

1931

Kenya

1

No. 17259

SUBJECT

C 0533/414

Education Department Subordinate Staff

Conditions of Appointment

Previous

16154/30

Subsequent

for any particular purpose however beneficial that purpose may be. (This, however, is a purely domestic problem, and as it would appear to have even less bearing on the major issue of Closer Union than the question of a separate budget for native services, I trust I may be acquitted of any irrelevancy in referring to it in this despatch.)

Printed
[]

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble servant,

J. W. Moore

GOVERNOR'S DEPUTY.

Government's preoccupation is to see that the general balance is maintained in the manner best calculated to promote the prosperity of the Colony as a whole.

10. While I have indicated my reasons for being unable to accept the institution of a separate budget for natives as a solution to the problem of securing to the native peoples full proportionate benefit for taxation I am fully sensible of the desirability of giving the native more opportunity of realising that he is obtaining tangible benefits from the tax he has paid. This can best be done by the provision of developmental services which, however modest in their original conception, are carried out in the Reserve under his own eyes. It is a problem which requires careful working out and a possible line of development would be for the Government to surrender to Local Native Councils for expenditure on local services a percentage of direct taxation, the percentage to be determined by the degree of advancement and responsibility to which the several Councils have attained. Such a proposal would necessarily have to be considered in relation to its bearing on the present voluntary local cesses from which contributions are made to local services to supplement Government expenditure, but it has to be admitted that no Local Councils are yet to be trusted to spend in the wisest way considerable sums of public money and legislation to amend the Native Authority Ordinance would probably be necessary to secure to Government greater powers over the Councils' finances than exist at present. By the existing law such powers are limited to the right of veto and there is no authority to compel expenditure

6.

introduction of one might easily lead to a demand for the introduction of others. Even if a separate budget were established for all native races of Kenya there would still be opportunities for complaint that any particular race was not deriving proportionate benefit, and it is quite conceivable that such a step would be followed by demands for a separate budget for the Kikuyu, a separate budget for the Kavirondo, a separate budget for the Coastal tribes - in fact, a separate budget for every tribe or race that might wish to consider itself a separate entity.

9. The dual policy to which His Majesty's Government is pledged must, I suggest, be interpreted to mean the complementary development of the Colony as a whole to the best advantage of all races inhabiting it. It is idle to pretend that the needs of all communities are identical, or that they can all be met within the Colony's limited resources at one and the same time to one and the same degree. Where those needs are competing needs it is the duty of the Government to hold the scales evenly, and I have already referred to the very special responsibility in this respect which is imposed upon this Government in safeguarding native interests. But to argue that because in a given year expenditure on arbitrarily defined European, Indian or Native services is not in exact arithmetical proportion to figures of revenue racially allocated on an empirical basis, one or other of the races must have suffered an injustice is, I submit, to cut at the root of the dual policy. Special circumstances may justify special expenditure on the needs of one community one year and of another the next, and the

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through the representations of their administrative and departmental officers. Other communities are in a position to voice their grievances by a variety of means, e.g. questions in Legislative Council, petitions to the Governor, letters to the Press and personal interviews. Natives are not yet able to make use of any of these means to an appreciable extent. The responsibility therefore on this Government is proportionately heavy and insistent, but none the less I am in agreement with the representatives of the Settlers in believing that the best way of discharging that responsibility is not by the introduction of a separate budget for native races.

3. In the first place, any hard and fast allocation of the cost of services is, as I have already pointed out, impracticable. In the second place, any such attempt would be highly impolitic, for I agree with the view of the signatories of the Memorandum that "any economic measure which tends to promote the disintegration of the community" is to be avoided and that "the material interests of the constituent elements are complementary and that every attempt to separate them into water-tight compartments would be against the best interests of all of them." Thirdly, the proposal does not appear to take into full account the presence of a numerous Indian and Arab population in this Colony, and it might be supposed that the problem was confined to a clear-cut issue between the European and the native. I need hardly say that this is not so, and there would in my view be little more logic in a separate budget for natives than for a separate budget for Arabs or a separate budget for Indians. The

✓✓

6. To arrive at results which would inspire any confidence as indicating racial contributions for 1930 an average arrived at by similar calculations would be necessary, for the average for the years 1925 to 1927 cannot be accepted as necessarily accurate for 1930, in view of the very considerable increases in the respective populations and of changes in the Colony's taxation system.

(The latest population figures are as follows :-

European	...	17,868 (Census, March 1931).
Asian	...	56,903 (Census, March 1931).
African	...	3,000,000 (Approximate).)



It is not considered that the labour involved in pursuing such investigations would be justified by results which, as I have explained, must be very largely conjectural.

7. A study of the expenditure allocations suggested whether by the representatives of the Kenya settlers or by the Government of Kenya in the correspondence to which I have referred, and an examination, however cursory, of the mass of figures on which the Statistician has based his calculations of racial taxation demonstrate the extreme difficulty of arriving at any accurate estimate of the proportion of Government expenditure directed to the immediate benefit of any particular race or community in relation to its contribution to general Government revenue, and I am doubtful whether the attempt to draw such comparisons is really in the best interests of the different races concerned. I agree, however, that it is a matter of the first importance, and that it is a very special obligation on this Government to protect the interests of the native populations who are vocal mainly

has referred of allocating with precision expenditure as between races, it is clear that any such calculations should be based on population and taxation of the same year.

The Statistician in the memoir to which I have referred has adopted as the racial per capita taxation contributions for 1926 the following rates :-

European	...	£ 41. 3. 00.
Asian	...	£ 9. 9. 00.
African	...	£ 8. 5. 75.

In that year the respective populations were as follows :-

European	...	12,529 (Census).
Asian	...	41,140 (Census).
African	...	2,568,999 (Approximate).

By multiplying the relevant figures the following results for that year are obtained :-

Total European contribution	...	£ 515,568. 7. 00
" Asian	"	... £ 388,773. 0. 00
" African	"	... £ 738,587. 4. 3.
Total :		<u>£ 1,642,928.11. 3.</u>

The difficulties and intricacies of calculations of this nature are illustrated by the Statistician's memoir, in which he has explained in detail that he has found it necessary to depart from the per capita rates originally arrived at, and he now considers that he has obtained a more accurate figure based on revenue returns for the years 1925, 1926 and 1927. The average for these three years now adopted by him is as follows :-

European	...	£ 41. 6. 00.
Asian	...	£ 10. 3. 00.
African	...	£ 8. 5. 76.

No 11 n. 16019/30
No 10

3. To allocate with precision either expenditure, or indeed indirect taxation, as between races is, as Your Lordship points out, an impossibility. In these circumstances and in view of the fact that Your Lordship has already accepted in Your Lordship's despatch No. 358 of the 8th May, 1930, the classification adopted by Sir Edward Grigg in his despatch No. 202 of the 31st March, 1929, when analysing expenditure on native services in the year 1929, I do not think any useful purpose would be served by my commenting in detail on the possible allocations of 1929 expenditure suggested in the Memorandum.

No 1
No 5 n. 1637A/30

4. Some comment, however, is perhaps desirable on the taxation figures given on page 7 of the Memorandum, as they have recently formed the subject of a memoir prepared under the direction of the Statistician to the Conference of East African Governors, which is being forwarded under separate despatch in response to Your Lordship's telegram No. 181 of the 6th June.

5. The per capita rates adopted in the Memorandum of the Settlers' representatives are those given in answer to a question in the Legislative Council, when it was explained that such figures could only be allocated on an approximate and arbitrary basis.

It will be observed that their results are arrived at by multiplying the ratios then accepted as applying to 1926 by the estimated population figures of 1930. It will be conceded that results obtained by such a method can only be accepted with considerable reserve, as, quite apart from the difficulty to which Your Lordship

66 2

KENYA.

No. 360



RECEIVED
10 JUL 1931
COL. OFFICE

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

29th June, 1931.

My Lord,

NO 4 in 46344/30

I have the honour to acknowledge the receipt of Your Lordship's despatch No. 404 of the 12th June enclosing a copy of a Memorandum on the incidence of taxation in Kenya, which was handed in at a meeting of the Select Committee of Parliament on East Africa on the 8th June by the representatives of the Kenya settlers.

Amud. sub. 18 JUN 1931

Copy to select 6/2/31 - 10 JUN 1931

2. In the fifth paragraph of the despatch Your Lordship requests that any comment and criticism necessary on the figures in the Memorandum and on the Memorandum generally may be forwarded in a self-contained despatch by the first air mail after the receipt of Your Lordship's despatch. In view of the urgency of the matter Sir Joseph Byrne discussed the general lines of this despatch before his departure to Uganda, which he instructed me to send without waiting for his return. He desired me, however, to make it clear that he was personally opposed to any proposal for a separate native budget, particularly at the present time when the question of obtaining expert advice on our whole fiscal system was under consideration.

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

The figures, however, rest on a series of assumptions which are necessarily arbitrary. This applies especially to the estimate of the distributed cost of direct native services (£592,640). Attempts which have been made since 1927 to work out similar figures for these services vary by as much as £275,000 according to whether items such as the following are included under this head or under general charges:-

- (i) Defence of Northern Frontier Province and Northern Turkana.
- (ii) Prisons expenditure.
- (iii) Police expenditure.
- (iv) Expenditure on main roads running through native reserves. While whole cost of administrative officers stationed in native reserves, or only part proportionate to the time which is directly spent on work for the benefit of natives.

It is submitted that it is impossible to work out figures for any one year which will provide a really satisfactory basis for definite conclusions. The most that can be hoped for is that over a series of years figures prepared on an identical basis will at least reflect any appreciable variation in the position.

As far, however, as any general conclusion can be drawn, it is that at present expenditure on direct native services and direct revenue from natives roughly correspond.

An attempt to divide the 1929 expenditure was made in Sir Edward Griggs's despatch No. 202 of the 31st March 1930, of which a copy has been placed in the Library of the House of Commons.

revenue etc.) and all forms of expenditure direct and indirect, on native services, including in this term not only schemes of positive "bonification", but services such as the Judicial Department, Prisons, etc.

Only one attempt has been made so far to work out figures of this nature that was in 1927, when an elaborate computation was prepared for the Hilton-Young Commission. This gave the yield of native hut and poll tax at £541,505, and the indirect contributions of natives at £319,133 (of which £309,375 was from customs duties). These figures give a total of £860,638 of revenue derived from natives. On the expenditure side, the distributed cost of native services was computed at £592,640. To this would be added a share of the "general charges" i.e. indivisible expenditure. The total of these general charges was worked out at £709,434, of which £177,298 was covered by non-tax revenue, leaving £523,146 to be covered by taxation of the various communities. If the native share of these general charges is taken at 50 per cent, or £260,000, the expenditure on native services and revenue from native sources just about balance:

Revenue (direct).....	£541,505
(indirect)	319,133
	<u>£860,638</u>
Expenditure (direct).....	£592,640
(share of general charges).....	260,000
	<u>£852,640.</u>

The

As regards the separation of budgets, the European settler delegates are clearly correct in saying that this would be a matter of great difficulty and would entail a considerable increase in overhead charges. They do not attempt to prove more than this.

As regards the comparison of native taxation with expenditure on native services the settlers delegates work out revenue and expenditure for native services as follows:-

Revenue. (based on a 1926 computation).....£952,446

Expenditure.

- 1. Figures provided by Medical, Agricultural and Education Departments and by Administration...£530,776
- 2. Share of general charges of £1,464,917-28.5% (an arbitrary figure to make the account balance)...£421,670
- Total.....£952,446.

Details of these figures are not given and it is not pretended that they are in any way accurate or scientific. Endless argument would be possible about them, since there is no means of defining with exactitude what are "native services", and what are "general charges". It is a case of "quot homines tot sententiae."

Comparing native taxes with expenditure on native services

The least unsatisfactory method seems to be to make the statements as comprehensive as possible; that is to say, they should cover all forms of native contribution to revenue, direct and indirect (including cesses ^{raised by} local native councils, the value of unpaid labour "hidden" contributions to railway revenue

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the near future in order to
conduct an examination into the
finances of the Colony and the
Railway Administration generally.

(Signed) A. G. C. PARKINSON.

Parliament as to the incidence of taxation

in Kenya as between the different grades in Kenya

that territory.

Copies of Sir Edward Grigg's

despatch No. 202 of the 31st March, 1930, which is referred to in paragraph 3 of the Governor's despatch of the 29th June, have already been placed in the Libraries of the House of Lords and the House of Commons, and will thus be available to you. Copies of the further despatch, which is referred to in paragraph 1 of the Governor's despatch will be placed in the Libraries in due course, but in the meantime one copy is enclosed with this letter, and it is suggested that this should be duplicated and circulated to members of the Committee at the same time as the other papers now forwarded.

3. As regards paragraph 2 of the Governor's despatch of the 29th June, I am to explain that the Secretary of State hopes to arrange for an expert to visit Kenya in the

be a waste of public
money, where this done
twice over: so might
of you
be paid, half a dozen extra
copies when
available, two for the
libraries in the houses
of Lords & four for our
own use here.

Yours faithfully
(Signed) A. G. PARKINSON.

C. O.

X.17258/31 Kenya.

3
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Mr. A. G. P. 15.7.31

Mr.

Mr.

Mr. G. G. G.

Mr. G. G. G. 15.7.

Mr. G. G. G.

Mr. G. G. G.

Mr. G. G. G.

Mr. G. G. G.

Mr. G. G. G.

C. O.
K. 18 JUL
D 144

Downing Street.

17 July, 1931.

Sir,

I am directed by Lord

Passfield to transmit to you, for

the information of the Select

Committee on East Africa, copies of

correspondence with the Governor

of Kenya relative to the memorandum

on the incidence of taxation in Kenya,

which was handed in at the meeting

of the Committee on the 8th June

by the representatives of the

European Settlers in Kenya.

As the memorandum itself is with

your records, no copy accompanies

this letter.

2. The telegram referred to

in paragraph 1 of the Secretary of

State's despatch of the 12th June

was sent in connection with an

enquiry which had been made in

Parliament

DRAFT. encson.

The Secretary,
Select Committee on
East Africa,
House of Lords.

Despatch to Governor Kenya 12.6.31
(without encls.)
No. 7 in 15374/30.

Extract from despatch from Governor
Kenya 29.6.31.
No. 2 in 17258/31.
(to be copied in C.D. omitting
bracketted portion).

From Gov. Kenya 26.6.31.

No. 1 in 17258/31.

News (1) to be read
(4) Papers to be returned to
the Secretary of State
after action is complete

18 JUL 1931

The Librarian of the
House of Lords & House
of Commons.

(2) I take this opportunity
to ask also you keep

No. 360 of the 29 June

in wh. you comment

upon the memorandum

on the incidence of taxation,

wh. was handed in by the

rep. of the European

settlement in Korea when

giving evidence before the

Select Com. of Parliament

on 24.

A copy of a letter wh. has
been sent to the Sec. of the

Com. is enclosed for your info.

(Signed) PASSFIELD

C. O.

Mr.

Mr.

Mr.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Parlt. U.S. of S.

Parlt. U.S. of S.

Secretary of State.

DRAFT.

Cobin Davidson, of obs

House of Lords

X. 17250751 Korea

Q to be used for reference

My dear Davidson

C.O.

17 July 1951

An official letter is coming

to you with documents to be
circulated to the Com. about
taxation in Korea.

The last enclosure - i.e.
the memorandum prepared
by Walter, the statistician -
is a helpful document, but
I think you will agree that
it shd. be circulated as soon
as possible with the other
papers. The Gov. has
sent us only two copies,
so I fear you will have to
~~be duplicated~~
arrange for it to be
duplicated. It is not
worth while, unless it wd.


The Librarian of the
House of Lords & House
of Commons.

(2) I take this opportunity
to ack. also your letter.

(2)

No. 360 of the 29 June
in wh. you comment
upon the memorandum
on the incidence of taxation,
wh. was handed in by the
rep. of the European
Settlers in Kenya when
giving evidence before the
Select Com. of Parliament
on 21.

A copy of the letter wh. has
been sent to the Sec. of the
Com. is enclosed for your info.


(Signed) PASSFIELD.

X. 1721/31 Kenya

C. O.

Mr. ~~...~~ 15.7.21

Mr.

Mr.

Mr. Tomlinson

Sir C. Bottomley 15.7

Sir J. Shackburgh

Sir G. Grindal

~~Parl. U.S. of S.~~

15.7.31

Parly. U.S. of S.

15.7.26

Secretary of State

CO
18 July 1921

DRAFT. Kenya No. 506

For. Affairs (1)

To Sec. of State (1) & 2/10/21 7.31
(without 2/10/21)
of 11/10/21

I h. with. to all. the
receipt of your copy
No. 351 of the 26 June
forwarding copies of a
memorandum on
proportional taxation
in Kenya. I appreciate
that the compilation
of the memorandum
has entailed much
labour and I am
grateful for the
 pains taken to
produce ^{the} comprehensive
& reasoned statement.
I propose to have
copies placed in

X. 1725431 Kenya

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5

C. O.

Mr. ~~all~~ 15.7.21

Mr.

Mr.

Mr. Tomlinson.

Mr C. Bottomley 15.7

Mr J. Shackburg.

Mr G. Grindle.

Permt. U.S. of S.

15.7.31

Party U.S. of S.

T. P. 15.7.21
C. O. 18 July 1921

Secretary of State

DRAFT. Kenya No. 506.

For. Bygone (1)

To Sec. Robert (1) + 2/10/21
(without 2/10/21)
off letter

I h. etc. to ask the receipt of your copy No. 351 of the 26 June forwarding copies of a memorandum on proportional taxation in Kenya. I appreciate that the compilation of the memorandum has entailed much labour and am grateful for the pains taken to produce this comprehensive & reasoned statement. I propose to have copies placed in

X. 1725431 Kenya 59

C. O.

Mr. ~~Adair~~ 15.7.21

Mr.

Mr.

Mr. Tomlinson

Sir C. Bottomley 15.7

Sir J. Shackburgh

Sir G. Grindle

Permt. U.S. of S.

Party U.S. of S.

Secretary of State.

15.7.21
17.7.21
16th

CO
18 July 1921

DRAFT. Kenya No. 506

For. Dept (1)

To Sec. Adm. (1) + 2/17.7.21
(without [unclear])
of [unclear]

I enclose to you the receipt of your copy No. 506 of the 26 June forwarding order of a memorandum on proportional taxation in Kenya. I appreciate that the compilation of the memorandum has entailed much labour and am grateful for the pains taken to produce this comprehensive & reasoned statement. I propose to have copies placed in

such things. But we thought that, for the use of the Committee, it would be better to omit the passage; for they will no doubt have a lot to say about native administration (not in Kenya only) and they might not appreciate the comment.

~~I am so glad to hear from Mrs. Moore at Bad Nauheim that there is nothing seriously amiss and that she will be able to go back to Kenya. I am also glad to know that you expect to be home fairly soon; but Mrs. Moore uses ambiguous and curiously ambiguous phrases when she says to me that you are coming home "to talk to me" - does this imply that your object is to give me what is called a good talking to ?~~

~~Yours sincerely~~

~~A. C. G. Parkinson~~

It might be well to record
on your file how much of the
leaf has been sent to the
Committee. Yours for ever

(Signed) A. C. G. PARKINSON

17258/31
P 6⁵⁸

Q to for my signature

Downing Street.

17258/31.

copy
acc 17/8

21 July, 1931.

PERSONAL.

G. D.
R 10 JUL
20 26

Martin

My dear ~~Moore~~

This note is to express gratitude for the speed with which ^{a reply was sent} ~~you replied~~ to the despatch about the incidence of taxation in Kenya (an official reply comes by this mail), and gratitude mixed with admiration, not to say awe, for the memorandum which Walter had prepared. There are those who enjoy figures: I suppose he is such an one.

You will see from the enclosure to the Secretary of State's despatch that we are sending to the Committee an "extract" from ^{the} ~~your~~ despatch of the 29th June; but the only part omitted is, in fact, the last two sentences, i.e. from "This, however" to the end. I ~~know you enjoyed drafting that bit of the despatch and I too~~ enjoyed the humour of the phrasing; a sort of melosis or litotes, if I remember rightly from the days when one talked glibly of such

Attach to file when available

~~H. H. Moore, Esq., C.M.C.~~

H. T. Martin, Esq., C.B.E.

Article	Duty Collected £	Estimated % for Natives	Proportion £
Brought forward	283,410		199,540
Coloured Piece Goods	24,938	25%	6,235
Blankets, Cotton	10,434	70%	7,304
Cotton Manufactures	3,652	50%	1,826
Thread	2,455	30%	737
Yarns	312	50%	156
" Woollen	239	10%	24
Silk Manufactures	1,518	5%	76
Cordage	651	15%	98
Textile Manufactures	200	5%	10
Apparel	3,152	15%	473
Boots & Shoes	2,778	20%	555
Hats, Caps etc.	3,210	50%	1,605
Hosiery, etc.	4,016	20%	802
Painters colours, etc.	498	5%	25
Lamp Oil	7,875	25%	1,969
Soap	1,692	25%	423
Leather Manufactures	932	10%	93
Playing Cards	451	50%	230
Cycles	2,718	15%	408
Tyres and Tubes	2,676	15%	401
Beads	4,619	90%	4,157
Jewellery	712	30%	214
Lamps	2,240	10%	224
Matches	13,220	25%	3,305
Musical Instruments	1,255	5%	63
Perfumery	932	10%	93
"	1,054	10%	105
Starch and Blue	381	50%	190
Toys and Games	410	10%	41
Umbrellas	885	10%	89
Other Goods	32,503	10%	3,250
Balance	129,689		
TOTAL	545,718	43.1%	234,721
NATIVES	234,721	43.1%	
NON-NATIVES	310,997	56.9%	

ROUGH ESTIMATE OF AMOUNT COLLECTED ON GOODS FOR NATIVE CONSUMPTION
(Not Financial Year 1926-27).

Article	Duty Collected £	Estimated % for Natives	Proportion £
Rice	12,376	33.1/8%	4,125
Other Grain	1,632	10%	163
Maize	90	90%	81
Beverages & Syrup	883	10%	88
Fish Cured or Salted	1,851	75%	1,288
Provisions Fresh	2,707	5%	135
Salt	2,691	90%	2,422
Spices	1,777	50%	889
Sugar	14,108	20%	2,222
Tea	3,849	10%	385
Cigarettes	19,628	60%	11,777
Tobacco	24,871	60%	14,923
Earthenware	2,107	60%	1,053
Hollowware	394	50%	197
Hollowware Enamelled	2,282	50%	1,141
Nails, etc.	13,573	5%	678
Brass Wire	777	80%	621
Copper Wire	2,008	60%	1,206
Tin Manufacture	298	10%	30
Artizans Tools	1,292	5%	65
Clocks and Watches	555	10%	56
Cutlers Wares	829	10%	83
Hardware	1,972	25%	493
Implements & Tools	662	10%	66
Knives	644	50%	322
Razors	99	10%	10
Sewing Machines	1,283	10%	128
Cotton piece Goods			
Grey Unbleached	93,092	100%	93,092
White Bleached	10,569	25%	2,642
Printed	26,110	90%	23,499
Dyed	38,401	90%	34,560
	<u>283,410</u>		<u>199,540</u>

Annexure A.

Schedule showing the incidence of taxation as between natives and non-natives in Tanganyika.

Item	A.		
	Amount collected 1926-27	Paid by non-natives	Paid by natives
1. Customs Duties	562,623	320,695	241,928

These figures are obtained from the assumed percentages of consumption shown in Annexure B., i.e. 57% non-native; 43% native.

B.			
1. Licences, Firearms	1,588	1,438	150
2. Licences, Game	16,680	16,680	-
3. Licences, Entertainment	363	100	263
4. Licences, Liquor	7,159	4,159	3,000
5. Licences, Vehicle	5,483	5,283	200
6. Licences, Other	2,425	2,425	-
7. Taxes, Non-Native house	14,317	14,317	-
8. Taxes, Native house	10,341	-	10,341
9. Taxes, Hut and Poll	682,108	-	682,108
10. Licences, Trade	38,512	23,512	15,000
11. Taxes, Profits	4,898	4,898	-
12. Taxes, Municipal	5,990	4,690	1,200
13. Taxes, Estate Duty	1,256	1,256	-
14. Taxes, Salt	6,337	630	5,707
15. Fines and Forfeitures	4,770	2,900	2,770
16. Fines, Departmental	74	-	74
17. Stamp Duties	22,370	22,000	370
	<u>824,569</u>	<u>103,388</u>	<u>721,181</u>

Proportions, Non-Natives 12% Natives 88%

The allocation as between non-natives and natives of items 2,5,6,7,8,9,10,11,13,16 and 17 is based upon known facts and is very nearly accurate. The items of which the allocation is uncertain amount to £26,000 only, so that the liability of these percentages to error is small.

C.			
Summary.			
Item	Amount collected 1926-27	Paid by non-natives.	Paid by natives.
A. Customs duties	562,623	320,695	241,928
B. Direct Taxation	824,569	103,388	721,181
	<u>1,387,192</u>	<u>424,083</u>	<u>963,109</u>

Proportions, Non-natives 30%; Natives 70%

and, using this proportion, the figure of 4 1/2 millions would be made up as follows:-

Men	1,281,797
Women	1,404,328
Children	<u>1,813,875</u>
	<u>4,500,000</u>

5. On the basis that 4 1/2 million natives pay £263,109 and 20,000 non-natives pay £424,083 (Annexure A) the former pay 4/3 a head and the latter £21.4.9.

6. I do not however attach much importance to these figures. In the first place the amount paid in indirect taxation (Customs Duties) by natives and non-natives is only guess work, and as regards the direct taxation of natives there are many circumstances which prevent an accurate figure being arrived at. In the case of the main native tax, the Hut and Poll Tax, it must be remembered that Hut Tax is paid by the owner (male or female) of a hut but in certain townships House Tax is paid instead. If House or Hut Tax is not paid, a Poll Tax is paid but only by able-bodied males of 18 years of age and over. There is a further complication that if the male owner of a hut has living with him more than one wife an additional tax is paid in respect of each wife after the first. There are numerous exemptions (King's African Rifles, Police, etc.)

7. There are no statistics available which show the average percentage of his income which is paid by a native, as compared with the non-native, in the form of taxation. A large number of natives pay little in the form of Customs Duty as they live largely on the country, and the same can be said as regards quite a large number of non-natives. I am collecting information in this respect which I hope will be available for the Commission by the time they arrive here.

(Signed) R.W. TAYLOR

TREASURER

The Treasury,
Dar es Salaam,

7th December 1927.

TANGANYIKA.REVENUE SYSTEM, BASE OF TAXATION.Memorandum by the Treasurer.

The Treasurer's Annual Report shows the actual revenue collections in previous years. The revised estimates of revenue for the year 1927/28 and the estimates of revenue for 1928/29 are shown in the Draft Estimates for 1928/29. The figures are therefore available for the East African Federation Committee and there is no point in repeating them in this Memorandum.

2. Annexure A. to this Memorandum shows the incidence of taxation as between Natives and Non-Natives. The percentage in the case of Customs Duties are calculated on the collections in 1926 as shown in Annexure B. The percentages as regards direct taxation are calculated on the actual receipts in 1926/27.

3. In considering the incidence of taxation it is necessary to bear in mind that the population of the Territory according to the census in 1921 was as follows:-

<u>Natives.</u>		<u>Non-Natives.</u>
4,106,000	Europeans	2,447 (of whom 1598 were British)
	British Indians	9,411
	Goaans and Portuguese Indians	798
	Arabs	4,041
	Baluchis	352
	Unclassified Non-Natives	389
<u>4,106,000</u>		<u>17,438</u>

Since 1921 there has been a considerable increase and the Report to the League of Nations 1926 (page 17) states that the European population is estimated at about 4,200; similarly trade development has brought into the country a number of Asiatics as storekeepers, clerks and artisans. The total native population is estimated in the Report at 4,319,000. It can be assumed that at present there are 4½ million natives and 20,000 non-natives.

4. The 1921 Census total of 4,106,000 natives consisted of:

Men	1,169,300
Women	1,281,400
Children	<u>1,655,300</u>
	<u>4,106,000</u>

5. Development in Kenya has demanded a fairly extensive influx of the artisan type and commercial and industrial assistant class which has not apparently been required yet in Tanganyika. The larger proportion of this class in the Kenya population, as well as the presumably larger proportion of women and children in Kenya, may tend to lower the average per capita contribution to customs revenue as compared with that of Tanganyika.

6. Apart from this difference the similarity of the results from the two Territories based on an analysis of returns which are admittedly subject to cautious interpretation is remarkable:

Sgt. A. Walter

STATISTICIAN
CONFERENCE OF EAST AFRICAN GOVERNORS.

The Non-Native population of Kenya is made up as follows:

Europeans	12,529
Indians	23,759
Goans	2,545
Arabs, Somalis and Others	<u>11,816</u>
TOTAL	<u>53,689</u>

From these figures we calculate the taxation per head and an index number on the Non-Native rate as follows:-

	<u>KENYA.</u>		<u>TANGANYIKA</u>	
	Taxation per head Shs.	Index Number	Taxation per head Shs.	Index Number
Non-Natives *	251.8	1000	417.4	1000
Natives	6.9	0027	4.3	0010

TAXATION REVENUE EXCLUSIVE OF CUSTOMS

	<u>KENYA.</u>		<u>TANGANYIKA.</u>	
	Taxation per head Shs.	Index Number	Taxation per head Shs.	Index Number
Non-Natives *	84.4	1000	96.7	1000
Natives	4.5	0053	4.2	0035

REVENUE FROM CUSTOMS ONLY.

	<u>KENYA</u>		<u>TANGANYIKA</u>	
	Taxation per head Shs.	Index Number	Taxation per head Shs.	Index Number
Non-Natives *	166.9	1000	220.7	1000
Natives	2.4	0014	1.1	0003

* (Separate figures for Europeans, Indians etc., are given in the Memorandum of the 1926 Kenya Returns).

4. The higher rate of Non-Native Taxation in Tanganyika depends almost entirely on the Customs and I am inclined to the opinion that this is due to the different constitution of the Non-Native population in the two Territories.

INDIRECT TAXATION THROUGH CUSTOMS ONLY

	<u>Kenya</u> Shs.		<u>Tanganyika</u> Shs.	
Non-Natives	8,955,792	80%	6,413,900	87%
Natives	<u>5,271,278</u>	40%	<u>4,232,560</u>	43%
	Shs. <u>14,227,470</u>		Shs. <u>11,252,460</u>	

The Non-Native contribution in Kenya is made up as follows:

Europeans	Shs. 5,834,438	32%
Indians	2,194,465	14%
Goans	711,719	4%
Arabs, Somalis and Others	<u>415,169</u>	2%
	Shs. <u>8,955,792</u>	

COMBINED TAXATION REVENUE.

	<u>Kenya</u> Shs.		<u>Tanganyika</u> Shs.	
Non-Natives	13,485,309	44%	8,347,960	30%
Natives	<u>17,303,025</u>	56%	<u>19,151,300</u>	70%
	Shs. <u>30,788,334</u>		Shs. <u>27,529,160</u>	

The Non-Native contribution in Kenya is made up as follows:

Europeans	Shs. 6,503,322	38%
Indians	3,521,041	11%
Goans	794,041	2%
Arabs, Somalis and Others	<u>611,845</u>	2%
	Shs. <u>11,485,309</u>	

3. The composition of the population in the two Territories is indicated below:-

	Population of:	
	<u>Kenya</u>	<u>Tanganyika</u>
Non-Natives	53,669	20,000
Natives	<u>2,515,330</u>	<u>4,500,000</u>
	<u>2,566,999</u>	<u>4,520,000</u>

COMPARISON BETWEEN PROPORTIONATE
TAXATION IN KENYA AND TANGANYIKA 1926.

In the following paragraphs a comparison between the proportionate taxation in Kenya and Tanganyika is made by throwing the Kenya results into the same form as those received from Tanganyika.

2. In the memorandum on the 1926 Kenya returns, figures had been given excluding certain items from Taxation Revenue. In the Tanganyika memorandum some of these discarded items were included. The necessary adjustments have been made in the comparative statement below. The items omitted from the Tanganyika returns are:-

	Non-Natives. Shs	Natives. Shs
1. Municipal Taxes	93,800	24,000
2. Fines and Forfeitures	40,000	55,400
3. Departmental Fines	...	1,460

With these adjustments the figures are as follows:-

TAXATION EXCLUSIVE OF CUSTOMS

	Kenya Shs.	%	Tanganyika Shs.	%
Non-Natives	4,529,517	29%	1,955,960	12%
Natives	11,431,347	72%	14,346,760	88%
	Shs. 15,960,864		Shs. 16,302,720	

The Non-Native contribution in Kenya is made up as follows:

Europeans	Shs. 2,868,944	18%
Indians	1,327,175	8%
Goans	82,322	3%
Arabs, Somalis and others	251,076	1%
	Shs. 4,529,517	

No.5. Based on the assumption that the Asiatics contribute at the same rate in both Territories for 1925 as in 1927.

1925

	Contribution			Contribution per capita	
	Kenya Shs.	Uganda Shs.	Total Shs.	Kenya	Uganda
European	6,927,265	1,549,775	8,477,040	552.90	884.57
Asiatic	3,930,135	1,109,390	5,039,525	95.53	95.53
Native	2,998,608	7,129,907	10,128,515	1.19	2.28
TOTAL	13,856,008	9,789,072	23,645,080	-	-

1926

European	7,450,021	1,666,726	9,116,747	594.62	951.33
Asiatic	3,550,870	1,002,318	4,553,188	86.31	86.31
Native	3,041,647	7,279,858	10,321,505	1.21	2.33
TOTAL	14,042,538	9,948,902	23,991,440	-	-

BASED ON ACTUAL CUSTOMS ESTIMATES WITHOUT MAKING ALLOWANCE FOR CHANGE OF PURCHASING POWER 1927

	Contribution			Contribution per capita	
	Kenya Shs.	Uganda Shs.	Total Shs.	Kenya	Uganda
European	3,642,540	1,998,230	10,540,820	639.80	1083.49
Asiatic	4,230,980	1,126,260	5,357,240	102.84	96.98
Native	3,504,840	3,933,980	7,438,820	1.39	1.26
TOTAL	16,378,360	6,958,520	23,336,880	-	-

COMPARATIVE FIGURES FOR NON-NATIVE AND NATIVE IN THE THREE TERRITORIES WORK OUT AS FOLLOWS FOR PER CAPITA CONTRIBUTION TO CUSTOMS REVENUE

(Tanganyika figures were derived from a Memorandum supplied by the Treasurer, Tanganyika)

	Kenya Shs.	Uganda Shs.	Tanganyika Shs.
Non-Native	205.0	200.0	321.0
Native	1.2	2.3	1.1

On a general 20% Customs Duty this means that the Non-Native consumes approximately the following values of imported goods per head inclusive of Customs Dues.

Kenya	£62
Uganda	£60
Tanganyika	£96

3. Assuming that Uganda European and Native communities contribute twice as much per head as the corresponding communities in Kenya while the Asiatic are the same in both Territories.

1925

	Kenya Shs.	Contribution Uganda Shs.	Total Shs.	Per Capita Contribution	
				Kenya	Uganda
European	6,624,389	1,852,651	8,477,040	528.72	1057.44
Asiatic	4,863,686	1,285,414	6,149,100	110.69	110.69
Native	2,677,933	6,651,007	9,328,940	1.06	2.12
TOTAL	13,856,008	9,789,072	23,645,080	-	-

1926

European	7,124,289	1,992,458	9,116,747	568.62	1137.25
Asiatic	4,191,037	1,183,046	5,374,083	101.87	101.87
Native	2,727,212	6,773,398	9,500,610	1.08	2.17
TOTAL	14,042,538	9,948,902	23,991,440	-	-

- No.4. Based on Actual Customs Estimates for 1927 with adjustments to meet the difference between the Native purchasing power in 1925 and 1927

1925

	Kenya Shs.	Contribution Uganda Shs.	Total Shs.	Per Capita Contribution	
				Kenya	Uganda
European	6,927,265	1,549,775	8,477,040	552.90	894.57
Asiatic	3,930,135	1,908,965	5,839,100	95.53	164.38
Native	2,998,608	6,330,332	9,328,940	1.19	2.03
TOTAL	13,856,008	9,789,072	23,645,080	-	-

1926

European	7,450,021	1,666,726	9,116,747	594.62	951.33
Asiatic	3,550,870	1,823,213	5,374,083	86.31	157.00
Native	3,041,647	6,458,963	9,500,610	1.21	2.07
TOTAL	14,042,538	9,948,902	23,991,440	-	-

SCHEDULE VI.

TOTAL CONTRIBUTIONS AND PER CAPITA CONTRIBUTIONS
 COMPUTED ON THE BASIS OF VARYING ASSUMPTIONS
 AS TO DISTRIBUTION BETWEEN THE DIFFERENT
 COMMUNITIES.

1. Dividing each communal contribution in the same ratio as the Customs divide the Revenue.

1925

	Contribution			Per Capita contribution	
	Kenya	Uganda	Total	Kenya	Uganda
	Shs.	Shs.	Shs.		
European	4,370,285	3,606,755	8,477,040	368.72	2033.65
Asiatic	3,864,526	2,474,577	5,839,100	81.73	213.09
Native	5,359,729	3,969,211	9,328,940	2.13	1.27
TOTAL	13,594,537	10,050,543	23,645,080	-	-

1926

	Contribution			Per Capita Contribution	
	Kenya	Uganda	Total	Kenya	Uganda
	Shs.	Shs.	Shs.		
European	5,634,438	3,432,309	9,116,747	449.71	1397.62
Asiatic	3,321,354	2,052,729	5,374,083	80.73	176.76
Native	5,371,578	3,628,932	9,500,610	2.34	1.16
TOTAL	14,327,470	9,113,970	23,991,440	-	-

2. Assuming equal per capita communal contributions in both Kenya and Uganda.

1925

	Contribution			Per capita Contribution	
	Kenya	Uganda	Total	Kenya	Uganda
	Shs.	Shs.	Shs.		
European	7,437,073	1,039,967	8,477,040	593.59	593.59
Asiatic	4,553,686	1,235,414	5,839,100	110.69	110.69
Native	4,161,329	5,167,611	9,328,940	1.65	1.65
TOTAL	16,152,088	7,492,992	23,645,080	-	-

1926

	Contribution			Per capita Contribution	
	Kenya	Uganda	Total	Kenya	Uganda
	Shs.	Shs.	Shs.		
European	7,998,300	1,118,447	9,116,747	638.38	638.38
Asiatic	4,191,037	1,183,046	5,374,083	101.87	101.87
Native	4,237,905	5,262,705	9,500,610	1.68	1.68
TOTAL	16,427,242	7,564,198	23,991,440	-	-

SCHEDULE V.

Table showing Taxation per Head of the different communities for the years 1925, 1926 and 1927

K E N Y A

dividing up the Customs Revenue between Kenya and Uganda on the basis of the ratio published in the Customs Report.

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	EUROPEANS		INDIANS		GOANS		ARABS, SOMALIS & OTHERS		NATIVES		INDIANS & GOANS	
	Taxation per head	Index Number	Taxation per head	Index Number	Taxation per head	Index Number	Taxation per head	Index Number	Taxation per head	Index Number	Taxation per head	Index Number
<u>Taxation Revenue including Customs</u>												
1925	621/09	1000	118/99	0192	327/65	0528	53/47	0086	6/76			
1926	725/35	1000	137/98	0190	315/30	0435	62/13	0086	7/80	0011	137/25	0221
1927	853/06	1000	152/19	0178	327/62	0466	61/53	0072	7/04	0010	153/40	0211
										0008	173/66	0204
<u>Including Customs, less debatable items</u>												
1925	562/37	1000	114/47	0204	326/79	0581	47/99	0085	6/49	0012	132/50	0233
1926	678/69	1000	131/71	0194	309/56	0456	56/57	0083	6/88	0010	147/26	0217
1927	820/28	1000	146/14	0178	322/49	0478	58/55	0071	6/73	0008	169/67	0196
<u>Excluding Customs, but including debatable items</u>												
1925	236/37	1000	34/24	0147	42/48	0183	20/42	0088	4/62	0020	34/36	0160
1926	275/64	1000	55/67	0203	37/83	0137	26/64	0097	4/86	0018	54/11	0176
1927	260/68	1000	58/10	0223	66/84	0256	27/19	0104	4/96	0019	58/86	0226
<u>Excluding Customs & Debatable Items</u>												
1925	173/65	1000	29/72	0171	37/71	0217	15/87	0091	4/36	0025	30/71	
1926	228/98	1000	49/50	0216	32/09	0140	21/08	0092	4/54	0020	47/98	0177
1927	227/90	1000	52/03	0228	61/73	0271	24/21	0106	4/65	0020	52/87	0232
<u>Customs only</u>												
1925	388/72	1000	85/22	0219	285/17	0734	32/12	0083	2/13	0005	101/79	0262
1926	449/71	1000	82/21	0183	277/47	0617	35/49	0079	2/33	0005	99/29	0221
1927	592/38	1000	94/11	0159	330/76	0558	34/06	0058	2/08	0004	114/80	0194

SCHEDULE V.

Table showing Taxation per Head of the different communities distinguishing Customs Revenue from General Taxation Revenue, together with comparative Index Numbers on the European Contribution as base.
1 9 2 7

KENYA

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	Including Customs		Including Customs less Items at foot X		Excluding Customs but including Items at foot X		Excluding Customs and Items at foot X		Customs only	
	Taxation per Head Shs.	Index Number	Taxation per Head Shs.	Index Number	Taxation per Head Shs.	Index Number	Taxation per Head Shs.	Index Number	Taxation per Head Shs.	Index Number
PART I										
Europeans	885/06	1000	820/28	1000	260/68	1000	227/90	1000	592/38	1000
Indians	152/19	0178	148/14	0178	58/10	0223	52/03	0223	94/11	0159
Goans	247/62	0466	392/49	0478	66/84	0256	61/73	0271	330/76	0558
Arabs, Somalis & Ora	61/53	0072	58/55	0071	27/19	0104	24/21	0106	34/06	0058
Natives	7/04	0008	6/73	0008	4/96	0019	4/65	0020	2/08	0004
PART II										
Europeans	885/06	1000	820/28	1000	260/68	1000	227/90	1000	592/38	1000
Indians & Goans	173/66	0204	187/67	0204	58/86	0226	52/87	0232	114/80	0194
Arabs, Somalis & Ora	61/53	0072	58/55	0071	27/19	0104	24/21	0106	34/06	0058
Natives	7/04	0008	6/73	0008	4/96	0019	4/65	0020	2/08	0004

- X. Items referred to in Paras. 4-10 in Report on Proportionate Taxation Revenue 1926. It is debatable if these items should be regarded as Direct Taxation Revenue
- Game Licences
 - Bills of Health
 - Fines and forfeitures
 - Eastleigh Township fees
 - Fees of Court.

SCHEDULE IV.

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	Europeans £	Asiatics £	Natives £	TOTAL £
Rockets and fireworks				
Sewing machines	39	300		339
Typewriters	80	160	...	240
Spirits, rectified (including absolute alcohol)	100	59	149	308
Starch and blue	30	2	...	32
Toys, games etc	50	50	...	100
Toilet preparations, essences, tinctures, etc	100	50	72	222
Umbrellas	30	2	45	77
Personal & household effects	3	80	...	83
Miscellaneous goods, manufactures not elsewhere stated	300	39	800	1139
	1500	500	...	2000
TOTAL - CLASS III	43408	37617	245	81270
CLASS IV			135699	135699
Animals not for food - TOTAL	...	...	...	...
CLASS V			...	...
Parcel Post			...	...
Total Revenue Class I	12000	6000	1101	19101
do Class II	39272	15640	59871	114783
do Class III	854	156	125	1136
do Class IV	43408	37617	135699	81270
do Class V	...	...	...	...
	12000	...	1101	...
GRAND TOTAL	94914	56313	195699	346926

Note:- Minor Items not included represent a total duty collected of £1,300 which does not effect the statement above in respect of Revenue allocation over the different races.

SCHEDULE IV.

	Europeans £	Asiatics £	Natives £	TOTAL £
Paper manufactures, unenumerated	55	50	...	115
Cycles (not motor)	49	450	4000	4499
Motor Cars	4000	2000	143	6143
Motor car parts and accessories	1750	1050	99	2899
Motor Cycles	500	400	26	1025
Motor sidecars	200	23	...	223
Motor cycle parts	200	40	...	240
Other vehicles, not mechanically controlled	10	8	...	18
do parts of & accessories	50	33	1400	1483
Wheels, parts thereof for wagons & carts	9	...	...	9
Motor Car tyres	2000	1000	20	3020
Motor cycle tyres	150	76	...	226
Bicycle tyres	53	300	3000	3353
Rubber manufactures, unenumerated	100	30	9	139
Ammunition	189	...	...	189
Basket-ware	1	...	...	1
Beads	...	98	300	398
Blacking and polishes	200	58	...	258
Brooms and brushes	75	20	...	95
FORN Paperoid, etc	50	8	...	58
Films for kinoscopes & cinematographs	20	20	10	50
Guns, rifles, etc	289	...	...	289
Electro plated ware	13	...	...	13
Gold and silver plated ware	30	7	...	37
Jewellery	50	150	58	258
Lamps and Lanterns	95	200	700	995
Matches	250	750	3927	4927
Methylated spirits	5	...	...	5
Musical instruments	87	150	200	437
Perfumery cosmetics & toilet preparations	400	232	100	732
Perfumed spirits	151	10	...	161
Pictures and Engravings	12	...	...	12

SCHEDULE IV.

	Europeans £	Asiatics £	Natives £	TOTAL £
				1531
Textile manufactures, unenumerated	200	500	331	896
Boots and Shoes	396	400	100	1861
Haberdashery	780	350	261	904
Hats, Caps, etc	500	100	504	153
Stockings and Hose	100	25	28	641
Linen manufactures, unenumerated	200	241	200	1412
Hosiery, other	600	500	312	20
Wearing apparel, second hand for sale	....	....	20	1671
do unenumerated	1000	500	171	3
Carbonic Acid Gas	2	1	....	499
Chemical manufactures unenumerated	400	99	....	599
Prepared medicines	300	299	3	83
Dyestuffs	10	10	24	199
Painters' colours and varnishes	100	75	20	100
Candles	80	30	800	1619
Lubricating Oils	719	600	5	68
Lubricating Greases	30	30	399	13399
Motor Spirit	7000	6000	3198	5198
Mineral Oil, illuminating or burning	750	1250	399	899
Soap, common	200	300	....	7
Soap, toilet	7	....	....	99
Turpentine	80	19	....	80
Manufactures, unenumerated	50	20	97	497
Leather, dressed	200	200	....	9
Saddlery and harness	9	....	100	227
Leather manufactures, unenumerated	52	75	2000	2418
Paper, cigarette printings	25	393	....	154
packing other	100	54	205	305
Playing cards	50	50	....	4
Stationery	4	....	20	61
	21	20	70	1870
	1250	550		

SCHEDULE IV.

	Europeans £	Asiatics £	Natives £	TOTAL £
Cameras	40	7	..	47
Razors	20	40	35	95
Shovels, spades, axes, etc	...	...	2	2
Stoves, Primus & other oil	30	28	10	58
Latches, complete	10	8	..	18
Electrical goods, not enumerated	15	7	..	22
Electric bulbs	15	7	..	22
Machinery and parts thereof	61	30	..	91
Furniture and cabinet-ware	253	75	25	353
Builders' woodwork (window-frames etc)	4	2	..	6
Manufactures, not elsewhere specified	40	20	..	60
Cotton-piece goods:-				
grey unbleached	500	1500	4080	4280
Bleached	1000	1500	7625	10125
Printed	750	500	4258	5508
Dyed in the piece	2000	4000	27408	35408
Coloured	1000	2000	15317	18317
Blankets, cotton	...	741	9000	9741
Thread, cotton	168	200	1000	1368
Yarns, cotton	3	6	...	9
Manufactures, unenumerated	750	500	166	1416
Woolen blankets	67	30	...	97
Carpets, rugs, etc	150	50	10	210
Tissues	750	250	643	1643
Yarns, woolen	2	...	...	2
Manufactures, unenumerated - woolen	5	2	...	7
Silk Tissues	500	750	397	1647
Silk manufactures, unenumerated	6	6	...	12
Awings, Barraculins, etc	100	60	4	164
Coir mats and matting	20	20	18	58
Cordages, ropes and twine etc	50	32	10	92
Jute carpets and rugs	15	8	...	23
Linen piece goods	40	12	...	52
Linen thread	1	...	...	1
Sail cloth and canvas	100	22	10	132

SCHEDULE IV.

	Europeans £	Asiatics £	Natives £	TOTAL £
Girders, beams, joists, etc	3	...	...	3
Holloware, enamelled	211	400	900	1511
do not enamelled	19	20	80	119
Nails, screws, rivets, etc	200	150	89	439
Plates and sheets, not galvanised	4	...	...	4
Stoves, grates and ranges (domestic)	54	...	...	54
Safes	50	100	23	173
Fire cable & rope, not electrical	6	...	...	6
Wire, iron, other sorts	...	...	344	344
Wire, steel other sorts	2	...	...	2
Fireproof safes	15	...	...	15
Iron & steel manufactures unenumerated	245	100	100	445
Aluminium holloware, domestic	200	500	727	1427
Aluminium wire	...	...	1	1
Brass sheets, plain or perforated	...	1	...	1
Brass wire	...	3	90	93
Brass manufactures, unenumerated	20	22	80	122
Copper wire	...	...	...	...
Copper manufactures unenumerated	29	20	...	49
Lead, bar and sheets	2	...	...	2
Lead manufactures, unenumerated	10	3	...	13
Tin manufactures, unenumerated	10	10	19	39
Metal, bar, blocks etc.	1	...	...	1
Other manufactures, not elsewhere specified	30	6	...	36
Artisans' tools	200	400	88	688
Bioscopes, magic lanterns, etc	10	8	...	18
Clocks complete	20	20	28	68
Outlets' wares not elsewhere specified	100	100	277	477
Hardware, other than holloware	200	200	608	1008
Locks, fastenings etc.	50	100	186	336
Implements & tools, & parts thereof	100	100	40	240
Knives other than machine knives	25	26	100	151

SCHEDULE IV.

38

	Europeans. £	Asiatics. £	Natives. £	TOTAL. £
Spirits, Gin	2504	500	...	3004
Liqueurs	585	...	...	585
Whiskey	20000	945	...	20945
Sugar	100	4	...	104
Tea	613	750	2250	3613
Other food	1500	184	...	1784
Tobacco-Cigarettes	68	20	10	98
Cigars & Cigarillos	1000	1000	6107	8107
Tobacco manufactures	187	...	...	187
" unmanufactured	2000	3000	44649	49649
Snuff	...	...	18	18
	...	...	1	1
TOTAL - CLASS I	39272	13540	59871	112683
CLASS II				
Raw materials & articles mainly unmanufactured				
TOTAL	234	156	135	525
CLASS III				
Earthenware, etc	600	200	55	855
Bricks and Tiles	20	7	...	27
Glass chimneys, globes and shades	50	40	100	190
Glassware, domestic and fancy	30	10	11	51
Mirrors & looking glasses	10	10	11	31
Glass and Glassware unspecified	105	50	150	305
Asbestos, manufactured	20	7	...	27
Cement, building	1000	400	130	1530
Slates, roofing	20	5	...	25
Mining & quarry products, manufactured, unspecified	8	...	...	8
Bars, rods, angles, etc	30	30	30	90
Bedsteads and finished parts thereof	200	43	...	243
Buildings, complete	250	145	...	395
Galvanized sheets, corrugated	2000	886	250	3136
do do flat	5	...	...	6

SCHEDULE IV.

NET REVENUE FROM IMPORTS DURING 1927

UGANDA

CLASS I	Europeans	Asiatics	Natives	TOTAL
	£	£	£	£
Wheat	...	105	...	105
Rice	...	698	300	1048
Millet	50	31	10	41
Other Grain	...	54	10	64
Pulse	...	23	20	43
Dhall	...	306	...	306
Wheatmeal and flour	1500	1908	200	3608
Pulse meal and flour	...	80	11	91
Bacon and Ham	49	...	...	49
Meat, tinned, canned or o/wise preserved	80	23	10	113
Cattle	50	...	503	553
Acrated Veters	50	7	...	57
Ale, Beer, Stout, etc.	2000	203	...	2203
Beverages and syrups	80	120	23	223
Biscuits	550	91	...	641
Butter	8	...	...	8
Chops	30	4	...	34
Confectionery	300	150	30	480
Dates	...	15	...	15
Fish, salted, pickled or dried	...	3	6	9
Fish, canned	200	20	...	220
Fruit, bottled, canned or o/wise preserved	288	50	...	338
Garlic & Onions, not preserved	20	266	20	306
Ghee	...	400	50	450
Lard and its compounds	8	...	...	8
Margarine, Arrowfat, butter substitutes etc	15	4	...	19
Narmalade, Jams and Jellies	163	40	20	223
Milk, preserved, condensed etc.	262	200	500	962
Provisions, other	1700	500	73	2273
Salt, table	12	2	...	14
Salt, other	100	318	5000	5418
Spices	100	594	50	744
Spirits:- Brandy	3000	922	...	3922

SCHEDULE IV.

NET CUSTOMS DUTY LEVIED UNDER ESTIMATES SUBHEADS FOR 1927.

UGANDA

	Europeans £	Asiatics £	Natives £	TOTAL £
<u>CLASS I.</u> Food, Drink, Tobacco				
Grain & Flour	1550	3205	551	5306
Spirits	26189	2961	50	29200
Wines, Ale and Beer	3600	387	...	3987
Other food and drink	4746	2987	8495	16228
Tobacco	3187	4000	50775	57962
<u>CLASS II</u> Raw materials and articles Mainly unmanufactured	354	156	135	525
<u>CLASS III</u> Articles wholly or mainly manufactured:-				
Cotton yarns and manufactures	5168	10947	104854	121969
Other textile manufactures	5852	3858	2019	12729
Oils, fats and resin manufactures	8866	8249	4349	21464
Vehicles	6868	4004	5668	16540
Matches	250	750	3927	4927
Miscellaneous goods	15404	9809	13775	38988
<u>CLASS IV.</u> Animals not for food	....	....	....	....
<u>CLASS V.</u> Parcels Post	12000	5000	1101	18101

TOTAL 94914 56313 196699 347926

27.3%

16.2%

56.5%

	Europeans £	Indians £	Gosns £	Arabs Somalis & Others	Natives £	TOTAL £
Candles	90					
Lubricating Oils and Greases	5526	200	50	22	170	532
Motor Spirit	23152	1800	200	50	50	7652
Mineral Oil, illuminating or burning	3000	4500	1000	500	500	29052
Soap	2800	2400	500	200	8567	14767
Other oils and fats and manufactures	322	1700	750	1000	4258	10508
Leather and manufactures	1864	150	50	40	60	3224
Paper - cigarettes	100	640	310	200	850	1998
Paper, other, stationery & manufactures of	9100	200	25	50	1623	10500
Cycles (not motor)	3600	800	300	150	180	10500
Marine engines and machinery	...	1400	900	600	30235	36735
Motor Car parts and accessories	35382	...	...	...	...	...
Motor Cycles, Sidecars, tricars & parts	8671	9000	800	500	900	46582
Other vehicles parts of, and accessories	4391	1000	200	100	100	10071
Tyres and Tubes - motor cars & cycles	7000	450	200	100	660	5791
Rubber manufactures	950	2500	350	150	527	10527
Ammunition (Sporting)	1855	200	125	75	1445	2822
Beads	350	100	75	25	...	2050
Guns, Rifles, revolvers etc.	2200	1350	150	100	8152	10712
Fuses, Explosives	...	79	...	...	...	2370
Gold and Silver plated wire	500	...	...	...	...	...
Lamps and lanterns	450	80	49	...	...	...
Matches	1200	300	150	20	40	659
Musical Instruments	2230	1400	700	100	3060	4080
Perfumery and perfumed spirits	1901	250	400	100	11014	14814
Typewriters	400	900	350	300	1000	3980
Toys games and sports goods	650	325	75	25	850	4101
Miscellaneous goods manufactures	10000	250	150	50	132	957
Parcel Post	32000	5000	950	604	86	1186
		20500	3900	2600	4800	21354
					6403	65403

	Europeans £	Indians £	Gosns £	Arabs Somalis & Others	Natives £	TOTAL £
Cotton piece goods: Dyed in piece coloured	4500 4000	8600 6500	1300 2500	900 3000	41520 33308	57020 49308
Cotton blankets	1000	3000	1000	1000	53557	59557
" thread	480	390	150	80	1307	2407
" yarns	185	185	100	69	195	734
" manufactures unspecified	5516	850	500	300	1500	8666
Woollen blankets	1592	75	60	65	500	2292
" carpets and rugs	742	150	100	40	60	1092
" tissues	2917	350	125	125	650	4167
" yarns	27	...	...	...	...	27
" manufactures unspecified	600	75	30	16	...	721
Silk Tissues	1500	2984	400	200	900	5984
" yarns	15	...	...	...	...	15
" manufactures	375	525	45	...	...	945
Awnings, Tarpaulins, Tents, etc.	1547	125	75	...	...	1747
Coir mats and matting	80	80	30	20	28	218
Cordage, Ropes etc.	875	250	...	30	120	1275
Jute carpets and rugs	91	6	4	...	...	33
Linen piece goods	150	50	15	...	...	215
Jute piece goods	20	5	5	...	...	30
Linen manufactures	3350	130	168	100	...	3748
Sail cloth and canvas	1120	430	100	288	450	2388
Textile manufactures	2100	160	75	75	507	2907
Boots and Shoes	2488	850	600	400	650	4988
Haberdashery	419	50	30	20	40	559
Hats, Caps etc.	700	600	300	150	2145	3895
Stockings and Hose	1346	300	200	100	150	2096
Other Hosiery	1800	500	200	100	1666	4266
wearing apparel	4500	2250	1000	597	2250	10597
Chemical manufactures and products	1800	526	300	150	...	2776
Drugs and medicines etc.	1202	600	200	100	300	2402
Dyestuffs etc.	75	75	15	5	100	270
Painters' colours and varnishes	987	130	90	50	170	1327

	Europeans £	Indians £	Goans £	Arabs Somalis & others	Natives £	TOTAL £
Tobacco - manufactures	26500	5000	3500	6500	67259	106759
Tobacco - unmanufactured	...	...	...	26	230	256
Other articles of food and drink	3000	621	300	700	1000	5621
Timber	2912	450	150	100	300	3912
Tar and Pitch	35	8	7	...	...	50
Other articles mainly unmanufactured	250	220	130	10	272	972
Earthenware	1400	550	350	300	1388	4183
Glass, Chimneys, Globes, Shades	131	90	50	30	290	601
Glass and Glassware	1200	500	150	75	524	2449
Cement and Building	2000	1337	600	200	500	4637
Miscellaneous mining and quarry products	450	100	17	...	...	567
Iron & Steel & manufactures thereof	18500	7400	1260	420	2120	29700
Aluminium Holloware	700	875	250	100	5150	7075
Brasswire	...	...	...	...	2832	2832
Brass manufactures	294	130	40	10	20	494
Copperwire	...	...	...	...	2269	2269
Copper manufactures	25	45	7	4	10	91
Tin and manufactures	90	90	20	10	146	356
Other non-ferrous metals & manufactures	400	560	200	106	65	1331
Artisans' Tools	1437	1250	880	100	750	3817
Clocks and watches	225	150	40	20	407	842
Cutlery, wares and hardware	1000	500	185	25	1548	3248
Implements and tools	725	500	50	25	440	1840
Cameras and razors	280	85	15	10	44	434
Surgical and Scientific Instruments	200	31	20	...	...	251
Other hardware, cutlery etc.	1350	330	205	115	1989	3989
Electrical goods and apparatus	1000	150	50	11	...	1211
Machinery and parts	900	200	37	...	...	1137
Furniture and cabinet ware	1637	300	100	50	150	2237
Manufactures of wood and timber	399	150	75	25	100	749
Cotton piece goods:- Gray unbleached	70	8000	200	100	61069	90069
" Bleached	2500	6500	2000	1000	9055	21055
" Printed	2500	3650	1000	500	179936	25586

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SCHEDULE III

NET REVENUE FROM IMPORTS DURING 1925
for KENYA and UGANDA combined

	Europeans £	Indians £	Goans £	Arabs Somalis & others	Natives £	TOTAL £
Wheat	...	525	150	75	...	750
Maize	...	...	...	...	...	...
Rice	1000	1200	2000	1204	6000	24204
Other Grain	...	1400	200	400	542	2542
Wheat meal and Flour	3000	8636	1200	800	4000	17636
Other Meal and Flour	...	...	...	...	484	484
Feeding stuffs for animals	24	20	...	...	...	44
Bacon and Ham	200	...	30	...	...	230
Meat, tinned, canned or otherwise preserved	250	...	40	20	30	340
Cattle lining for food	10	11	...	50	50	121
Sheep and Goats for food	...	37	40	30	30	137
Poultry and Game for food	...	...	...	...	...	...
Aerated Waters	200	...	24	...	...	224
Ale, Beer, Stout, etc.	9000	...	936	...	...	9936
Beverages and Syrups	125	150	56	75	150	506
Biscuits, Butter, Cheese and Coffee	2040	283	780	230	20	3223
Confectionery	2000	746	500	500	500	4246
Fish, salted, pickled or dried	...	...	...	81	400	481
Fish canned	1500	...	383	...	...	1883
Fruit preserved	1869	300	200	100	100	2569
Fruit fresh	...	...	...	...	...	...
Ghee	...	1700	...	57	...	1757
Lard etc.	43	...	...	...	...	43
Marmalade, Jams and Jellies	849	100	100	50	50	1149
Milk Condensed etc.	1739	1700	800	150	650	5239
Provisions, other than fresh	4007	1500	700	200	600	7007
Provision, fresh	...	6	2	...	9	17
Salt	412	600	150	150	6000	7418
Spices	300	2048	150	50	500	3048
Spirits - Brandy, Whiskey etc.	99269	29197	17518	...	...	145984
Sugar	2710	3000	950	1050	10000	17710
Tea	3000	2900	1900	700	8651	17151
Wines	9886	562	786	...	...	11234

SCHEDULE III.

NET CUSTOMS DUTY LEVIED UNDER ESTIMATES SUB HEAD FOR
1925.

FOR KENYA AND UGANDA COMBINED

	Europeans £	Indians £	Goans £	Arabs Somalis & others	Natives £	Total £
CLASS I. Food Drink and Tobacco						
Grain and flour	4000	22561	3550	2479	13026	45616
Spirits	99269	29197	17519	...	...	145984
Wines, Ale and Beer	19886	562	1722	...	...	21170
Other food and drink	24244	15662	7074	4293	28940	80813
Tobacco	26500	5000	3500	6626	67499	109015
CLASS II. Raw materials and articles mainly unmanufactured	3197	672	287	200	572	4934
CLASS III. Articles wholly or mainly manufactured						
Cotton yarns and manufactures	21381	37875	8750	6949	239447	314402
Other textile manufactures	17011	5387	1233	959	3215	27805
Oils, fats and resin - do	34090	10750	2650	1812	13605	63707
Vehicles	52044	11850	2100	1300	31885	99179
Matches	1200	1400	700	300	11014	14614
Miscellaneous goods	89230	34249	10375	5307	50851	190212
CLASS IV. Animals not for food	...	...	...	...	...	...
CLASS V. Parcel Post	32000	20500	3900	2600	6403	65403
TOTAL	£423852	195671	63559	32725	466447	1182254

SCHEDULE III.

NET CUSTOMS DUTY LEVIED UNDER ESTIMATES SUB HEAD FOR
1925.

FOR KENYA AND UGANDA COMBINED

	Europeans £	Indians £	Goans £	Arabs Somalis & others	Nat
CLASS I. Food Drink and Tobacco					
Grain and flour	4000	22561	3550	2479	130
Spirits	99269	29197	17518	...	...
Wines, Ale and Beer	16886	662	1722	...	...
Other food and drink	24244	15662	7074	4293	289
Tobacco	26500	5000	3500	6526	674
CLASS II. Raw materials and articles mainly unmanufactured	3197	672	287	200	5
CLASS III. Articles wholly or mainly manufactured					
Cotton yarns and manufactures	21361	37875	8750	6949	2394
Other Textile manufactures	17011	5387	1233	960	32
Oils, fats and resin do	34090	10750	2650	1812	1360
Vehicles	52044	11850	2100	1300	3180
Matches	1200	1400	700	300	1100
Miscellaneous goods	89230	34249	10575	5307	5080
Animals not for food	...	...	...	...	...
CLASS IV.					
Parcel Post	32000	20500	3900	2600	640
CLASS V.					
TOTAL	£423852	195671	63559	32725	46644

SCHEDULE II

Table showing Taxation per Head of the different communities distinguishing Customs Revenue from General Taxation Revenue, together with comparative index numbers on the European contribution as base.

KENYA - 1926

Class of Population	Including Customs		Including Customs less Items referred to in Paras 4-10 above		Excluding Customs and Doubtful Classification, but including all other items		Excluding Customs and Doubtful Classification and Items referred to in Paras 4-10 above		Customs only	
	Taxation per head. Shs.	Index Number	Taxation per Head Shs.	Index Number.	Taxation Per head. Shs.	Index Number	Taxation Per head Shs.	Index Number	Taxation Per head. Shs.	Index Number
<u>PART I</u>										
Europeans	725.35	1000	678.69	1000	275.64	1000	228.98	1000	449.71	1000
Indians	137.88	0189	131.71	0194	55.67	0203	49.50	0216	82.21	0183
Goans	315.30	0436	309.56	0456	37.53	0137	32.09	0140	277.47	0617
Arabs, Somalis & Others	62.13	0086	56.57	0083	26.64	0097	21.08	0092	35.49	0079
Natives	7.20	0010	6.88	0010	4.86	0018	4.54	0020	2.34	0005
<u>PART II</u>										
Europeans	725.35	1000	678.69	1000	275.64	1000	228.98	1000	449.71	1000
Indians & Goans	153.40	0211	147.26	0217	54.11	0196	47.96	0209	99.29	0221
Arabs, Somalis and others	62.13	0086	56.57	0083	26.64	0097	21.08	0092	35.49	0079
Natives	7.20	0010	6.88	0010	4.86	0018	4.54	0020	2.34	0005

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SCHEDULE II

Table showing Taxation per Head of the different communities distinguishing Customs Revenue from General Taxation Revenue, together with comparative index numbers on the European contribution as base.

KENYA - 1926

Class of Population	Including Customs		Including Customs less Items referred to in Paras 4-10 above		Excluding Customs and Doubtful Classification, but including all other items		Excluding Customs and Doubtful Classification and Items referred to in Paras 4-10 above		Customs only	
	Taxation per head, Shs.	Index Number	Taxation per Head, Shs.	Index Number.	Taxation Per head, Shs.	Index Number	Taxation Per head, Shs.	Index Number	Taxation Per head, Shs.	Index Number
<u>PART I</u>										
Europeans	725.35	1000	678.69	1000	275.64	1000	228.98	1000	449.71	1000
Indians	137.89	0190	131.71	0194	55.67	0203	49.59	0216	82.21	0185
Goans	315.39	0435	309.56	0456	37.83	0137	32.09	0140	277.47	0617
Arabs, Somalis & Others	62.13	0086	56.57	0083	26.64	0097	21.08	0092	35.49	0079
Natives	7.20	0010	6.88	0010	4.86	0018	4.54	0020	2.34	0005
<u>PART II</u>										
Europeans	725.35	1000	678.69	1000	275.64	1000	228.98	1000	449.71	1000
Indians & Goans	153.40	0211	147.26	0217	54.11	0196	47.98	0209	99.29	0221
Arabs, Somalis and others	62.13	0086	56.57	0083	26.64	0097	21.08	0092	35.49	0079
Natives	7.20	0010	6.88	0010	4.86	0018	4.54	0020	2.34	0005

chedule II contd.

The following are comparative figures for the three years 1924, 1925 and 1926 including Customs and all other Heads of Revenue considered as Taxation Revenue in the Report on the 1925 Returns.

	Rate per Head per annum		
	1924	1925	1926
Europeans	£35/10/-	£31/1/-	£36/8/-
Indians	£6/4/-	£5/18/-	£8/18/-
Goans	£20/17/-	£16/8/-	£15/15/-
Arabs, Somalis & Others	£2/18/-	£2/18/-	£5/2/-
Natives	7/3	6/9	7/1

Schedule II contd.

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	EUROPEAN Shs.	Indian Shs.	Goan Shs.	Arabs Somalis & others Shs.	Natives Shs.	Total Revenue Shs.
Total from Taxation Revenue	9,087,926	3,639,508	1,008,745	734,136	18,112,901	32,433,216
Population as per Census 1926	12,529	26,759	2,565	11,816	2,516,330	2,568,999
Taxation per head	Shs. 725.35 £36.5/-	Shs. 137.98 £6/18/-	Shs. 316.30 £15/10/-	Shs. 62.15 £3/2/-	Shs. 7.20 7s/1d	Shs. 12.62 12s/6d

Wines and Spirits Consumption
Tax for Education Cos^m brought
into Force Nov. 1926

56,062	15,194	9,993	61,249
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(Not included in proportionate
taxation as it is an exceptional
tax. See Para 13 of covering Report).

	Europeans Shs.	Indians Shs.	Gens Shs.	Arabs Sennia & Others	Natives Shs.	Total Revenue Shs.
Brought Forward	3,324,501	1,322,316	81,862	244,608	12,003,207	16,976,494
Head IV						
Fees of Court	17,808	115,628	10,406	48,182	177,377	369,401
Reg.Gens,Off.Rec'ts & Pub.Trus.Fees	6,304	5,319	597	6,311	696	19,227
Regn.of Business Names & Companies	21,292	3,778	92	...	...	25,162
Regn.of Inventions,Designs, etc.	8,093	360	8	...	...	8,461
Conveyancing Fees	21,555	15,443	1,074	96	88	38,255
Market & Cattle Pound Fees	6,617	2,572	...	10,268	30,112	50,469
Bills of Health	11,803	...	...	...	107	11,910
Miscellaneous Fees	38,693	3,037	1,163	3,119	16,282	56,294
Eastleigh Township Fees	1,582	81,166	1,824	1,549	...	26,121
Fees for survey of ships	1,040	...	...	...	...	1,040
Total	3,453,488	1,409,619	97,026	314,632	12,227,669	17,582,834
DOUBTFUL CLASSIFICATION						
Customs	5,634,438	2,194,466	711,719	415,169	5,671,678	14,627,470
Port Dues	...	2,612	...	1,993	6,434	11,039
Regn. of Dhows,Boats,etc.	...	2,293	...	1,748	5,644	9,685
Miscellaneous Licences	...	518	...	394	1,276	2,186
Total - Doubtful Classification	5,634,438	2,199,889	711,719	419,304	5,685,032	14,650,382
GRAND TOTAL	9,087,926	3,609,508	808,745	734,136	18,112,901	32,435,216

SCHEDULE II

NET REVENUE FROM TAXATION FOR THE YEAR 1926 - KENYA

	Europeans Shs.	Indians Shs.	Goans Shs.	Arabs Somalis & others
HEAD II				
Port Dues	217,886	***	***	****
HEAD III				
Regn. of Dhows, Boats, etc.	36	571	***	780
Native Registration	***	***	***	***
Game Licences	319,092	4,096	1,015	1,404
Explosives, Guns & Ammun. Licences	25,636	3,457	537	499
Liquor Licences	59,132	27,623	19,766	370
Miscellaneous Licences	7,105	44,577	1,810	5,672
Coffee Licences	22,291	79	***	***
Regn. of Documents and Titles	60,434	19,440	1,450	7,273
Licences under Motor Ordinance	353,765	49,417	6,472	7,152
Stamp Duties - various revenue purposes	1,267,486	63,479	3,132	11,070
Cattle Traders Licences	1,862	7,227	2,031	35,479
Hut & Poll Tax - Native	***	***	***	***
Non-Native Poll Tax	275,995	335,256	28,060	122,767
Fines and Forfeitures	14,733	20,654	1,459	12,541
Estate Duty	267,090	414,253	964	4,431
Traders Licences	54,105	249,313	9,249	20,120
Petrols Tax	344,766	48,160	5,332	6,970
Cotton Tax	12,350	32,439	***	***
Beer Ordinance	19,394	1,375	1,627	***
Income Tax	743	***	***	***
Carried forward	3,324,501	1,322,316	81,062	244,600

	Europeans Shs.	Indians Shs.	Goans Shs.	Arabs & S-malls Shs.	Natives Shs.	Total Revenue Shs.
BROUGHT FORWARD	2,740,114	801,577	94,973	185,773	11,376,668	15,219,205
Head IV						
22. Fees of Court	37,890	90,303	9,279	36,002	170,037	343,511
23. Reg. Con's, Off. Rec's & Pub. Trus. Fees	22,560	1,844	300	4,520	2,376	31,599
24. Reg. of Business names & Companies	15,125	1,876	62	...	20	17,083
25. Reg. of Inventions, Designs, Trade Marks, etc.	7,756	201	2	...	...	7,959
26. Conveyancing Fees	19,986	6,113	323	...	366	26,787
27. Market and Cattle Pound Fees	4,120	3,255	...	11,720	26,621	45,716
28. Bills of Health	9,004	...	...	...	1,436	10,440
29. Miscellaneous Fees	32,621	4,325	3,456	2,741	38,627	81,770
30. Eastleigh Township Fees	490	6,557	565	480	-	8,092
31. Fees for survey of Ships	1,648	...	...	...	...	1,645
Total	2,911,310	916,151	108,960	241,236	11,615,161	15,793,808
DOUBTFUL CLASSIFICATION						
Customs as per pages 3 - 7						
Proportioned on Kenya Consumption only)						
Port Dues	4,870,285	2,268,534	731,476	379,513	5,395,729	13,554,537
Reg. of Bhow's, Boats, Crews etc.	.....	8,873	...	6,535	21,102	36,210
Miscellaneous Licences	.....	5,351	...	4,079	13,173	22,603
Total - Doubtful Classification	4,870,285	2,268,019	731,476	390,554	5,395,387	13,655,721
GRAND TOTAL	7,781,595	3,184,170	840,436	631,790	17,011,538	29,449,529
Total from Taxation Revenue	7,781,595	3,184,170	840,436	631,790	17,011,538	29,449,529
Population as per Census 1926	12,529	26,759	2,565	11,816	2,515,330	2,568,999
Taxation per Head	Shs. 621.09	Shs. 118.99	Shs. 327.65	Shs. 53.47	Shs. 6.76	Shs. 11.45
	£31/1/-	£5/19/-	£16/8/-	£2/13/-	6s/9d	11s/5d

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SCHEDULE I

NET REVENUE FROM TAXATION FOR THE YEAR 1925 - KENYA.

	Europeans Shs.	Indians Shs.	Goans Shs.	Arabs & Somalis Shs.	Native Shs.	Total Revenue Shs.
<u>Head II</u>						
1. Port Dues	331,559	...	...	...	...	331,559
<u>Head III</u>						
2. Regn. of Dhows, Boats, etc.	79	1,467	...	...	1,093	2,639
3. Native Registration	...	...	...	...	37,178	37,178
4. Game Licences	342,305	3,858	1,453	4,574	1,321	353,593
5. Explosives, Guns and Ammun. Licences	19,178	4,120	1,805	694	497	26,296
6. Liquor Licences	60,864	17,365	26,029	382	25,042	129,470
7. Miscellaneous Licences	19,510	38,739	1,783	6,188	7,772	73,987
8. Coffee Licences	19,472	117	---	11	...	19,500
9. Registration of Documents and Titles	39,844	13,512	858	6,461	5,104	68,878
10. Licences under Motor Ordinance	271,132	43,266	4,793	5,264	7,426	332,881
11. Stamp Duties - various Revenue purposes	964,306	42,118	9,301	9,547	3,925	1,049,097
12. Cattle Traders' Licences	2,045	12,208	545	35,818	43,102	93,722
13. Hut and Poll Tax (Native)	.....	...	...	...	10,749,560	10,749,560
14. Non-Native Poll Tax	211,594	253,344	31,938	74,077	...	570,953
15. Fines and Forfeitures	12,721	11,667	950	12,532	474,317	512,212
16. Estate Duty	127,669	43,222	732	2,674	5,402	179,899
17. Traders Licences	63,432	218,145	9,550	21,107	8,323	320,757
18. Petrol Tax	241,197	38,489	4,254	5,572	6,605	296,128
19. Cotton Tax	17,275	39,000	...	...	...	56,275
20. Beer Ordinance	12,762	905	1,005	...	...	14,672
21. Income Tax	3,174	...	...	...	...	3,174
Carried Forward	2,760,114	801,677	94,973	105,773	11,374,668	15,219,205

31. The enquiry should be looked upon rather as an effort to determine an index of progress and in this connection the variations in the total contributions under specific heads from year to year are of special interest, but are not strictly relevant to the subject matter of this memorandum.

32. Two Appendices are added : one supplied to the Statistical Department by the Tanganyika Government, shows the Non-Native and Native Taxation in that Colony including Direct and Indirect Taxation; the second is a report throwing the Kenya values into the same form as the Tanganyika values by dividing the population of the two territories into Non-Natives and Natives.

33. The final adopted values as referred to the Census Year population 1926, are as follows:

EUROPEAN

	Shs.
1925	726.55 (£36:6:0)
1926	823.60 (£41:3:0)
1927	917.70 (£45:17:0)
Average over three years per capita £41:6:0	

ASIATIC

	Shs.
1925	178.83 (£8:19:0)
1926	188.98 (£9:9:0)
1927	240.61 (£12:11:0)
Average over three years per capita £10:3:0	

NATIVE

	Shs.
1925	5:50
1926	5:75
1927	6:04

Average over three years per capita Shs.5/76

The increase between 1925 and 1927 is not a real increase in individual contribution to taxation, but is due to an increase in population which has not been allowed for. (See paragraph 3 of Summary)

(Sgd.) A. WALTER.

STATISTICIAN,
GOVERNORS' CONFERENCE.

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total contribution to Customs Revenue of: Europeans 1039967/-, Asiatics 1288414/, Natives 5167611/-, giving a total Revenue for Uganda of 7492992/, as compared with the Customs value of 10050543/-

Similar results for 1926 give: Europeans 1118447/, Asiatics 1183046/, Natives 5282706, a total Revenue of 7584198/-, as compared with the Customs value of 9163970/-.

26. The Customs proportioning is certainly not in error to this extent, in fact we may assume that, apart from articles which pass over the land borders of Uganda from Kenya, the Customs proportioning between the two territories is probably very near the truth, as great care is exercised in the allocation of Revenue which is jealously scrutinised by the two Territories.

27. The difference between the total Native contribution - Kenya and Uganda combined - in 1925 and 1927, may be assigned quite reasonably to Uganda, in order to derive a comparative value of "per capita" contribution between Kenya and Uganda to be applied to the 1925 figures. There is no reason to suppose that the purchasing power of the Kenya Native materially decreased between 1925 and 1927, whereas the purchasing power of the Uganda Native was most certainly reduced between 1925 and 1927 owing to the cotton slump. In considering these results, it must be remembered that the figures given in 1927 are Customs returns, and hence do not necessarily represent actual purchases by the public, but merchants' stocks. During periods of great prosperity, there is always a tendency to over stock, and these surplus stocks supply the public wants, often at a loss to the merchant, during periods of trade depression; some of the difference from 2/28 per head in 1925 to 1/26 per head in 1927 in the final adopted values for Uganda is undoubtedly due to this. The final value shown in Table 5 has been considered to represent the actual communal contribution in Kenya and Uganda to Indirect Taxation.

28. There can be little latitude for discussion in regard to the accuracy of the figure for Direct Taxation in Kenya, but the question of Indirect Taxation evidently may lead to considerable controversy. While the Statistical Department does not wish to claim undue accuracy for these figures, the basis on which the results have been made to depend have been placed at the disposal of any individual who cares to take up the investigation for himself.

29. The enquiry was undertaken in the first instance at the request of and for the guidance of the Administration, and it was not anticipated as already stated, that these results would have been given to the public; at the same time, the Statistical Department of the Governors' Conference now publishes the details with a certain degree of confidence as representing the "per capita" Taxation of the three communities - European, Non-Native and Native - with sufficient accuracy for practical Administrative purposes.

30. It should however be understood that the enquiry was not primarily a racial one from the point of view of relative contribution to Revenue, although it was realised that it would inevitably be used for this purpose. Such variations as occur are not racial but economic. It may be assumed that a wealthy Indian or Native of Africa will contribute to revenue for the carrying on of Government in the proportion in which his needs increase, in exactly the same manner as a wealthy European.

18. The final proportioning per head was made to depend on the Census population of 1926, and no attempt has been made to adjust the "per capita" contributions for increase in population between 1925 and 1927, but as the final figure adopted is the mean of the three years 1925 to 1927, the centre year of which is the Census year, it has been thought that any adjustment would merely complicate the results without increasing their accuracy.

19. There is reason to believe that both the European "per capita" contribution and the Native "per capita" contribution to Customs Revenue are greater in Uganda than in Kenya. Although no definite returns are available for 1925 and 1926, the problem of determining the communal contribution to Customs Revenue may be approached by a series of approximations, and the final results compared with 1927 values as derived from estimated allocations made by the Customs authority for that year - (Schedule VI).

20. A "resume" of various methods of dividing up the total Revenue from Customs amongst the various communities in Kenya and Uganda will be found in this Schedule (VI) and it remains to explain the reasons for adopting the final value shown in the summarised table of results.

21. In Table I (Schedule VI) each communal contribution was divided in the same ratio as the Customs divide the Revenue. In Table 2, a division is made on the assumption that the "per capita" communal contributions in Kenya and Uganda are the same. In Table 3, the assumption is made that Uganda European and Native communities contribute twice as much per head as the corresponding communities in Kenya, while the Asiatics contribute at the same rate in both Territories. In Table 4, the division is based on the actual Customs Estimates for 1927, with adjustments to meet the difference between 1925 and 1927 in the Native purchasing power in Uganda and in Table 5, the division is made on the assumptions in Table 4, so far as the European community and Native community are concerned, but on the understanding that the Asiatics contribute at the same rate in both Territories in 1925 and 1927.

22. These various methods of arriving at the relative contributions in the two Territories were then submitted to consistency tests, the details of which are given in the following paragraphs, in which the relative merits of these tables are discussed.

23. It will be seen from Table 1 that on the Customs ratio for the division of Revenue between the two Territories, the European "per capita" contribution in Kenya is only 388/-, while in Uganda it is 2059/-; whereas the Native contribute 2/13 in Kenya and 1/27 in Uganda for 1925. For 1926, the corresponding values are: European in Kenya 450/-, European in Uganda 1988/-, and the Native 3/78 in Kenya and 1/16 in Uganda.

24. This difference between the Kenya and Uganda "per capita" contribution is evidently unlikely and is so great as to dispose of this method of dividing up the communal contributions.

25. If we now combine the European population totals for the two Colonies and divide the estimated total European contribution to Customs by this figure, we get a "per capita" contribution of 593/- for the European, 110/- for the Asiatic, and 1.65 for the Native, which would produce for Uganda the

Community Rate per Head per annum

Europeans	Shs. 679/-
Indians & Goans	147/-
Arabs Somalis etc.	57/-
Natives	8/88

13. The results for 1925 and 1926 for Kenya alone were made to depend on the division of the Customs Revenue between the two Territories in the proportion adopted by the Customs in apportioning the Revenue between them; these proportions are published in the Customs Report year by year and are as follows:-

	<u>Kenya</u>	<u>Uganda</u>
1925	56.9600	43.0200
1926	64.1110	35.8890
1927	70.4113	29.5887

14. As the enquiry proceeded and knowledge of the conditions obtaining in the two Territories for the Native population increased, it became evident that this division of Revenue was not applicable to individual communities. The total contribution of the European Community must be higher in Kenya than in Uganda by force of numbers, although the "per capita" contribution should be higher in Uganda than in Kenya on account of the differing composition of the European population in the two Territories. The composition of the Asiatic population does not, probably, differ much, but the Native community in Uganda is both numerically greater and individually wealthier than in Kenya.

The values previously obtained for Kenya should in consequence be read as:- X (the value given) or more than X, while that of the Native population should be read as:- Y (the value given) or less than Y.

15. In the 1927 enquiry a further grouping was made, the whole Asiatic population being combined in one group - Indians, Goans, Arabs, Somalis and Others. To arrive at the figures for Uganda, the Commissioner of Customs very kindly submitted a Schedule (No. 4) in which a classification of the Customs Revenue was made for Uganda, similar to that submitted for Kenya and Uganda combined in 1925, with the difference that only the three racial groups of the 1927 analysis were adopted.

16. It is evident, that the Customs proportioning is subject to an indeterminate error for any individual commodity liable to be consumed by all Communities and it is inevitable that there should be differences of opinion as to the proportioning in such cases. Some commodities, on the other hand, are clearly all European or all Native.

17. The complete details of Customs proportionings are given in Schedules 3 and 4 - The Kenya and Uganda combined for 1925, and Uganda alone for 1927. Any investigator is in consequence at liberty to readjust these values according to his judgment or personal knowledge of the facts.

On the other hand, it will be noticed that a very large number of commodities has been used and proportioned separately, so that, as already pointed out, errors in excess in one item are more than likely to be compensated by errors in defect in others.

The attempt failed as many of the counterfoils were not marked and although an effort was made to classify the races in the Statistical Office, the results were so uncertain as to render them useless and three months work was entirely wasted.

8. Two main difficulties presented themselves in the course of this enquiry. Controversy arose in regard to the inclusion of certain items of Revenue as Taxation Revenue for Direct Taxes; while in the case of Indirect Taxation, not only was there uncertainty in the distribution of the items amongst the various communities, but the enquiry was further complicated by the allocation to Kenya and Uganda respectively, of Revenue derived from each Community, the needs of the Natives in each of these Territories being markedly different, and the conditions under which they live and work widely variant.

9. The result of the preliminary enquiry in 1925 gave the following rates per head per annum:-

<u>Community.</u>	<u>Rate per Head Per Annum</u>
Europeans	Shs. 621/-
Indians	119/-
Goans	328/-
Arabs and Somalis	53/-
Natives	6/75

The Heads of Revenue from which these figures are derived are given in Schedule I, and it will be seen that the results are separated into two categories: one in which the classification is practically determinate - Direct Taxation; the other, Indirect Taxation, in which the classification was considered doubtful.

10. The items of Revenue are numbered in this schedule consecutively, and in dealing with the 1926 returns, the classification of Taxation Revenue which had been adopted in 1925, was reconsidered and modified by the exclusion of:

- Item 1 - Port Dues
- Item 4 - Game Licences
- Item 15 - Fines and Forfeitures
- Item 25 - Fees of the Court
- Item 28 - Bills of Health
- Item 30 - Eastleigh Township Fees
- Item 31 - Fees for the Survey of Ships

These were considered not to fall under the heading of Taxation Revenue, but under "Revenue for Services Rendered".

11. The Revenue from each head of Taxation for 1926 is given in Schedule 2, together with the resulting "per capita" Revenue. A further classification is given in this Schedule, combining the Indians and Goans, as it was considered that owing to the small numbers of Goans, errors in the allocation of their contribution were liable to be considerable and that any difference between the Indians and Goans on this account was not significant.

12. The results of the 1926 enquiry gave the following rates per head:-

<u>Community.</u>	<u>Rate per Head per annum</u>
Europeans	Shs. 679/-
Indians	132/-
Goans	310/-
Arabs, Somalis & others	57/-
Natives	6/88

or combining Indians and Goans for the reason stated above

MEMORANDUM ON

PROPORTIONATE TAXATION IN KENYA.

A statement showing the proportion of Direct and Indirect Taxation Revenue contributed by the different communities in Kenya was drawn up in the Treasury for the year 1924, the results of which showed the following rates per head for each community:-

<u>Community</u>	<u>Rate per head per annum</u>
Europeans	Shs. 710/-
Indians	124/-
Goans	417/-
Arabs and Somalis	58/-
Natives	7/3

2. Some doubt was expressed as to the correctness of classification of taxation revenue and the Statistical Department of the Governors' Conference was requested to investigate the matter independently. An enquiry was accordingly undertaken and made to refer to the years 1925, 1926 and 1927. At the same time other enquiries were prosecuted concerning the incidence of taxation and taxable capacity in the three territories, some of which are incorporated in this memoir.

3. The results of proportionate taxation in Kenya were communicated to the Kenya Government each year, but it was not anticipated that they would be communicated to the public until the basis on which they were made to depend could be published in detail. Considerable uncertainty must always accompany enquiries of this nature, especially in countries in which statistical data is not easily accessible.

4. The values derived from the 1926 analysis were communicated to Legislative Council on 15th April 1930, in reply to a question asked by Lord Francis Scott. Permission was obtained on January 30th 1931, to include the details of the investigation in a comprehensive memoir embodying the results for the three years 1925 to 1927.

5. The procedure adopted in collecting the information was two-fold. Administrative Officers were asked to apportion the Revenue collected by them for Direct Taxation among the different communities. As returns were received from about 60 different Administrative and Treasury Officials, it seemed very improbable that errors should tend in the same direction. There can be no doubt about the correctness of the proportions in most cases.

6. The Customs revenue was proportioned article by article for Indirect Taxation and was based upon the considered opinion of the Customs Authorities concerning the uses to which the various commodities were put. An error in one direction in the revenue derived from one article is almost certain to be compensated by errors in an opposite direction for revenue derived from one or more other articles.

7. A further effort was made in 1928 to increase the accuracy of the returns for Direct Taxation, by requesting Administrative Officers to indicate the racial classification on the Receipt Counterfoils. These counterfoils were then analysed in the Statistical Dept. and it was intended to transfer the data to Hollerith cards for machine analysis.

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MEMORANDUM ON
PROPORTIONATE TAXATION
IN KENYA

SUMMARY.

1. The Revenue derived from Direct Taxation as appearing in the returns of the Administrative and Treasury Officials in the various districts of the Colony is divided among the different classes of the population by the collecting officers themselves, in accordance with the conditions obtaining in their respective districts. The returns were received from about 60 Administrative and Treasury Officials.

2. Indirect Taxation (Customs Revenue) is divided for each individual commodity on which Customs Duty is collected in accordance with the considered opinion of the Customs Authorities concerning the uses to which the various commodities are put.

3. The analysis refers to the 3 years 1925 to 1927, with the Census year 1926 Central. The population as shown by the Census returns for 1926 is used in determining the per capita contribution for each of the three years 1925 to 1927. The increase in taxation for the three years is not in consequence a real increase, but is due in part to the increase in population figures, which has not been allowed for.

4. The final adopted values of per capita contribution to Revenue shown below, refer to the year 1926 and are based on the average of the three years 1925 to 1927:

European	£41
Other Non-Native	£10
Native	Shs.5/76

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BULLETINS OF STATISTICAL RESEARCH
BRITISH EAST AFRICA

MEMOIR No. 2

PROPORTIONATE TAXATION IN KENYA
1925 to 1927

PREPARED UNDER THE DIRECTION OF
A. WALTER,
STATISTICIAN TO THE CONFERENCE OF EAST AFRICAN GOVERNORS,
AND DIRECTOR OF THE METEOROLOGICAL SERVICE.

Government House,
Nairobi, Kenya.

26th June, 1931.

KENYA
NO.351

My Lord,

As requested in Your Lordship's despatch No.972 of the 11th December, 1930, I have the honour to forward herewith two copies of a memorandum on proportionate taxation in Kenya, with which are included tables showing the detailed compilation on which its conclusions are based.

I have, etc.
(Sgd.) H.M.M. Moore
Governor's Deputy.

The Rt.Honourable Lord Passfield, P.C.
Secretary of State for the Colonies,
Downing Street, London, S.W.1.

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idle to pretend that the needs of all communities are identical, or that they can all be met within the Colony's limited resources at one and the same time to one and the same degree. Where those needs are competing needs it is the duty of the Government to hold the scales evenly, and I have already referred to the very special responsibility in this respect which is imposed upon this Government in safeguarding native interests. But to argue that because in a given year expenditure on arbitrarily defined European, Indian or Native Services is not in exact arithmetical proportion to figures of revenue racially allocated on an empirical basis, one or other of the races must have suffered an injustice is, I submit to you, cut at the root of the dual policy. Special circumstances may justify special expenditure on the needs of one community one year and of another the next, and the Government's preoccupation is to see that the general balance is maintained in the manner best calculated to promote the prosperity of the Colony as a whole.

10. While I have indicated my reasons for being unable to accept the institution of a separate budget for natives as a solution of the problem of securing to the native peoples full proportionate benefit for taxation I am fully sensible of the desirability of giving the native more opportunity of realising that he is obtaining tangible benefits from the tax he has paid. This can best be done by the provision of developmental services which, however modest in their original conception, are carried out in the Reserve under his own eyes. It is a problem which requires careful working out and a possible line of development would be for the Government to surrender to Local Native Councils for expenditure on local services a percentage of direct taxation, the percentage to be determined by the degree of advancement and responsibility to which the several Councils have attained. Such a proposal would necessarily have to be considered in relation to its bearing on the present voluntary local cesses from which contributions are made to local services to supplement Government expenditure, but it has to be admitted that no Local Councils are yet to be trusted to spend in the wisest way considerable sums of public money and legislation to amend the Native Authority Ordinance would probably be necessary to secure to Government greater powers over the Councils' finances than exist at present. By the existing law such powers are limited to the right of veto and there is no authority to compel expenditure for any particular purpose however beneficial that purpose may be.

X

X

I have, etc.

(Sgd) H.M.M. Moore
Governor's Deputy.

7. A study of the expenditure allocations suggested whether by the representatives of the Kenya settlers or by the Government of Kenya in the correspondence to which I have referred, and an examination, however cursory, of the mass of figures on which the Statistician has based his calculations of racial taxation demonstrate the extreme difficulty of arriving at any accurate estimate of the proportion of Government expenditure directed to the immediate benefit of any particular race or community in relation to its contribution to general Government revenue, and I am doubtful whether the attempt to draw such comparisons is really in the best interests of the different races concerned. I agree, however, that it is a matter of the first importance, and that it is a very special obligation on this Government to protect the interests of the native populations who are vocal mainly through the representations of their administrative and departmental officers. Other communities are in a position to voice their grievances by a variety of means, e.g. questions in Legislative Council, petitions to the Governor, letters to the Press and personal interviews. Natives are not yet able to make use of any of these means to an appreciable extent. The responsibility therefore on this Government is proportionately heavy and insistent, but none the less I am in agreement with the representatives of the Settlers in believing that the best way of discharging that responsibility is not by the introduction of a separate budget for native races.

8. In the first place, any hard and fast allocation of the cost of services is, as I have already pointed out, impracticable. In the second place, any such attempt would be highly impolitic, for I agree with the view of the signatories of the Memorandum that "any economic measure which tends to promote the disintegration of the community" is to be avoided and that "the material interests of the constituent elements are complementary and that every attempt to separate them into watertight compartments would be against the best interests of all of them". Thirdly, the proposal does not appear to take into full account the presence of a numerous Indian and Arab population in this Colony, and it might be supposed that the problem was confined to a clear-cut issue between the European and the native. I need hardly say that this is not so, and there would in my view be little more logic in a separate budget for natives than for a separate budget for Arabs or a separate budget for Indians. The introduction of one might easily lead to a demand for the introduction of others. Even if a separate budget were established for all native races of Kenya there would still be opportunities for complaint that any particular race was not deriving proportionate benefit, and it is quite conceivable that such a step would be followed by demands for a separate budget for the Kikuyu, a separate budget for the Kavirondo, a separate budget for the Coastal tribes - in fact, a separate budget for every tribe or race that might wish to consider itself a separate entity.

9. The dual policy to which His Majesty's Government is pledged must, I suggest, be interpreted to mean the complementary development of the Colony as a whole to the best advantage of all races inhabiting it. It is

7. A study of the expenditure allocations suggested whether by the representatives of the Kenya settlers or by the Government of Kenya in the correspondence to which I have referred, and an examination, however cursory, of the mass of figures on which the Statistician has based his calculations of racial taxation demonstrate the extreme difficulty of arriving at any accurate estimate of the proportion of Government expenditure directed to the immediate benefit of any particular race or community in relation to its contribution to general Government revenue, and I am doubtful whether the attempt to draw such comparisons is really in the best interests of the different races concerned. I agree, however, that it is a matter of the first importance, and that it is a very special obligation on this Government to protect the interests of the native populations who are vocal mainly through the representations of their administrative and departmental officers. Other communities are in a position to voice their grievances by a variety of means, e.g. questions in Legislative Council, petitions to the Governor, letters to the Press and personal interviews. Natives are not yet able to make use of any of these means to an appreciable extent. The responsibility therefore on this Government is proportionately heavy and insistent, but none the less I am in agreement with the representatives of the Settlers in believing that the best way of discharging that responsibility is not by the introduction of a separate budget for native races.

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9. The dual policy to which His Majesty's Government is pledged must, I suggest, be interpreted to mean the complementary development of the Colony as a whole to the best advantage of all races inhabiting it. It is

1930. It will be conceded that results obtained by such a method can only be accepted with considerable reserve, as, quite apart from the difficulty to which Your Lordship has referred of allocating with precision expenditure as between rates, it is clear that any such calculations should be based on population and taxation of the same year.

The Statistician in the memoir to which I have referred has adopted as the racial per capita taxation contributions for 1926 the following rates:

European	£41.3.00
Asian	9.9.00
African	ø.5.75

In that year the respective populations were as follows:

European	12,529 (Census)
Asian	41,140 "
African	2,566,999 (approximate)

By multiplying the relevant figures the following results for that year are obtained:

Total European contribution	£515,568. 7.00
" Asian	388,773. 0.00
" African	<u>738,587. 4. 3</u>
Total	£1,642,928. 11. 3

The difficulties and intricacies of calculations of this nature are illustrated by the Statistician's memoir, in which he has explained in detail that he has found it necessary to depart from the per capita rates originally arrived at, and he now considers that he has obtained a more accurate figure based on revenue returns for the years 1925, 1926 and 1927. The average for these three years now adopted by him is as follows:

European	£41. 6.00
Asian	10. 3.00
African	ø. 5.75

6. To arrive at results which would inspire any confidence as indicating racial contributions for 1930 an average arrived at by similar calculations would be necessary, for the average for the years 1925 to 1927 cannot be accepted as necessarily accurate for 1930, in view of the very considerable increases in the respective populations and of changes in the Colony's taxation system.

(The latest population figures are as follows;

European	17,285 (Census March 1931)
Asian	56,903 { " " " }
African	3,000,000 (Approximate)

It is not considered that the labour involved in pursuing such investigations would be justified by results which, as I have explained, must be very largely conjectural.

KENYA

No. 350

GOVERNMENT HOUSE
NAIROBI, KENYA.

29th June, 1931.

My Lord,

I have the honour to acknowledge the receipt of your Lordship's despatch No. 404 of the 12th June enclosing a copy of a Memorandum on the incidence of taxation in Kenya, which was handed in at a meeting of the Select Committee of Parliament on East Africa on the 8th June by the representatives of the Kenya settlers.

2. In the fifth paragraph of the despatch Your Lordship requests that any comment and criticism necessary on the figures in the Memorandum and on the Memorandum generally may be forwarded in a self-contained despatch by the first air mail after the receipt of Your Lordship's despatch. In view of the urgency of the matter Sir Joseph Byrne discussed the general lines of this despatch before his departure to Uganda, which he instructed me to send without waiting for his return. He desired me, however, to make it clear that he was personally opposed to any proposal for a separate native budget, particularly at the present time when the question of obtaining expert advice on our whole fiscal system was under consideration.

3. To allocate with precision either expenditure, or indeed indirect taxation, as between races is, as Your Lordship points out, an impossibility. In these circumstances and in view of the fact that Your Lordship has already accepted in Your Lordship's despatch No. 358 of the 8th May 1930, the classification adopted by Sir Edward Grigg in his despatch No. 202 of the 31st March, 1930, when analysing expenditure on native services in the year 1929, I do not think any useful purpose would be served by my commenting in detail on the possible allocations of 1929 expenditure suggested in the Memorandum.

4. Some comment, however, is perhaps desirable on the taxation figures given on page 7 of the Memorandum, as they have recently formed the subject of a memoir prepared under the direction of the Statistician to the Conference of East African Governors, which is being forwarded under separate despatch in response to your Lordship's telegram No. 181 of the 6th June.

5. The per capita rates adopted in the Memorandum of the Settlers' representatives are those given in answer to a question in the Legislative Council, when it was explained that such figures could only be allocated on an approximate and arbitrary basis.

It will be observed that their results are arrived at by multiplying the ratios then accepted as applying to 1926 by the estimated population figures of

THE RIGHT HONOURABLE
LORD PASSFIELD, P.C.
Secretary of State for the Colonies
Downing Street,
London, S.W.1.

6. I enclose for reference a copy of the general statement of evidence submitted by the representatives of the Kenya settlers to the Committee.

7. I regret that only one copy of the statement and one copy of the memorandum on taxation are available for enclosure in this despatch.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Signed) PASSFIELD.

16374/30 Kenya

KENYA

No. 404.

DOWNING STREET,

12 June, 1931.

Sir,

memorandum.

I have the honour to transmit to you the enclosed copy of a memorandum on the incidence of taxation in Kenya, which was handed in at a meeting of the Select Committee of Parliament on East Africa on the 8th June, when the representatives of the Kenya settlers came to give evidence before the Committee.

2. It will be seen that the memorandum deals, first, with the suggestion that there should be a separate budget for native services, and, secondly, with the incidence of direct and indirect taxation in Kenya and the services rendered to the natives.

3. Lord Francis Scott explained that the memorandum does not claim to be an exact statement, but only an attempt to assist the Committee in considering certain suggestions which have been made to them in the course of their enquiry.

4. Questions were directed, during the examination of Lord Francis Scott and his colleagues, to the elucidation of the memorandum, and I hope to be able to send you shortly copies of the uncorrected record of this evidence; but I do not desire this despatch for the record, as the Committee are anxious that the memorandum should be made the subject of official examination, and that they may be supplied with comment upon it at a very early date. In this connection, I would invite reference to my telegram No. 181 of the 6th June, in which I have asked for information as to the figures quoted on page 7 of the memorandum as the average amounts paid by way of taxation by members of different races in Kenya. I should add, as regards the note on that page, that the figures referred to as relating to the year 1925 are those in the second column (i.e. £36.2.59; £6.15.0; and 6s.50.), the figures for population by which these are multiplied being more recent than 1925.

5. I realise that it is not possible to allocate expenditure as between races with precision and that the subject matter generally lends itself to argument and diversity of opinion; but I should be grateful if you would cause such detailed examination as is practicable to be made, and I hope that you will be able to send by the first air mail after this despatch is received comment and criticism where necessary, on the figures in the memorandum and on the memorandum generally. It would be convenient if any despatch which you send could be self-contained. I should also be glad if you would telegraph the date on which it may be expected to reach London.

GOVERNOR

BRIGADIER GENERAL

SIR JOSEPH A. BYRNE, K.C.M.G., K.B.E., C.B.,
etc., etc., etc.,

Inco file

JOINT COMMITTEE ON EAST AFRICA.

1. Copies of correspondence with the Governor of Kenya relative to the memorandum on the incidence of taxation in Kenya, which was handed in at the meeting of the Committee on the 8th June by the representatives of the European Settlers in Kenya are enclosed herewith.

2. The telegram referred to in paragraph 4 of the Secretary of State's despatch of the 12th June was sent in connection with an enquiry which had been made in Parliament as to the incidence of taxation as between the different races in Kenya.

Copies of Sir Edward Grigg's despatch No.202 of the 31st March, 1930, which is referred to in paragraph 3 of the Governor's despatch of the 29th June, have already been placed in the Libraries of the House of Lords and the House of Commons, and will thus be available to members.

3. As regards paragraph 2 of the Governor's despatch of the 29th June, it is understood that the Secretary of State hopes to arrange for an expert to visit Kenya in the near future in order to conduct an examination into the finances of the Colony and the Railway Administration generally.

COLIN DAVIDSON.

Secretary to the Committee.

THE SECRETARY,
SELECT COMMITTEE ON
EAST AFRICA.

Mr. Allen

B. G. v. min. of 18/9.

L. G. D. D. D. D. D. D.

9/10/31

Book of 1. 1/11

J. W. Allen

8/10 atana

Mr. Allen

Papers bought forward. 4/4/31
R 297

As the books in question are
possibly to be published with the
appendices to the Report of the
Committee, this has better had
the Vol. in 3 published

J. W. Allen

5/11

atana

Mr. Allen

Recirculation as directed
above. The appendices to the
Report of the Joint Select Committee
on Cloves Union have now been
received in the Dept.

J. W. Allen

14/1/32

All the papers referred to in the first
paragraph of Sir C. Bottemley's minute of the 10th
September, 1931, have been published among the
appendices to the Report of the Joint Select Committee.
The Governor's despatches of the 26th and 29th June
and the Secretary of State's despatch of the 12th
June, 1931, are included in appendix 26, and the
Kenya Settlers' Memorandum forms appendix 25. In
these circumstances the need for putting any of these
papers in the Library of either the House of Commons
or the House of Lords no longer arises, and this
paper may now be put by.

It will be a
convenient &
to the
J. W. Allen

J. W. Allen

21/1/31

W. S. S. 21.1.31

atana

J. W. Allen

6

To H. T. Martin 7/0

21 July 31

Parliament may probably meet late in September, not October. Bring up

10/15 Sept.
11/9/31

P 18/10

to be written

Please make a copy not accordingly: let let us see again in the 1st Sep: 17/9/31

J. H. Allen

Has sent forward for decision on this, as proposed in the preceding minutes, copies of any report in this file should be placed in the Librarian's Lib. H. V. L. Mansel & H. Lloyd.

J. H. Allen

29/9/31

x 4. Sir's copy 26 June 31
Memorandum.

x Sir's copy 26 June
memo.

+ let's see
reference

Taking the rose's paper at the top of the file, No. 1 is represented by the latter part, flagged. No. 2 is the despatch of 29th June, and the despatch of 12th June from the Secretary of State is, with the Kenya Settlers' memorandum, the additional matter which would have to be put in the Libraries if No. 2 was so put.

No. 1 is independent of the Joint Committee and deals with the matter which has attracted a good deal of public interest in the House of Commons, and there is no why it should not be sent to the libraries at once. No. 2 and the rest are concerned with the Joint Committee's work and I do not think that they should receive any form of publicity until the Joint Committee has reported. But I see no objection to communicating No. 1 without No. 2, which in many points supplements and explains No. 1. Therefore I think that there should be no communication of any of the papers at present unless Mr. Horrabin or some other member asks for information when the matter can be considered again.

W. C. B. 10.7.31

I agree that it would be better not to communicate anything for the present.

W. C. B.

10/7/31

As it is expected that the Joint Committee will report very soon, it would be advisable to wait till after words.

W. C. B.

noted

Bring up in 3 weeks 17.9.31
J. H. Allen 18/9/31

To be kept
to see

13/10/31

much of our this is all placed in the libraries of the Dept. with the wood suggested in his minute that copy of 1001 should be so dealt with, & I drafted the Dept. in Nov. on that assumption.

On the whole I think that is enough for the present at any rate, without also putting in the libraries the 'extract' from No. 2 - wh. wd. have to be accompanied by the Dept's copy of 10 June and the vol. wh. has not been passed - I was a little that the Sec. to the Com. did not arrange for that to be done when circulating the corresp. to the Com.

To Library to send to Dept. through libraries each one copy of No. 1, wh. can be separated off from the 2 sets of notes & papers beneath - Allen Misc. to P.P.

Recd. Parkinson 20/7/37

To P.S. V. / Opposite / T.T. Dept. to see

I agree as to No. 1. As to no. 2, if it were entirely a question of getting the Hanga & other's memo. removed separately, I should see no objection to the inclusion of all; but a memo. put in to the press (see [when through public]) and the correspondence arising out of it are on a different footing from No. 1 and I am not anxious that the records should be [in any way] [have] [any] [of] [the] [liberation] [of] [the] [Committee] [by] [No. 1] [only]

W.S. 27.7.37

Dr Shields

I agree

B.H. 6 / 31.7.31

The matter might be reconsidered [if] [in] [the] [middle] [of] [Oct.]: The House is now closed and we might be better able to decide what might be put in them. To give time for 'possible knowing' bring up again first week in Oct. T.D.S. 3.8.31. [Signed] [over]

This is obviously correct
from the Committee's point
of view, & I do not think it
to close examination.

Generally, I hope that
when times are better it may
be possible to set aside a
proportion of native taxation
for local expenditure, but
I feel that I must again
draw attention to the fact

that all things necessary
should be available
for keeping the machinery of
Govt going and should be
so available for the purpose
of loans raised on the
security of those revenues.

W.S. 15.7.31.

P.H.6
15.7.31.

Interesting!
T.O. 15.7.31.

P 1072

3 To Secy of State (10/7/31) in 1637/30
(+ 1) (+ 2) in 1707/31

4 " B. Davidson (20) - cons - 20 JUL 1931

5 1/2; Gov. sub. (7/5) — 18 JUL 1931
(No 112 Award)

Review.

(1) To the Parliament

(2) To S. of S.

(V. notes on 3)

T.A. capt. to me

to Boyd

~~The copy which was to be presented
to him. We have had to
send the original over. In No. 1
as no duplicate was available
we shall get copies from
the Sec. of the Govt.~~

all Parliament
20.7.31

L. C. B. G. G. G.

This file has been removed from P.T.,
as Mr. Davidson has now sent
us copies of the map & level
in No. 1 - and of the map
(without the last 5 lines) in No. 2
with committee papers - but the
covering note is his own based
upon C.O. letter in No. 3.
It is his concern now that

N.T.
Boxes of 1 to 2
to Librarian of
S. of S. 2 11.8/31
when reply to
4 recd

See
later memo

	Kenya	Tanganyika
Non-Native (i.e. European and all other Non-Native races)	Shs. 251.3	Shs. 417.4
Native	6.9	4.3

2A

figures are entirely arbitrary.

Before the despatch arrived the Dept. had already prepared the attached memo.

The most interesting part of the despatch is the last para. in which Mr. Moore suggests that "a possible line of development" is for the Govt. "to surrender to Local Native Councils for expenditure on local services a percentage of direct taxation". In the recent sermon to Kenya on the development of Native Institutions (No. 1 on 17224.31 below), which has crossed this despatch, the S. of S. made a similar suggestion to the Governor.

A copy of No. 7 on 10074 and No. 8 on this file should be sent to the Secretary for circulation to the Joint Committee. A little explanation would be necessary as to the references in para. 4 of No. 7 on 10074 and in paras. 3 and 4 of No. 2 on this file. Perhaps explanation would also be necessary as to the possibility of a special expert going out to advise on the whole fiscal system - see para. 2 of No. 2.

Patrol
13/7/51

*I think we must omit the last 2 sentences of P.T.O. 2 in sending it to the Com - I have drafted for Com accordingly, with an explanatory note to Mr Moore. all Passmore
P.T.O. 15.7.51*

*I feel the remarks
have been with some
of the
I suppose it
appears the
'old' figures
was replaced
by the 76
one!*

The figures are supported by long and detailed calculations. I have read carefully through the memo. and am left with a feeling of admiration for Mr. Walter's ingenuity. We must have taken an immense deal of trouble in preparing the memo. and I have no comment to make regarding the basis of calculation.

I would suggest acknowledging saying that the S. of S. realises that the compilation of this memo. must have entailed a very great deal of trouble and that he is duly grateful.

Tanganyika Dept. to see.

As the memo. is referred to in No. 2 perhaps the duplicate might be placed in the library of the House.

No. 2. This is the Governor's despatch commenting on the supplementary memo. submitted to the Joint Committee by the Kenya settler delegates. Apart from a reference to No. 1 (copy of which I have suggested should be placed in the Library of the House) and to another despatch (a copy of which is already in the Library of the House), the despatch is self-contained. It deals fully with the general aspects of the settlers' memo., but does not attempt to examine in detail the figures contained in it. We may readily agree that this would not be worth while, seeing that the

*14.0.51
14.9.51*

was

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"I feel to remain
less figure with some
of 1976 on the
page on page -

I suggest it
appears the
'old' figure
was displaced
by 1976
at all

See
1. 8. 1976
1976

BY AIR MAIL
DESTROYED UNDER STATUTE

Ken's Dep. Moore 351 _____ 26 June
Encloses copy memorandum by Statistical Research
Dept. on proportionate taxation, including 2
tables showing detailed compilation on which
conclusion are based.

BY AIR MAIL.

2 Ken's Dep. Moore 360 _____ 29 June
Submits comments on memorandum on incidence
of taxation, handed to Joint Committee on closer
Union by Kenya settlers' delegate; states Sir J.
Byrne is opposed to separate Native budget, comments
especially on raising per capita taxation
contributions.

No. 1. In December last Mr. Horrabin asked
a question regarding "the detailed compilation which
formed the basis of a statement by the Kenya Govt. in
Legislative Council regarding the per capita amount
of direct and indirect taxation paid by the various
races in the Colony in 1927."

The Governor was therefore asked to
send home a copy of this detailed compilation and
was reminded of it at the beginning of last month.

He now sends home a fresh memo. by the
Statistician to the Governors' Conference, containing
revised estimates which he considers more accurate
for the 3 years 1925-27.

His figure for the per capita contribution
to revenue based on the average of these 3 years is:-

European	£41
Other Non-Native	£10
Native	Shs. 5/76

On the flagged page in 13 of the appendices to the
memo. are some interesting comparative figures between
Kenya, ~~Uganda~~ and Tanganyika.

Kenya

There seems to be
some small
variation, but
there are near
enough, as
round figures, p. 2.
A check given
in para 5 of No. 2
ack

BY AIR MAIL
DESTROYED UNDER STATUTE

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European	£41
Other Non-Native	£10
Native	3s. 5/75

On the flagged page in 17 of the appendices to the
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Kenya, ~~Uganda~~ and Tanganyika.

Kenya

There seems to be
some small
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in para 5 of No. 2
read