

1934

23269

1934

23269

KENYA

CO 533/450

Native Betterment Fund.

Previous

3094/33

Subsequent

38210/35

Reg 177	44
Sp. Education	6/9
Sp. C. betterment	6-9
Sp. J. Hoffman	7/6
Sp. J. S.	8/7
Tel. Section	7/1
Sp. C. betterment	12/9
R. 277	7/1
Room 309	1/26
R. 277	

C.S.

Amend:

Nature Book Fund

Nature Book Fund

Settlement Fund

1 Sir J. Byrne (P.M.) (The Mail) _____
 States as to the financial position records, carrying on
 next year with the existing practice under which the Settlement
 Fund be kept alive by obtaining various items in the Estimates.
 Considers that the establishment of the fund during the present
 state of the College finances would ^{be} ~~be~~ ^{undemorable} ~~undemorable~~ ^{practical} results

2 Note by Mr. Finlayson of 18.1.1935

3 Sir J. Byrne (P.M.) (The Mail) _____
 States Mr. Moore leaves by this Air Mail & will call an order
 to give his views on the Nature Settlement Fund

4 Governor Byrne (P.M.) _____
 States ^{that} as preparation of 1935 Estimates is now nearing
 completion it is necessary to obtain a decision regarding
 N.S. Fund. Considers present arrangement ^{should} ~~be~~ ^{be} ~~continued~~ ^{continued} during
 1935 & requests Mr. Moore be consulted & instructions conveyed by tel

Sir Cecil Bottomley.

You have discussed with me and I submit a
 further note; also two draft telegrams of which Sir
 John Maffey may wish to despatch one before the papers
 go to the Secretary of State.

Yes
 1/26
 1/18

W. Finlayson
 6/9

Yes - I see no possibility of ~~reversing~~ ~~reversing~~ ~~reversing~~
 their last payment. The question
 whether the ~~reversing~~ ~~reversing~~ ~~reversing~~
 for 1935 should be regarded as
 debt to the fund can be considered
 later.
 As to the last part of the ~~reversing~~ ~~reversing~~ ~~reversing~~
 minute, there could hardly
 be a question of ~~reversing~~ ~~reversing~~ ~~reversing~~
 Moore's

Moyses' scheme except on
the ground that we see no
prospect of ~~obtaining~~ obtaining
it; but there are other
postponements upon us to
consider.

WES 6/9/34

So, equally
with 2 months
more to spend
we could have done
all your business
then

to be done before the 1st of August 1934

see it done

to be done before the 1st of August 1934

see (S) see 1934

to be done before the 1st of August 1934

then

to be done before the 1st of August 1934

to be done before the 1st of August 1934

but for several months ago
the premises on the lines

4 - File to Gov. Kenya No 217 - 10th September
P.C. 8/9

Sir C. D. Stanley

I hardly think that No 7 needs
supplementing by a dispatch at present.
The question of provision for 1936
can perhaps be added to when
we write about the 1450 Estimate

? Bring up the paper with
the 1935 Est. when received

WES

to be done before the 1st of August 1934

to be done before the 1st of August 1934

to be done before the 1st of August 1934

to be done before the 1st of August 1934

to be done before the 1st of August 1934

to be done before the 1st of August 1934

proper scheme except on
the grounds that we are too
preoccupied with introducing
it; but then your 6 year
postponement appears as to
criticism.

6/9/34

No, especially,
wants to appoint
cases of fellow
when conditions were
not quite success.
John

1. The interim letter to Sir J. Byrne was
issued at once.

2. For the reasons given in the Treasury
note (5) defer implementation of the
National Settlement Fund?

John
7.9.34

I'm sure you will
understand. But I think it
would be impossible to go
back to the policy which
I have promised the H.C.
to the admt. I have
in fact stated in the House
that the estimates made are
not more favourable than the
one I have proposed. All M9

Drafted
by J.C.
I think it
all.

Sir C. D. Stanley

I hardly think that No 7 needs
supplementing by a despatch at present.
The question of provision for 1936
can perhaps be alluded to when
we write about the 1935 Estimates.

? Bring up this paper with
the 1935 Est. when received.
dated 15/11/34

John
12/11

7th Dec. 12.7.34

Handwritten notes:
H.C. to be
made in
reply as at
+ 1/11/34
Secretary's note
of 1/11/34

HM

Received, vide minute above.

John
9.1.35
Reg. 447

New party
John
12/11/34

BM

c.o. R. 297

23269/30

4

Mr. ~~Frank~~ 6/9

Kenya

Coiled + Sent

12 noon

10/9/34

Act.

Mr.

Mr.

Mr. Parkinson.

Sir G. Tomlinson.

* Sir C. Bottomley. 6/9

Sir J. Shuckburgh

* Perm. U.S. of S. 7/9

Parly. U.S. of S.

* Secretary of State.

C
R 10
D 10

DRAFT. Td.

Governor Nairobi

No. 27. I agree that
 establishment of Native
 Settlement Fund may be
 deferred. Provision for
 native services in 1935
 Estimates should be on
 lines adopted in 1934.

SECRET

FURTHER ACTION.

Cmd 4093

1. The proposal for a Native Betterment Fund was warmly endorsed by the Secretary of State and by the House of Commons. The Fund was suggested as a solution of the problem of "finding some form of guarantee that the vital services of native development which are the main justification for the heavy contribution made by the native to public taxation from his slender means shall not be subject to recurrent cuts."

(Paragraph 69.)

2. Briefly, the scheme was that a statutory proportion of the revenue derived from direct native taxation should be removed from the control of Legislative Council and earmarked for expenditure on specified native services, under the direction of a Native Betterment Committee. Any surplus left after providing for these services at the current level, would remain as a reserve available for expansion.

3. Technical difficulties in the precise application of Lord Moyné's formula led the Secretary of State to agree that the scheme should not be applied to the Budget for 1933. Provision for the specified services was to be made in the ordinary Estimates at the current level, the surplus (estimated at £18484, being earmarked to be paid over to the Native Betterment Fund when it had been established.

4. In fact, that surplus was used to reduce the Colony's deficit for 1933. By a parity of reasoning, ^{the} corresponding ~~arbitrary~~ ^{theoretical} surplus in respect of 1934 is being employed to balance the general budget. The Secretary of State, when in Nairobi, agreed that it would be unnecessary to credit the Fund, when established, with the two ~~arbitrary~~ ^{theoretical} surpluses for 1933 and 1934.

5. The case for insisting that the inauguration of the Fund should be no longer delayed is argued in my minute of the 18th July, (No.2).

6. The Governor now urges that in view of the gloomy financial outlook the 1935 Estimates may follow the lines of those of 1933 and 1934. Mr. Moore has elaborated the ~~official~~ ^{financial} argument in conversation, and has left with me a mass of Treasury statements, etc. which confirm Sir Joseph Byrne's pessimism. The Alternative Revenue measures (adopted last year as a substitute for Lord Moyne's income tax) have yielded only £63,000, compared with an original estimate of £110,000 for these measures and of £130,000 for income tax.

7. Mr. Moore has also drawn attention to the political difficulties. The European Elected Members are certain to oppose bitterly any attempt to give legislative effect to the Moyne scheme, on the ground that it deprives them of their proper share in the duty of trusteeship for the native. The political atmosphere in Nairobi is at present placid and it would be a pity to disturb it, especially in view of the delicate task which awaits Government in securing an easy passage for the Land Commission proposals.

*But Tax is
subject policy
D.L.*

8. Sir Cecil Bottomley has pointed out that in view of the doubtful financial position, Treasury concurrence would be necessary before earmarking by Statute a substantial portion of the Colony's revenue. The greater the amount so earmarked, the nearer becomes the need for applying for an Imperial grant-in-aid.

9. The conclusion seems inevitable that the Native Betterment Fund must be deferred, at any rate for one more year. We can leave for later consideration

the question whether anything will be gained by seeking to secure its establishment for 1936 or whether some alternative scheme (such as allotting percentages of native revenue to native services ^{discharged} ~~dispatched~~ by Local Native Councils) may be ~~de~~vised in substitution.

J.P. [unclear]
6/9/34

A
12

9
4

ORIGINAL decode

of a telegram from the Governor of Kenya

Dated 4th
September
Decoded

19234 Received in the

Colonial
-Dominions

Office at 4.16.p.m.

on 4th
September

By
Deciphered

M.A.W.

Following for Maffey begins. Personal. As preparation of 1935 Estimates is now nearing completion it is unnecessary to obtain the Secretary of State's decision regarding the Betterment Fund. Understand Bottomley whom I have made fully acquainted with the position is on leave. In my opinion it is essential to continue present arrangement during 1935 and I beg that Moore be consulted and instructions then telegraphed to me ends.

Byrne.

PERSONAL AND PRIVATE.

10

AIR MAIL.

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

6th August 1934.

My dear Bottomley,

Moore leaves by this Air Mail. I shall greatly miss him for he has been a most loyal and efficient colleague. Tributes to his tact and ability were paid by all elected members in the last sitting of Council.

He will call at the Colonial Office when he is in London and I would particularly, like you, and if possible the Secretary of State, to hear his views on the question of the Betterment Fund. I wrote to you about this on the 29th May and since then the Financial position has not improved.

I hope that Moore will be able to impress upon you the absolute necessity of continuing the present arrangement during 1935.

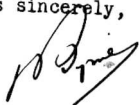
Council has just adjourned after a successful and friendly sitting. We got practically unanimous consent on the Land Trust Amendment Ordinance and on the appointment of a Standing Finance Committee which I greatly favour as it will, I think, remove the cause of many of the bickerings.....

2.

bickerings we have had in the past. Moore will tell
you all about it.

I go to Mombasa tomorrow for about a fortnight.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'H. D. Jones', written in a cursive style.

Sir W.C. Bottomley. K.C.M.G., G.B., O.B.E.
The Colonial Office.
LONDON. S.W.1.

The Flood

2

1. The question at issue is, not whether there should be a Native Battered Fund, but whether it should be established as from 1st January next.

2. The S. of S. is fully committed to the establishment of the Fund. See, for example:-

Cmd. 41141 pp. 55-56 (passages marked)

Hansard, Col. 2904 (17A in 18057/11/32)

Diary, pp. 179-183.

To reverse the decision would render Lord Roper's Report nugatory; his other main recommendation (Income Tax, and no increase in national taxation having been already set aside)

3. Lord Roper reported in 1932. In this letter the Governor suggests that the Fund should be deferred till 1936, because of the difficulties anticipated in balancing the 1935 Budget; in other words, he wishes to postpone the inception of the Fund till better times. But the whole point of Lord Roper's proposal was to protect the nation's

might be for the purpose of
during that time. When property returns
and there is money for all the need
for a Native Settlement Fund will largely
largely disappear.

4. The table flagged in the minutes on
23019/34 shows that, as a result of the
two years' postponement already agreed
to, about £26000 has been spent on
other services which would, under the Moyne
scheme, have been credited to the Fund.
The S. G. has agreed that these arrears
may be wiped out; to postpone the
Fund for yet another year would add
another £18000 (or thereabouts) to the
deficit.

5. Lord Moyne's proposal had other
aspects than the purely financial. The
Fund was to be administered by a
Native Settlement Committee, charged with
coordinating the various native services
on expenditure thereon. Such a body,
if it existed, was agreed with the
necessary finance, would be one of
the objects of the scheme.

Report. para.
71-72.

to carry out the Carter Commission proposals¹²
for development of the Native Reserves, i.e.
that function of "trusteeship" which is to
be exercised by the Government, and not
left to the Lands Trust Board.

6. Lord Moyne envisaged supplementing the
Native Settlement Fund from extraneous
sources. Two such windfalls are now
available; the £7000 Carnegie grant
for native agricultural instruction, and
the £50,000 grant-in-aid in respect of
carriers' balances. As to the latter, please
see the minutes (incomplete) on 24051/34 EA.

7. In the above review, it seems essential
to invite the King's Government - at whatever
political or financial cost - to provide by
legislation for the establishment of the Fund
before the beginning of 1935.

B. A. Mackenzie
18/7.

Mr. Dutton
Pl. show to Mr. Ford
relation to services
1.2.34

At Mombasa.

13

GOVERNMENT HOUSE
KENYA,
EAST AFRICA.

Recd - 1/6/34

AIR MAIL.
PERSONAL & PRIVATE.

My dear Bottomley,

I am again rather worried about the Betterment Fund. I had a long talk with Moore on the subject before I left Nairobi and we thought that, as no mention of the Fund was made in the Estimates Despatch, it would be better to write to you privately before sending a formal despatch.

As you are aware we have had to "mark time" over this fund during the past two years owing to the instability of the Budgetary position. When you have a deficit, or when you can only just balance by drastic economies, accompanied by levies on salaries and emergency taxes, it is not a very appropriate time to introduce a new measure which requires a "Kitty" - to use a poker expression - to be formed from the excess of half the proceeds of the Native Hut and Poll Tax (average for five years) over the amount set apart for certain native services during the year. It is true that the recommendations of a Committee we appointed will.....

will remove some of the technical difficulties we found in our way, but they will not remove the main difficulty which I have referred to above. Now if I saw any hope of improvement in the financial position which would result in a reasonable surplus, I would not hesitate to incorporate the measure in the 1935 Budget without further reference to the Colonial Office. This, in fact, was more or less approved by the Secretary of State during his recent visit when he told me that he did not expect any account to be taken of arrears due to the "Kitty", but I think he naturally expected that a start should be made towards establishing a "Kitty" in accordance with Moyne's recommendation.

The Revenue returns for the first quarter of the year indicate that unless there is some exceptional revival we shall with difficulty balance and that the prospects of a reasonable surplus are remote.

The conditions are such therefore that I personally advocate carrying on next year with the existing practice under which the Betterment Fund be kept alive by "starring" the various items in the Estimates.

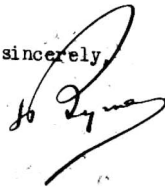
I believe.

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

3.

I believe that this would be in the best interests of the natives for the slogan of the new Elected Members is "Development of the Native Reserves" and accordingly they will not resist any attempt on our part to deal generously with Native Services. On the other hand, if they are to accept the Fund with its "Kitty" during the present state of the Colony's finances, we will, I'm sure, have political difficulties and obstruction which it would be desirable to avoid.

Yours sincerely,



Sir W.C. Bottomley, K.C.M.G., &c.
The Colonial Office.
LONDON. S.W.1.

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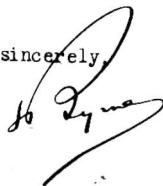
I believe..

14
END
GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

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Yours sincerely,



Sir W.C. Bottomley, K.C.M.G., &c.
The Colonial Office,
LONDON, S.W.1.

PUBLIC RECORD OFFICE

END

TOTAL EXPOSURES →