOOD: As I explained, I was not present.

HIS EXCELLENCY: I know. And as I also explained that is no excuse and I cannot help you. I must rule that this present debate shall continue.

MR. SHAMSUD-DEEN: Your Excellency, so many points of order have been raised this morning I should like a ruling from the chair. There has been a great deal of laxity in the strict order in the conduct of this Council compared with ten or twelve years ago. . . .

HIS EXCELLENCY: May I ask on what point of order the hon. member is rising?

MR. SHAMSUD-DEEN: As regards the procedure.

HIS EXCELLENCY: I have just ruled that the debate shall continue. (Hear, hear.)

MR. SHAMSUD-DEEN: I . . .

HIS EXCELLENCY: Will the hon. member kindly resume his seat. The debate will continue.

MR. NICOL: Your Excellency, I only rise as a member of the Standing Finance Committee to associate myself with the congratulations offered by the hon. Chief Secretary to the Printing Department, and also I should like to offer my congratulations to the Secre-

[Mr. Nicol] tary of the Standing Finance Committee for the very hard work he has put in.

MR. KASIM: Your Excellency, under the agricultural vote I see that extra provision has been made for more agricultural officers in the native reserves. In my view there is a moral obligation to increase the knowledge of the Africans in all matters of agriculture and I know that the hon. Director of Agriculture will allocate this figure in the best way possible.

On page 4, Item 42, paragraph 32, Grants-in-aid to Schools there has been a reduction of £500. I hope, Sir, that the hon. Director of Education will sanction grants-in-aid to those eligible aided Indian schools.

On page 10, Paragraph 89, under Posts and Telegraphs Extraordinary I am glad to see that sanction has been given for the provision of £8,000 to enable the necessary additional equipment to be purchased and installed with regard to the telephone route between Nairobi and Nakuru. As a matter of fact the telephone line between Kisumu and Nairobi remains so busy that it requires hours to get a Nairobi call through from Kisumu.

I support the motion.

MR. HOSKING: Your Excellency, I should like to deal with the point raised by the hon. Member for the Coast, as to why the figure for hut tax remains at the same figure in spite of the considerable reduction inevitable owing to the number of natives serving with the Forces, and why the appointment of revenue officers is necessary to see that the figure is maintained even though the saturation point appears to have been reached. There will be more money circulating in the native reserves in the coming year than I think has happened before, owing to the number receiving good wages in the army and the amount of production by natives, thus contributing to the Colony—

MR. COOKE: Before the hon. member sits down, that is not quite the point I raised.

HIS EXCELLENCY: You are rising on a point of explanation?

MR. COOKE: Yes, Sir, in order to get a reply to my question as to why it is necessary to have an additional revenue officer, because I cannot see how you can collect more revenue if the saturation point was reached last year according to the hon. member Mr. Montgomery. I forget how much it was, but I think these figures were reached, and you cannot get more money this year.

MR. HOSKING: I was pointing out that there was more money circulating in the reserves than ever before, and another reason was that the native was cashing in on his capital owing to the fact that a vast number of cattle was being commandeered and there was thus more money available and it would not be necessary in so many cases to make remissions of the tax which we have to make in the years when there is not so much money available. The hon. member is aware that district commissioners may remit the tax *in toto* or reduce it to the capacity of the native to pay. The capacity to pay will be greater, and it is anticipated that collections will be maintained at their former level. The additional revenue officer is to see that there are no scrimshankers and that the tax is paid in full by all who should and to the amount of the capacity to pay by those not able to pay the full tax. I trust hon. members will be satisfied with this explanation.

CAPT. GHERSIE: Your Excellency, in discussing these estimates I presume that we are discussing matters which arose in the debate on the budget though they may not be reflected in the report of the Standing Finance Committee? because I must be allowed to endorse some of the remarks made by previous speakers, that answers are sometimes misleading. There was a typical case this morning, on the subject of grass fires, when I asked if it was Government's intention to introduce legislation, and it was not answered. There have been numerous questions brought up in debate which have not been answered.

HIS EXCELLENCY: I must make it clear to the hon. member that under the Standing Orders approved by this Council this debate is confined to items in this

[His Excellency] report, but that it was competent for hon. members under Standing Orders if, after reading the report, they found any point to which they wanted to draw special attention to have moved an amendment or amendments to the form of the report, concerning which due notice has to be given. Such amendments can then be properly debated. No such amendments have been tabled, and therefore, while I again say that I do not want on a budget debate to restrict discussion, I must ask the hon. member to limit any remarks he has to make to the different items in this report.

CAPT. GHERSIE: Then I am afraid I must sit down, because the point I raised in the budget debate has remained unanswered here, and though I would like to challenge it again I will on your ruling sit down.

MR. COOKE: On a point of order, there has been so much irregularity would it not be possible to suspend Standing Orders regarding notice of amendments because we all want to get away tomorrow at the latest—and bring these points up then?

HIS EXCELLENCY: If no other hon. member wishes to speak I will put the motion.

MR. SHAMSUD-DEEN: Your Excellency, on a point of order again it is not clear whether a member, having raised a point in the general debate and it has not been answered, it is relevant for him to ask about that point which has been ignored and does not appear in this report.

HIS EXCELLENCY: The question is whether or not the point the hon. member refers to is incorporated in the report. If it is not, he should have given notice of an amendment so as to enable him to ask for information on that particular subject.

MR. SHAMSUD-DEEN: A member has a right to ask why certain points in the general debate have not been answered.

HIS EXCELLENCY: I have no objection to your drawing attention to omissions in the report on particular points on which you desire information.

DR. WILSON: Not on a point of order but in support of the motion before Council, I want to refer to two remarks made by hon. Indian members. One was with regard to the prison wardens and their hours of work. The Standing Finance Committee was completely aware of the unfortunate state of affairs, and only a very considerable increase in the prison vote, which was considered difficult at the present time, prevented a remedy being found. The other point concerned extra agricultural officers in Nyanza Province. I think the answer is that under war conditions it is impossible to get on with that at the moment. I mention these two points for fear it should be considered that the members representing native interests in this Council let those two questions go by default.

MR. SHAMSUD-DEEN: Your Excellency, I want to refer to paragraph 91, where it is stated:

"The hon. Shamsud-Deen gave evidence before the Committee on various points connected with the Police estimates."

I really want to straighten out what I said just now, that that does not convey anything to the Council at all. I want to know whether anything was done and what Government proposes to do; the report is silent on the point. I submit that I am perfectly justified in asking for an explanation of what the committee has done or what it proposes to do.

HIS EXCELLENCY: If no other hon. member wishes to speak I will call on the hon. member to reply.

MR. RENNIE: Your Excellency, there are only a few points to which I need refer.

As regards the speech of the hon. member Mr. Isher Dass, he referred again to the question of European N.C.O.'s in the Police Force. If I understood him aright, he suggested that I should ask them to send either representatives or representations to me. I think it is hardly necessary for me to adopt that course. Any member of the public service is aware, or should be, that at all times he is at liberty to make representations either to the Chief Secretary

[Mr. Rennie] or to the Governor or to the Secretary of State. As regards his second point, that I should call for a record of names of individuals, I am not quite clear what would be the object in my calling for a record of those individuals, but if the hon. member would see me afterwards and explain exactly what he has in mind, I should be very happy to do anything I can to relieve his mind of any anxiety that may exist there at the present time.

The question of the warders of the Prison Department has already been dealt with.

I am not in a position at the present time, not having looked up the papers, to state whether any definite policy has been laid down as regards the employment of Indians in the Income Tax Department. I, however, promise the hon. member that I will take an early opportunity of looking into the matter, and I hope the Secretariat papers have not been destroyed by the fire.

The only other remarks to which I need refer are those of the hon. member Mr. Shamsud-Deen. He has taken exception to the wording of paragraph 91 of the report, but, if I remember aright, I think it was made perfectly clear to him when he gave evidence before the committee that the committee was not prepared to accept various suggestions he put forward in respect of the Police estimates, and it was pointed out to him that, partly as a result of his representations before the Standing Finance Committee in 1939, certain improvements were made as regards the prospects of promotion for certain members of the Police Force.

The question was put and carried.

"NO TREATING" REGULATIONS

MAJOR CAVENDISH-BENTINCK: Your Excellency, I beg to move the motion which appears on the order paper as follows:—

"Be it resolved that paragraph 6 (2) of the Defence Regulations commonly known as the "No Treating" Order, be deleted, and that there be submitted therefor a clause making the aiding and abetting of offences and/or gross negligence in restraining offences under the Order, an offence cogniz-

able to the police on the part of the occupier of any licensed premises or, in the case of a club, the secretary or manager of such club, or in the case of a mess or canteen, the officer in charge of such mess or canteen, or in the case of the Expeditionary Force (Institute, the person in charge of such institution."

In doing so I would point out that I am in fact deputizing for my deputy, who was responsible for placing this motion on the order paper in the first instance. I would also like to add that I understand that this motion has been tabled at the request of Elected Members and also at the request of a number of interested parties such as the Hotel Keepers' Association and other people who are particularly affected by the Defence Regulation to which it refers.

If one reads paragraph 6 of Government Notice No. 1042 it will be seen that the liability for any offence committed in regard to "treating" rests on the occupier or the secretary or the owner of any premises on which the offence may take place. While realizing that it is important that one should be able to pin the responsibility on some individual, one cannot help pointing out that it may, in some cases, be very unfair to prosecute a person for an offence committed on his premises although he had taken every possible precaution to prevent such an offence occurring. We cannot compare offences under the regulation forbidding "treating" to, for instance, offences in respect of hours of selling intoxicating liquor. It is fairly easy to lock up a bar or a store and thus prevent the sale of liquor, but it is very difficult in existing circumstances in this country while relying largely on untrained native boys to successfully prevent offences under this Regulation.

I think that all that is required is some assurance from Government that, although under section 6 of this Regulation very stringent powers are taken, these powers would not be used harshly, and only in flagrant cases will prosecutions take place. If one really considers a regulation of this kind, one has got to admit that it is only by the goodwill of the public that a measure of this kind can be fully implemented. If

[Major Cavendish-Bentinck] Government can see their way to satisfy us on this point I think we shall be quite content.

I would just add that we are all in complete agreement with the principle of the Regulation, but we just want to be assured that no hardships will be involved upon innocent persons who become unavoidably involved in an offence through no fault of their own, and perhaps owing to the number of persons collected in their establishment whom at the time it was not possible to control.

MR. NICOL seconded.

MR. COOKE: Your Excellency, I regret that I must oppose this motion. When I first read the terms of that motion I wondered what arguments would possibly be put forward in favour of it, and I do not think the hon. mover has been able to put forward any argument that would convince even the most rabid licensed victualler! I am surprised at my colleagues for supporting this motion. If it is passed it will mean that we are driving a coach and four right through the whole regulation and tearing the whole heart out of it.

When one considers the difficulty put in front of a magistrate if he has to be satisfied that the occupier, or the owner of the premises, has any knowledge of the offence, he will be put in an impossible position. I know that there are very respectable and long-established hotels who will probably play the game, but there are a good many other licensed premises which have sprung up and of which the owner would keep discreetly in the background while treating was going on.

I do not know whether the hon. mover would apply that principle in other directions in this country. For instance, with regard to prices particularly, if he would make obligatory on the owner of a shop to have proved against him that he knew that his assistants were selling goods at above the established price, it would be an extremely difficult thing to administer that regulation at all. And that is the reason why I oppose the motion.

MR. SHAMSUD-DEEN: Your Excellency, I would be inclined to support

the motion, but before I do that I should like to make a few remarks. The fact that this motion has been allowed to be tabled by Government goes to show that this Council has still got some powers left to make observations as regards the rules contained in the Defence Regulations under which this particular law has been passed. Evidently, the Defence Regulations are meant to deal with cases of emergency, but in a case like this, it should really and properly have come before this Council because it refers to the liquor laws of this country and one fails to see any desperate hurry or emergency why these should have been passed under the Defence Regulations.

I think it needs some sort of clear declaration on the point as to what is the proper step—whether it should be dealt with under Defence Regulations when it takes away the privileges of this Council; and as to what is not proper to be dealt with under these Regulations and should therefore come before this Council in the ordinary way. If the Regulations are so framed and the powers given to the Governor are so arbitrarily passed by rules then I am wasting the time of this Council in dealing with these Regulations.

MR. HARRAGIN: Your Excellency, as the hon. mover has made it quite clear, these Regulations as a whole receive the support of both sides of Council and the only discussion is a small legal one regarding sub-clause (2). I hope to explain very shortly the reasons why this offending clause occurs in the Regulations, but before I do so, I would like to deal with the point raised by the hon. member, Mr. Shamsud-Deen. I may say at once that it is entirely in the discretion of Your Excellency as to whether you consider under the conditions that exist at the present the law should be made by regulation or by way of an ordinance for the efficient prosecution of the war.

I may say in passing that not only have similar regulations been enacted in other Colonies during the present war, but during the last war, as hon. members are aware, they were enacted in England under D.O.R.A. I mention that because the powers given to the ministers under

[Mr. Harragin]

D.O.R.A. are similar to the powers given to Your Excellency under the law here.

I must admit that at first sight there is much reasonableness in the motion tabled by the hon. mover. It would appear to be hard that a person who might be quite unaware that an offence was being committed on his premises should be arraigned before a court of law and convicted, but unfortunately, the history of this type of legislation which has been enacted for many years has been that to allow the principal to escape on a plea of ignorance is, as the hon. Member for the Coast has pointed out, going to ride a horse and cart through the Regulation, but I can assure the hon. mover that should it remain I will endeavour to see that no case of hardship will be brought into a court of law with my consent.

But to proceed with the reason why the Regulation is worded as it is. You must ask yourself one question and that is, who gains by the infringement of this Regulation apart from the person who gets a drink paid for by his friend? The person who actually gains financially by it is the licensee. I must presume that the reason why the Regulation was passed was a genuine endeavour to reduce excessive drinking on licensed premises, and therefore, if you reduce the amount of drinking you reduce the amount of profit to the licensee. So that if you repeal this Regulation you will be preventing the one person who gains financially over the breach of the Regulation from being prosecuted.

I mentioned a moment ago that in the past it has been found necessary to include in the law similar provisions, but I only want to quote three examples—I could quote many more. I quote these because they appear to be very relevant to this particular issue.

In the Defence Regulations, 1939, which were passed in England and reissued here under Regulation 93 (2) the following words occur:—

"Any employer who employs in his shop, store or other place of business any agent, clerk, servant or other person shall be answerable for the acts or omissions of such agent," etc. And later on it says:—

"It shall not be a defence that the agent, clerk, servant or other person acted without the authority of the employer, or was not acting in the capacity of agent, clerk, servant or other person employed."

So we find that the draftsman and the legislature in England considered it necessary to insert a similar clause dealing with similar types of offence.

Again, in the 1934 Liquor Ordinance to which the hon. mover made reference when he said that usually a man could see that his licensed premises were closed at whatever the closing hour was, he appeared to suggest that there was some difference between a man being responsible for a clerk closing his shop at the proper time though he was not responsible if the clerk took the money from the wrong person. Why? Cases have occurred under the Liquor Law where the owner of licensed premises has been convicted because his shop was open after hours although it was perfectly clear that he himself had not authorized it. Nevertheless no one has ever suggested that section 54 (a) should be repealed, which reads as follows:—

"Any holder of a licence under this Ordinance who employs, on the premises in respect of which the licence has been issued, any person in connexion with the sale of liquor, shall be answerable for the acts and omissions of such employee . . ."

Then again, to turn to the Trades Licensing Ordinance, 1936, where there occurs in section 24 (2) the following words:—

"The licensee shall not be allowed to plead as a bar to the proceedings taken against him that any such agent, clerk or other person who may have committed such offence did so without his authority, or was not acting in the capacity of an agent, clerk or other person employed."

I think the hon. mover will agree that there is ample precedent for the law as it stands at present and I do ask him to consider what the position would be if we were able to accept his motion. If we accepted it you can take it from me, as a matter of fact the hon. Member for the Coast has already pointed

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it out, we would never get a conviction at all.

I know the hon. mover in the motion agrees that in the event of gross negligence the licensee should be responsible, but how, except in the most exceptional cases, can you prove that the licensee is negligent? I can assure you we intended deliberately to put the obligation on the licensee who alone improves his finances by the infringement of this law, even to the necessity of providing, if necessary, "shop walkers" to see that an offence is not committed. In point of fact the hon. mover knows that if the licensee can show in a court of law that he had, in fact, taken such a precaution, although there might be a technical offence, the magistrate would do no more than reprimand and discharge him.

I think it would be a mistake at this early stage to think of amending the Regulation. I believe the public will—and after all it is the public whom we depend upon to carry out this Regulation, for it would be ridiculous to say that we should have hundreds of police running round to see whether X and Y are treating each other to a drink—if the public play the game there should be no occasion for a case to be called before a court at all. I repeat, it would be unwise at this juncture to amend the Regulation and to make the only people responsible, as the management would have us do, the unfortunate native boy who is doing merely what he is told, and the person standing the drink.

I can only give my personal assurance that no case involving hardship on a licensee will be brought without being thoroughly investigated first by myself.

COL. KIRKWOOD: Your Excellency, I agree with the hon. mover and I cannot follow the arguments of the hon. Attorney General. If you look at Government Notice No. 1041, on page 865 of these Rules that we are discussing, paragraph 5 (1) states:—

"Where any person convicted of an offence against these Regulations is a body corporate, every person who at the time of the commission of the offence, was a director or officer of the body corporate shall be deemed to be guilty of that offence unless he

proves that the offence was committed without his knowledge, or that he exercised all due diligence to prevent the commission of the offence."

Paragraph 5 (2) then goes on, I do not intend to weary Council, to deal with the occupiers of licensed premises, clubs and canteens, etc., but it does not contain the proviso in the last two lines of paragraph (1). Where is the equity and justice in applying that to members of a body corporate but not applying it to licence holders in this country in canteens, clubs, etc.? And (b) is liable to a very much heavier penalty notwithstanding that he has taken all the necessary precautions of posting up notices and instructing his servants and issuing orders about penalties. And if a licensee holder suffers the penalty of losing his licence the value of his property deteriorates probably by 60 or 70 per cent. I cannot see the equity and justice of 5 (1) and (2).

If we turn again to Government Notice No. 1042 on page 867 you get a repetition of the same thing in paragraph 6 (1):—

"Where any person convicted of an offence against any of these Regulations is a body corporate, every person who, at the time of the commission of the offence, was a director or officer of the body corporate shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge, or that he exercised all due diligence to prevent the commission of the offence."

Now, in 6 (2) again, it does not contain that last proviso. I maintain that in equity and justice that proviso should also be put into clause 6 (2) of this Notice No. 1042 and it should be put into 5 (2) of Government Notice No. 1041. Why should there be this divergence between the members of a body corporate and other people who are responsible under these Regulations?

MAJOR CAVENDISH-BENTINCK: Your Excellency, I must say that I was to some extent impressed by the arguments of the hon. Attorney General, but I must point out that there is a vast difference between making a man responsible for his clerks, employees, etc.,

[Major Cavendish-Bentinek] in the case of offences which are committed by him, or them, that is to say, by selling goods at wrong prices or at wrong times, and controlling the public and offences committed by the public—that is whether they are standing each other a drink or paying for their own share of the drinks. And that is why, appreciating the difference between controlling the public and controlling your own employees, some of us felt that a certain latitude was necessary in enforcing regulations of this kind to avoid hardship.

But we have now been given a definite assurance by the hon. Attorney General that he will personally see to it that as far as is humanly possible no such hardship will take place and, that being so, with the leave of Council I should like to withdraw this motion.

The motion was by leave of Council withdrawn.

SHOPS IN RURAL AREAS ORDINANCES, 1933 AND 1938

MR. PATEL: Your Excellency, I beg to move:—

"Be it resolved, that the Shops in Rural Areas Ordinance, 1933, and the Shops in Rural Areas (Amendment) Ordinance, 1938, be repealed or be so amended as to abolish the powers and authority vested thereby in the District Councils of the Colony."

I am obliged to move this motion with a view to pointing out to this Council and Government that certain resolutions passed and certain steps taken by various district councils during the years 1939 and 1940 are, in the opinion of the Indian community, unfair to the Indian traders who have been trading in the districts for many years past, are unnecessary and, if I may say so, inconsistent with the avowed objects of those two ordinances. These resolutions and the steps taken are, in some cases, against the provisions of the law and are definitely racial in character.

Whatever may be said or alleged by our opponents every reasonable person knows and recognizes that certain Indian traders were, during the last quarter of a century, invited or encouraged to go and start trading on farms, and that was done for the convenience

of the European farmers and their labour working on those farms. If those traders had belonged to the European race they would have been allowed to continue the shops on farms and their case would have been considered on the basis of existing rights and past practice, and they would not have been asked to close their businesses when their use was over, and would not have been treated as intruders as has been done now. Even if there had been any change of policy on the part of Government necessitating the closing of these shops by these traders, I am quite certain that public discussions would have taken place to consider whether there were moral, equitable, or legal obligations to compensate those traders or not. Unfortunately these are Indian traders, and those considerations are precluded.

When the 1933 ordinance was passed, it was passed in pursuance of the report of a select committee which was appointed in 1932. The avowed objects at that time were to legalize the change of user of agricultural land involved and to control the number of shops on farms. I will read a quotation from that committee's report, which was quoted by the hon. Commissioner for Local Government in 1938 (Col. 213, Vol. IV, Second Series, Hansard):—

"In the view of the committee public interests would be prejudiced by a total prohibition of shops on farms, but control should be exercised. The number of shops should be controlled by the local authority; the buildings should conform to public health requirements; and power should be retained to close down any shop in which malpractices occurred. Under existing enactments it appeared that there is no effective control of shops on freehold land. It seemed preferable therefore that this question of shops on farms should be dealt with by *ad hoc* legislation applicable to all shops wherever situated outside townships or trading centres. For this purpose, a bill is appended hereto in the form adopted by the committee."

At that time it was clearly stated that it was to control the shops and also to bring those on freehold land under con-

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trol, because before that, under the Crown Lands Ordinance, Government was able to control shops on leasehold land but not on freehold land. At no stage was it mentioned that the object of the bill was to make discrimination against the Indian traders trading there. The avowed object at the time was that a number of shops on farms should be controlled. In 1938, the avowed object, as disclosed in the various speeches made by official members as well as unofficials was to prevent competition by those shops on farms with those shops in townships and trading centres, because it was stated that the merchants in the townships and trading centres had invested money and were incurring greater expenses, and it was considered necessary to prevent competition with them. We were even told at the time that it was chiefly to safeguard the interests of the Indian traders in the townships and trading centres that control was to be enforced, but it was not mentioned at any stage that the object was to eliminate the Indian traders on farms and to make a racial discrimination in the issue of licences.

At that time, in 1938, during the course of the debate, the hon. member Mr. Pandya expressed certain fears, and I will quote from his own speech (Col. 225, Vol. IV, Second Series):—

"I do not think it fair to hide one important factor, that in view of the feelings of the hon. European members in regard to their safeguard in the White Highlands we are honestly afraid that these small things introduced in this manner are going to lead to a very unjustifiable and unfair exclusion of Indian people from those trades and vocations in which they are engaged in the Highlands. That fear is well founded from the way in which these various issues are handled, and this appears to be the beginning of things which, if passed, would lead to very great disaster from the point of view of Indian interests."

The hon. member, when he expressed those fears, was told in reply from both sides of Council, official as well as by the unofficial European side, that those fears were unfounded. I shall only quote

two extracts from those replies. The hon. Member for Uasin Gishu at the time said (col. 229):—

"Your Excellency, in supporting the motion, I view the proposed legislation as a measure to endeavour to protect legitimate traders in township areas from possible unfair competition outside township areas. I submit that if statistics were available we should find that, in most of the up-country townships, Indian traders are very much in the majority, and this measure, therefore, is as much for their protection as anybody else. There can thus be no question of racialism underlying the intention of this Bill."

And that is why he supported it. The then Chief Secretary, in column 230, said:—

"Your Excellency, I cannot help thinking that the hon. Indian members are a little unduly suspicious of this measure. I cannot help feeling that they think it is in some way or other aimed at the Indian community, or at least that part of the Indian community which is concerned with trading. I listened very carefully, but I could find no real reason or justification for these suspicions. In fact, I believe the hon. Member for Trans Nzoia was entirely right when he says this bill will be in the interests of those legitimate Indian traders who will, in fact, be protected to some extent by this amendment."

That is what we were told in the year 1938. I will give presently resolutions and steps taken by district councils under these ordinances which have fully proved the truth of the fears expressed by the hon. member Mr. Pandya and have shown that the assurances given to us have proved absolutely wrong. I shall first take the various resolutions passed by Nairobi District Council under the two ordinances. The first one passed in 1939 was:—

"That section 3 of the Shops in Rural Areas Ordinance, 1933, amended by section 2 of the amending Ordinance No. XLIV of 1938 should be enforced throughout the Nairobi District Council area."

This was to come into force in January, 1940.

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In March, 1940, this was passed:—

"That this Council considers that owing to unforeseen circumstances having arisen, it is advisable that the operation of section 3 (2) (a) and (b) of the amending ordinance Shops in Rural Areas No. 44 of 1938 should be suspended until January 1st, 1941."

Later, in August, 1940, they passed this:—

"(1) That licences be issued subject to section 3 (a) as provided in section 4 of this resolution, but not subject to section 3 (b) of the ordinance.

(2) That all applications for new shops shall be considered by a sub-committee consisting of the chairman of the Standing Committee, the local District Commissioner and the local ward member.

(3) That the renewal of the licences of all existing approved shops shall be subject to review annually by the above-mentioned sub-committee.

(4) That the applicant and the trader shall both sign the following certificate, in addition to the usual application for a licence."

This resolution said that a certificate must be signed by the Indian trader before a licence could be granted for a shop on a farm, and this is the certificate:—

"We, the undersigned, certify that—

(a) this shop (building) is the sole property of the applicant "or alternatively, we agree that the applicant shall acquire this shop (building) as his sole property within twelve months from this date.

(b) the value of the said shop (building) is Sh.

(c) the monthly rent is Sh.

(Sgd.) Applicant

Trader

Date

*Strike out whichever clause is unnecessary."

I may here mention that in 1939 there were 85 Indian traders who were granted licences under this ordinance and who also held trading licences, while there were 154 Europeans who were granted licences under this ordinance, but in most of these cases trading licences were

held by Indian traders who stocked their own goods and traded in their own names. Out of those 85 Indian traders most of them had to put up their own buildings because they had been allowed to trade for many years there, and what this certificate required was that the Indian trader must sell the building within one year. That was the certificate which he must sign. I know from my own knowledge that when they were asked to sign this certificate, the price of the building was, in some cases, put at much below the price it would have realized if they had not been compelled to sign the certificate. In fact, I know of instances where, if the owner had dismantled the building and sold the materials he would have realized more than he got by selling it to the European farmer within the year.

I would at the same time read an extract from the minutes of the Thika Committee. When Nairobi District Council passed its various resolutions aiming to eliminate the Indian traders from the farms where they had established themselves, the Thika Committee expressed its opinion thus—and I am reading an extract from the minutes of that committee:—

"The chairman explained that the special meeting had been called for the purpose of a further discussion of granting licences to stores on farms, referring to the 31st of March, 1940, being the final date. He said the matter had come to a head without anyone realizing it and that there had been no clear explanation of trading centres, the alternative measure. This had been the outcome of the question of the White Highlands. The chairman asked the District Commissioner, Thika, if the measure had become law and he replied in the affirmative."

The district committee wanted to know if it had become law!

"After a discussion the District Commissioner, Thika, asked if anything had been done *re* trading centres. The acting clerk replied quoting a letter from the Commissioner of Lands and Settlement *re* the trading centre at Ngong which he had received the previous day. After a further lengthy discussion it was

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unanimously decided that the subject of trading centres be pressed and, if possible, delay the laws *re* dukas in the meantime."

the farmers themselves were unwilling to enforce the law passed in 1933 and 1938; even in 1940 they wanted to delay it—

"possibly for the duration of the war owing to the great hardship both to the natives and the Europeans. The chairman suggested, and it was unanimously agreed that a sub-committee be formed to approach the Commissioner of Lands and Settlement with a list of questions to be drawn up in connexion with trading centres."

In a letter to Government containing these extracts, the District Commissioner says:—

"I understand that it was decided to recommend that present rights and past practice should continue to be observed pending the settlement of the question of the provision of additional trading centres."

Obviously it appears that the farmers themselves in the Thika district wanted to continue the existing practice until there were some more trading centres. The District Commissioner added:—

"The recommendations of the Thika Committee will require the confirmation of the Nairobi District Council, of which the General Purposes and Finance Committee meets next on 15th March."

I understand Nairobi District Council did not view with favour the recommendations of the Thika Committee, and they have enforced the law, and the Indian traders have been obliged to sign these certificates agreeing to transfer their properties within the year. They have not even given consideration to the suggestions to delay the matter during the duration of the war.

There are other committees and councils who have passed similar resolutions enforcing the two conditions, that the applicant should be a European farmer and that a European farmer should own the building, and that he could not sublet. Anyone with common sense can see what will be the outcome of these resolutions on the part of the

various district councils. That will completely eliminate the Indian trader from the farm shops.

As far as the ordinances are concerned, I have carefully read them, and I do not find any section or anything in the forms published in 1939 Regulations to suggest that the applicant must be a European farmer. As far as I can see, any person can be an applicant, and the licensing officer may grant a licence or he may not, but he cannot do so without the consent of the district council under the amending law. But now, the effect of the various resolutions passed by district councils is that the applicant must be a European farmer. In 1939, after the amending law was passed in 1938, 85 Indian traders on farms held licences under these ordinances. If an Indian trader was not competent to make an application before the resolutions of the district councils were passed, how could there be 85 Indian traders in 1939?

There is nothing in the ordinances to suggest that the European farmer himself must apply and not the Indian trader, but in view of these resolutions the latter is debarred from applying for a licence. As I stated, in some cases he has invested a fairly good part of his capital in putting up a building, and now he is obliged to sell at whatever price he can get for it. It is very kind of Nairobi District Council that they have not yet imposed, as one of the conditions, that a European farmer cannot sublet so that the Indian trader is not at present obliged to leave his shop. But, from the tone of the resolutions passed, it is quite clear that at any moment they will enforce that condition also, and the Indian trader will have to move all his stock from the shop at a moment's notice, ruining a business for which they had been given encouragement to establish for many years.

I will not go through all the resolutions of the district councils, but there are one or two interesting ones. Naivasha District Council has resolved: "That all shops on farms must be considered as owned by the farm owners."

Whether owned by the Indian or not, by this resolution the shop must be con-

[Mr. Patel] sidered as owned by the European farmer. There is no question of buying as with other districts, and subletting is only allowed with the consent of the council. From the notes I have it appears that at Kitale the district council went beyond the powers given under the ordinances and tried to pass resolutions which the council was not competent to pass. That is the use made of the ordinances by the various district councils of this country.

As I have already stated, under the ordinances—it was not necessary to do these things, and I maintain that these ordinances did not make any racial distinctions, and it was not intended to make any. On the contrary, we were assured there was none and none was intended, and still arbitrarily Indian traders are now asked to sell their shops.

I would also draw the attention of hon. members to page 155 of the 1939 Regulations and the type of the renewal form: there is nothing there to suggest that an Indian trader who has held a licence under the ordinance cannot get it renewed, but these district councils have passed resolutions contrary to the spirit of the ordinances and also the assurances which have been given to us. Further, when the district councils passed their resolutions, they overlooked section 33 of the principal ordinance as amended by the 1938 ordinance when provision was made that any applicant can appeal to the provincial commissioner against the decision of the licensing officer made with the consent of the district council. If district councils by providing certain forms are going to compel Indian traders to sell their buildings and say that European farmers must be the only applicants and that they cannot sublet them, what is the use of the Indian trader appealing? It would be a farce for him to appeal to the provincial commissioner in view of the resolutions which have been passed.

Sir, in April, 1939, in this Council, I moved a motion on the Kenya Highlands Order in Council. I then suggested that what was intended to be done by the Shops in Rural Areas Ordinances was to extend the administrative practice

in regard to the Highlands, and I would quote my own words at that time:—

"It is very clear that the Indians were so far allowed to keep their shops on Highland farms, but now for the first time there are Europeans who argue that these shops should not be allowed because of the White Highlands."

And some members on the unofficial side were indignant at my suggestion. Now the Thika Committee suggest that the whole thing has arisen on account of the White Highlands, the sacred Highlands where Indians cannot go.

"The right which Indians have so far enjoyed of having shops on farms will be denied them, and the giving of a licence or the renewal of a licence for these shops will be in the hands of the district council, which consists only of interested parties. That is clearly not the existing practice."

When I referred to extending the administrative practice at that time, it was in regard to the administrative practice concerning agricultural land, and I was then rebuked by the hon. Member for Nairobi North for making this suggestion, and he said:—

"The hon. mover—I have only one or two things more to refer to—said that as an instance of the inequality of the treatment that was accorded to the people he represents, Indians are no longer allowed, or every attempt is going to be made to prevent them, from having shops on farms and shops in the Highlands. Particularly I mention this because down in Mombasa the other day, I had a talk with several Indian and European friends who assured me that there was a whole number of unfortunate tradesmen who were being turned out of the Highlands and turned out of their shops. Well, of course, I said: 'Can you quote me a single accredited instance?' 'Oh, yes,' was the reply, 'it will take a little bit of looking up, of course, but we will send them to you.' Well, I have not had a single one yet!"

"And really, more than anything else, it was at the request of the Indian trading community themselves that this question was brought up because

[Mr. Patel] they found that about three miles outside townships shops were being set up which cut into legitimate trade. And that has nothing whatever to do with the racial question. The whole thing has been introduced for the proper control of trading centres and to prevent people competing unfairly and unduly by shops on farms."

If that was the only object, to prevent these shops on farms competing with the traders in the townships and trading centres, it was not necessary for district councils to pass these resolutions. They could have invited applications and granted licences where necessary to maintain shops on farms for the convenience of the European farmers and their labour. It was not necessary to resolve that only European farmers could apply for licences, it was not necessary to resolve that an Indian could not own the building or the shop, it was not necessary to resolve that a shop could not be sublet to an Indian. I again repeat that these resolutions of the district councils and the steps taken by those councils are unfair to Indian traders and are against the avowed objects of the two ordinances, and they are definitely racial in aim. I submit also that the district councils have misused the provisions of the ordinances for the purpose of eliminating Indian traders from the shops, even in districts where European farmers themselves are not willing to enforce such a policy.

It is very unfortunate that even during these times the Europeans concerned are not prepared to suspend their activities on racial lines. Although greatly offended by the Order in Council last year, we immediately suspended our activities against it on the declaration of war. I may say that at that time we were fortunate in attracting sympathy and support from unusual quarters, but we still thought this was not the time to give prominence to domestic troubles and internal differences during the emergency, but we regret to state that our European friends even during war time are not prepared to suspend such activities even when European farmers at Thika have suggested that during war time no steps shall be taken. It clearly demonstrates

the attitude of European members on the district councils, and it also demonstrates how far we can trust the elected representatives of the European community in this country.

I have moved to-day that these ordinances be repealed or the powers given to district councils be abolished. Otherwise this racial tendency shown by those councils will not stop there. At the same time, as suggested by the Thika Committee, I submit that, if Government is not able to see eye to eye with me, more trading centres be declared in the highlands, as many as possible, and abolish the shops on farms and declare trading centres where trading licences can be given, instead of on the farms. That will remove all the trouble that has been going on for the last decade, by stopping all shops on farms and opening trading centres where Indian traders can obtain licences to trade, can freely own land and buildings and carry on their business without any restrictions.

MR. ISHER DASS seconded.

MR. WRIGHT: Your Excellency, I beg to move that the question be now put.

LADY SIDNEY FARRAR seconded. The question was put and negatived.

LORD FRANCIS SCOTT: Sir, I have no intention of boring Council with a long racial speech such as we have just listened to, but I would like to say, on behalf of the European Elected Members, whom I speak for, that we are all opposed to this motion. I have tried to follow the hon. mover's very long speech but I have heard no argument put forward at all that in any way justifies the motion before Council. Anybody who lives in the country and that not in Mombasa must be aware that it is absolutely essential that shops on farms must be controlled. The proper authority to control such shops are the local authorities, and the local authorities are the district councils and the District Commissioners who carry out their work extremely well, and I see no possible argument why this ordinance should be amended at all.

MR. COOKE: Your Excellency, I have an open mind at the moment on the subject but I do feel that even if

[Mr. Mortimer]

farm owner or occupier shall be the applicant for the licence under this ordinance. The trading licence is, of course, a different matter.

I do not intend making any reference to the legal aspects of this contention; my hon. friend the hon. Attorney General will perhaps have something to say on that aspect of the case.

The hon. mover suggested that the appeal conditions would in practice be a farce. I have sufficient confidence in the fairness of the provincial commissioners to whom an appeal is made to believe that they will take their duties in this matter seriously and that if appeals are made to them they will deal with them justly in accordance with the principles of the ordinance.

I do not propose to discuss the question raised by the hon. member Mr. Shamsud-Deen, not for the first time, of the absence of Indians on district council, except just to say that in the Nyanza District Council, where Indians have land-owning rights, they have a representative on the District Council.

MR. SHAMSUD-DEEN: Not in the Highlands!

MR. MORTIMER: I think I have covered all the major points in the debate and I have nothing more to add.

MR. HARRAGIN: Your Excellency, as the hon. member who has just sat down has asked me to say something on the legal side I will take the attention of Council for just two minutes.

From the legal point of view I have found great difficulty in understanding the case put forward by the hon. mover. Reading the law as it stands at present, all that the law does is to give a district committee the right to vet every application. I see nothing whatever in the law which entitles them to pass resolutions such as the hon. mover objects to, nor does it give them the right to pass resolutions to impose any conditions which do not appear in the ordinance itself. And in looking at the ordinance I see that there are exactly two conditions which may be imposed: (a) that shops remain until the licence expires the property of the applicant, namely "X" shall not apply in his name and

two months after get it transferred to "Y"—and that seems quite a reasonable thing to put in—and (b) it shall not be sublet.

If the hon. mover complains that the resolutions are *ultra vires* I can only say in no event can they have any legal effect whatsoever. The resolutions of district councils or district committees have not the force of law and perhaps, I do not know, I am only giving this as an opinion; some of these resolutions may in fact be *ultra vires*. But from all that I have heard to-day it needs but little rewording for these resolutions to be in proper form. I suggest the hon. mover has come before this Council a little early when he asks that the provisions of this law shall be repealed. He alleges that he appears on behalf of people who have been damaged by the way the law is worded. But he carefully omits to tell you that there is an appeal to the provincial commissioner and he has not mentioned a single case of where an appeal has been lodged. It will be of great interest to me personally to hear that as a result of these *ultra vires* resolutions an appeal has been taken to a provincial commissioner and that any of his clients have been unsuccessful in the appeal and that therefore the law needs amendment.

Until he has explored all the avenues of appeal provided by the law in my own opinion it is far too early to come to this Council and say that the law should be repealed.

MR. PATEL: Your Excellency, I was surprised when I was charged with raising a racial question by the noble lord the hon. Member for the Rift Valley. It should be obvious that I was really pointing out to this Council that the district councils were raising the racial question in this country and I wanted the Council to view and understand the question with an open and fair mind. But, apparently, the unofficial European members are not even prepared to discuss the question with an open and unbiased mind. They have pre-conceived views and they are not even prepared to listen to my arguments.

The hon. the Commissioner of Lands and Settlement, in my view, evaded the whole issue. The issue was not what was

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discussed in past debates, but whether the district councils had been abusing the powers given in the ordinance. He also avoided a reply to the assurances given in this Council at the time.

The hon. Commissioner of Lands and Settlement stated that the applicants should be the farm owner was understood from the beginning. But if that is so you cannot explain how so many Indian shopkeepers had become licensees under the ordinance in 1939. The reply to that issue has been avoided by the Government side. That, in itself, suggests that they have no reasonable explanation to offer in their favour and that they have simply avoided the issue.

The hon. Attorney General stated that the district councils had certain authority with regard to the imposition of conditions, but I submit that the procedure provided in the ordinance is that the applicants for licences should apply in the first place to a district commissioner who, as licensing officer cannot grant licences without the consent of a district council which may give a decision as it desired. But the district council had no power to impose any condition and if any such conditions were imposed the same were contrary to the law. When the licensing officers submit an application for approval the district council instead of approving or disapproving the application now pass *ad hoc* resolutions and tie down the hands of the licensing officer and impose conditions which they have no right to impose because the licensing officer alone is the man who should grant or refuse a licence.

I was told that it was too early for me to come before this Council. After compelling these Indian traders to sign certificates, after compelling the Indians not to apply for a licence and compelling the Indians to agree to the conditions imposed and to sell the buildings which they had owned and built, what is the use of going to the provincial commissioner for appeal. Once the Indian trader had signed the application agreeing to the conditions required by the district council and the licensing officer I think it would be a farce to go to the provincial commissioner. I

submit that the Government side has not shown any reasons why this ordinance should not be repealed and that the powers granted to the district councils should not be abolished.

At the same time I was told that if these resolutions were *ultra vires* I should advise my constituents to appeal. I submit that the hon. Commissioner of Lands and Settlement has to scrutinize many resolutions from the various municipal boards and it was his duty similarly to scrutinize the resolutions passed by the various district councils in this respect and to see if these resolutions were within the law and if he did not do so I submit that there was a failure of duty on his part.

The question was put and negatived.

SUSPENSION OF STANDING ORDERS

MR. HARRAGIN moved that, with the consent of His Excellency, under Standing Rule and Order 108, Standing Rules and Orders be suspended to enable a motion of which notice had been given that day by the hon. Financial Secretary to be proposed and the 1941 Appropriation Bill to be passed through all its stages.

MR. BROWN seconded.

MR. COOKE: Your Excellency, I oppose the suspension of Standing Rules and Orders as a protest against the somewhat despotic manner in which we have been treated to-day. When the law happens to appeal to Government it seems that suspension comes as a natural course, but when, Sir, the law is on our side, there seems to be a difference of opinion.

The question was put and carried.

LOAN ACCOUNTS

MR. LOCKHART: Your Excellency, I beg to move the following motion: "Be it resolved that this Council hereby approves the expenditure during 1941 of a sum of £29,134 upon the purposes specified in the Schedule hereto as a charge against Loan Accounts:

[Mr. Lockhart]

SCHEDULE

£3,500,000 (1928) Loan—	
<i>Railways and Harbours Development</i>	
General Improvements on	
Main Line and Additional	
Equipment	400
£3,400,000 (1930) Loan—	
<i>Kenya and Uganda Railways and</i>	
<i>Harbours</i>	
Railway Development—	
(b) Rolling Stock	7,547
<i>Colonial Development</i>	
Public Buildings	15,300
£305,600 (1933) Loan—	
<i>Colonial Development</i>	
Loans to Public Authorities	3,995
Public Buildings	766
£375,000 (1936) Loan—	
<i>Colonial Development</i>	
Public Buildings	1,126
	£29,134"

This is loan expenditure equivalent to an appropriation bill for ordinary expenditure and covers loan expenditure covering the year 1941.

MR. HARRAGIN seconded.
The question was put and carried.

1941 APPROPRIATION BILL
FIRST READING

On the motion of Mr. Lockhart the 1941 Appropriation Bill was read a first time.

SECOND READING

MR. LOCKHART: Your Excellency, I beg to move the second reading of this bill which gives legal approval to this Council to adopt the estimates as amended by the Standing Finance Committee Report.

MR. HARRAGIN seconded.

The question was put and carried.
On the motion of Mr. Harragin, seconded by Mr. Brown, Council resolved itself into committee of the whole Council to consider the bill clause by clause.

The bill was considered clause by clause.

MR. HARRAGIN moved that the bill be reported without amendment, and the question was put and carried.

HIS EXCELLENCY reported accordingly.

THIRD READING

MR. LOCKHART moved that the bill be read a third time and passed.

MR. HARRAGIN seconded.

The question was put and carried.

The 1941 Appropriation Bill was read a third time and passed.

ADJOURNMENT

Council adjourned sine die.

Written Answers to Questions

No. 38

BY MR. GHERSIE:

Will Government state:

(a) The number of prosecutions that have taken place during the last six months as the result of gold stealing and illicit gold buying?

(b) The number of convictions?

(c) Whether they are prepared to consider limiting the granting of goldsmiths' licences to the townships of Nairobi and Mombasa?

Reply:

(a) 22.

(b) 18.

(c) The answer is in the affirmative.

No. 39

BY MR. GHERSIE:

Will Government state whether they are prepared to introduce the necessary legislation whereby marriage and dependants' allowance will be paid to wives and dependants of Kenya personnel serving with the East African Forces, thereby abolishing the present procedure whereby the payment is made to the individual soldier?

Reply:

The matter to which the hon. member refers is a question for administrative decision by the military authorities. No legislation would be required to give effect to the proposal.

The Government has been informed by the military authorities that, in their opinion, it would be impracticable and inadvisable to issue any order of general application on the lines suggested. They state, however, that disciplinary action is taken against any officer or soldier who is reported as having failed to maintain his lawful dependants.

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VOLUME XI

SECOND SERIES
Third Session: 26th November to 19th December, 1940

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Com. = In Committee; SC. = Referred to Select Committee; SCR. = Select Committee Report; Re.Cl. = Re-committed to Council.

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