

1931.

Kenya.

No. 17174 A.

SUBJECT

C0533/411

Financial and Economic Position.

(Letters from Sir J. Byrne)

Previous

Subsequent

File B. (Proposed appl of
18198/32. *Commission*)

202 18028/32. (Sustention of
standing
Finance & Tax)

1 Sir J. Byrne To _____ 23rd April
views details of present position re finance, loans,
agricultural credits and demand for local
committees to enquire into public services and
economic and financial position.

2 Sir J. Byrne To _____ 1st May
state intention to declare, at opening of Legislative
Council, policy to reduce expenditure, and enquire
as to appointment of Commissioner and a Public
Services Committee inquirer as to agricultural loans and
cooperative credit societies

Mr. T. Robinson

While other people are being
looked up I shall be glad if
you will think me to the
point that you should go
out for the Secretary's inquiry and
how you will

Your letter about account
No. 16384/30 gives
me answer as to the report of
your Committee here, but
what will be required to the
possibility and cost of your
visit?

18.5.31

Leicester

Sir E. Wilson

I have spoken to Sir C. Battersby
who agrees that this is a subject for
discussion. E.J.D. 18.5.31

R.H. 6
18.5.31 above

P.T.O.

I submit ~~of~~ for
consent. It is long,
but that is unavoidable,
as is local C.A. of
Inquiry into Civil
Service; I have drafted
a basis of discussion
today (see previous page).

as to existence of
agricultural industry,
I have accordingly agreed
that in view of Mr.
Kewington's letter
(the 17/5/31 with app.
to be inserted), we shall
not accept the 'collected'
view based on financial
reasons (of Mr. Campbell's
minutes of 14/5/31) a report
of 19/5/31) a report
of the Governor's proposals.

to raising a
tax to provide subsidies
past or future, I have
endeavoured to summarise
Mr. Campbell's minutes
of 19/5/31 above No. 2 in
the file.

see Parliament
19.5.31

to Gov. Kya — 18 May
regarding file No. 2.

I agree on all points but I am
not sure that so important a telegram
should go out under my name. In
some respects it is convenient — of the
nature of Mr. Kewington's letter was
informally.

W.S.
20.5.31

I have added
words indicating
that it is the
S/S opinion

P 2/5

Extract from 4/5/31
on 17/5/31
4 3
W

to Gov. Kya. Tel. Private Personal 21/5/31

5
"Human Bonus" — 14 June
Comments on financial position and advocates
shdng scale reduction in Government officials'
salaries

? but
Gordon
3.7.31

[There is, as I have always said,
a good deal to be said for a cut
in salaries here and overseas,
provided the Govt. can be
trusted thus to economise
honestly & not spend the
money thus saved]. see Parliament
3.7.31

T.O.

I submit myself for
consideration. It is long,
but that is unavoidable,
as to local Cte. of
Inquiry into Civil
Service; I have drafted
on basis of discussion
today (see previous page).

As to existence of
agriculture indirectly,
L. Campbell agreed
that in view of Mr.
P. K. Sriptra's letter
(see 17/5/31 with app.
for comments), we should
now accept the correct
view based on financial
analysis (of Mr. Campbell's
minutes of 18.5.31 &
X. 19.5.31) & reject
the Governor's proposals.

As to raising a
loan to provide subsidies,
past or future, I have
endeavored to summarize
L. J. Campbell's minutes
of 19.5.31 about 10% in
this file.

see Parliament
19.5.31

3 Tel. fr. Gov. Kya 18 May
transmitted to Ho. Z.

I agree on all points but I am
not sure that so important a program
should go out now in any case. The
more details it is concerned of the
action of Mr. K. Sriptra is better made
informally.

W.S. 20.5.31

I have added
words indicating
that it is the
S/S opinion

P 21/5

Noted from H. app.
on 17/5/31
4
W.S.

to Gov. Kya Tel. Private Personal 21/5/31

"Summer Bonus" _____ 17 June
Comment on financial position and advocates
shrink scale reduction in Government officials'
salaries.

? Party
Gardner
3.7.31

[There is, as I have always said,
a good deal to be said for a cut
in salaries here and overseas,
provided the Govt. can be
trusted thus to economize
honestly & not spend the
money thus saved]. see Parliament
3.7.31

70.

The reference to the
fund makes it probable that
the writer is a Railway employee,
and I am afraid that
nothing will work it
justifiable to return full
operating staff when traffic
falls off seriously.

The cost of a flat rate
reduction of all rates is
but it is bound to affect
in somewhat unequal, according
to circumstances, but I
open that it is a pity that
a measure which has not
been made. The Government
hardly to be blamed. Such a
reduction cannot be made
without after long delay, which
is a heavy answer to
opponents.

We have nothing to show
that the Govt has accepted
the suggestion in the 4 of a
very local Committee.

W.P.

4.7.31

Sec of State.

You should see. I
don't think any action is
necessary.

J.H.

15.7.31

Seen
P. 117

6

Mr J. Byrne 3/0

15 June 5

Refers to Nairobi Gaol and Hospital; mem of
Leg Council for Deliber Committee Govt. treatment
Commissioner to enquire into ill-treatment of land; Chief Justice
Commissioner
Sir S. Wilson.

Secretary of State.

Pl. see Sir J. Byrne's letter of 15th June.

When it is done with, I should like it to
go to Mr. Parkinson (who has already seen it) so
that the papers about the Gaol and Hospital may be
looked up in anticipation of my return next week.

The matter of a group Hospital was
the question of the hour when I was in Nairobi - it
is annoying (a) that they haven't made up their
minds in 4 1/2 years and (b) that they have "missed the
boat" - loan funds are not so easily come by now.

W.C.B.
24.6.31.

Secretary of State.

You should see.

S.H.W.
25.6.31.

P.
25.6.31

Mr Parkinson

I attend a note as to previous
with a reporter for article at 20
and.

Re my note put in the
letter which seems to call for reply
is that as to discrimination in
Age of treatment. If it wd cost

on change rate the preliminary
work for it at once, when
there is in fact no demand
to be called from Europeans.

6) Ch. National Comm.

? say that this is now
under exam of SOF
(M. mem. on 6/8/31
a day or two ago).

7) Record of interviews

? say that taken out of
it context, the remark
might appear rather
strange!

Acc. Parliament
10.7.31

To Sir H. A. L. (copy enclosed)

To Sir J. Byrnes by hand with
this mail

Party used
11.7.31

To Sir J. Byrnes, S.O. - 10 July 31

Key...
10/7/31
10/7/31

8) Sir J. Byrnes % _____ 22nd June 31
letter to the British member opposition to new taxation
and effect of campaign for low rates on railway for wage
or after of special conditions.

9) Sir J. Byrnes % _____ 11th July
letter in view to reports and discussion re railway rates;
letter to the County; and re the 1932 budget.

9. Yet another case of the original
coming before the original was a
revised. This time I have found
the original has been changed
and corrected.

Party used
11.8.31

hu

10) Sir J. Byrnes % _____ 21st August
Comments on budget position and introduction
of income tax; reports meeting with railway and
Road reports on budget.

No comment ream...

I am not sure whether the
has already been said. If
no, then may? be party.

10/8/31

Ch. Hunter

Labour 7a has
has a still further letter

Mr. Allen

You referred to that of

No 11 - 31 Aug. was attached. To long

No 12

bring another (8th E.A.), this
please see. The file can then

be put away until 22 Sept.,
when I should like to have it.

W.A.

17.9.31

L.A. back to that.

W.A.

18/9

11 Sir J. Byrne s/o 31st August 31.
Reports debate on Estimates; states as to
call for a percentage cut on official salaries.
Requests reduction in military expenditure. Comments
on Estimate position and Income Tax.

12 Sir J. Byrne s/o 8th September 31.
Reports proceedings of Select Committee on
the Estimates.

Sir C. Bottomley.

Please see your minute of 17.9.31.

22.9.31.

Sir S. Wilson

To see nos. 10, 11, 12.

about financial (on which
we had reported before) the
main point is the frame of

to be made (as to) as C.A.C.

W.A. 22.9.31.

Dear, thanks

J.H.B.
at once

19.9.31.

W.A.

13 Sir J. Byrne s/o 27.9.31

Comments on his visit to Turkana, Income Tax
position, Railway finance, and on the question
of postponing visit of economic expert.

Mr. Freeston.

Mr. Allen.

A most interesting letter. I attach
a note as requested about cuts in salaries.

The Development circular should be
registered on the papers about the Development
of Native Reserves with an extract from the letter
(X to X).

? Put by.

Personal Division (W.S.) shall
be a note confirm the papers as
stated at the end of my note.

J.H.B.
20.9.31.
W.A.

14 Sir J. Byrne s/o 13th October 1931

Comments on the Locust campaign of destruction.
States views as to framing of the Budget.

X / Registered
in 17/12/31

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No.13. Mr. Eastwood has supplied a note (13a) on the income tax and salaries cuts questions, but the Governor reports further developments in

No.14 from which it appears that Kenya, Tanganyika and the Railway have agreed as to a tax on salaries, but that Uganda is the difficulty as the Governor is opposed to a tax on salaries and is understood to advise an effective income tax from 1933 onwards. I understand that approval has ~~been~~ ^{already} been given for a tax in the case of Tanganyika and if it is generally imposed it will be difficult for Uganda to stand out. In any case she will probably want the further economies if as is possible there will be no cotton revenue in 1932. It is understood that instead of an estimated ^{Kenya} surplus of £62,000 in 1932 it is now probable that they will only be able to achieve £20,000 in spite of a salary tax and further taxation. With a surplus of £62,000 it was calculated that having regard to the deficit in 1931 there would be a free surplus at the end of 1932 of about £20,000, but according to the revised figures the surplus now to be budgeted for in 1932 will not be sufficient to wipe out the deficit on the "free surplus account" (I don't know how to put it better) at the end of 1931.

As regards the Financial Commissioner it is just as well that the matter has become less urgent, but the recommendations of the

Joint

Joint Committee may be expected to include one in favour of ~~an~~ ^{any} expert financial enquiry.

VH/Men
27/10/31

I have not had this file since 27 Oct - in fact, I sent for it in connection with a visit from Mr. Hayes on Dec 17.

See No 18 Enter up the new letter (of 25/11/31) and put by
L.S.S. 23.12.31 since

15. Sir J. Byrne — 1/6 — 20/10/31.
The report of a meeting of the Treasurers & Customs Commissioners of the three territories Expenses with a view to a general instruction to the territories regarding temporary reduction of salaries.
These 2 letters are registered on 17302/13/31

NO. 16 Sir J. Byrne — 1/6 — 25/10/31
Relates to the activities of the Select Committee on the Estimates.
17302/13/31

17. Sir J. Byrne — 1/6 — 10/11/31
Filed on 17302/13/31. Estimates

18. Sir J. Byrne — 1/6 — 25/11/31
Refers to the death of Lord Selkirk, Mr. H.T. Mackenzie, The deceased Member, the report of the Select Committee, & the new taxation

Put by Sir C. Robertson's mem. about 14.11.31 at 11/32

Personal & Confidential A.

By Air Mail.

*X. Some years ago it was the
said that he was a member of the
club and was then at his most
furious. How could anything
like this happen at
any time of day*

18
10

GOVERNMENT HOUSE,

KENYA,

EAST AFRICA.

25th November, 1931.

RECEIVED
10 DEC 1931
C. P. F. P.

My dear Bottom,

As you have seen from the cablegram much has happened since I last wrote to you.

Two deaths - two extraordinary Gazettes and two funerals in ~~one~~ day are a bit out of the ordinary in these peaceful times!!

Poor old 'D' went out quite suddenly: he appeared to be better but the doctors were never too sanguine.

Martin was a sad case. For the last two or three months I have been very worried about him. He had the appearance of ~~one~~ who either drugged or drank to excess. He was heavy and listless and once Pneumonia set in I knew that it was all over with him. He had great ability and charm of manner and I shall miss him as a colleague although recently he had not been pulling his weight. I have only made these somewhat uncharitable remarks because you will see the death certificate in due course, and will be surprised as I was at the statements made in it.

With my Treasurer suffering from a nervous breakdown and my acting Colonial Secretary gone, we are rather short-handed. But thanks to my ~~colonial~~ officials all is going well: ~~Mr. Gregor and Juxon Barton~~ have been ~~owners of~~

Strength...

Strength. I have appointed the former Colonial Secretary until he goes on leave on the 14th December and he will pilot the Budget through Council which meets today. The Select Committee held its last Session on the 21st. Since Delamere's death they are in quite a different mood and are much more amenable. The result (as you will see from the Report) of these months of discussion and waste of time is practically 'Nil'. On the expenditure side hardly any changes have been made, and those that were made were generally at the request of Heads of Departments who were able to recommend further savings when they appeared before the Committee.

Furthermore, the unofficials are not now so cock sure about the three rocks on which I knew we should split. These are:-

- (a). They wanted from £60,000 to £70,000 inserted for Locust destruction when there is no absolute certainty that we shall have a severe infestation next year. They now agree to a 'token' vote of £5,000.
- (b). They wanted £100,000 from officials (i.e., 10% out). We are giving £50,000 - quite enough too as I do not want to have a dissatisfied Public Service.
- (c). They wanted to cut down Walsh's latest Customs revenue estimate by £75,000. They are now beginning to waver over this owing to the drop in sterling and the slight revival of trade. They have been told many times that the Budget is not insupportable and that if, during the year,....

year, things take a turn for the worse, the Government will have to take measures to deal with the situation.

I expect we shall have some fun on the 4th December when the new taxation measures are introduced. Elected Members resent any taxation here and they do not realise how well off they are compared to people of their own class at home. However, they have not much to squeal about, a few cents on their daily ration of sugar, tea and beer, the local industries being further protected by a raising of the Tariff wall.

An emergency meeting of Railway Council was held last week to consider the revision of rates required to balance the Budget. I hear that it was fairly lively, Uganda and Kenya holding different views. I shall, as High Commissioner, have to give a decision next week when the papers are submitted to me. If I tread on Kenya's Toes there will be a howl. However, it can't be helped; you can't do your job and be popular in this country.

There is no doubt that H.M. Government will have to act promptly on the advice tendered by the Joint Committee in para 106(i) of their Report.

Yours very sincerely,

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

Personal & Confidential.

By Air Mail.

14¹²
GOVERNMENT HOUSE,
KEDDA,

EAST AFRICA.
15th October, 1951.

My dear Bottomley,

A line to give you the latest news. We have had the Directors of Agriculture of Uganda and Tanganyika here to discuss the Locust situation; Johnstone arrives next week. The general feeling is that it is pure waste of money to spend large sums on a campaign of destruction - all we can do is to kill hoppers where they can be killed reasonably cheaply and to request everybody, Europeans included, to turn out en masse and kill swarms roosting on the shrubs and trees during the night. As you know Locusts do not begin to fly practically until the sun gets up. I doubt if these measures will make any real difference in the end but public opinion demands that something must be done. Laying has not started to any great extent yet but if the pessimists are right (personally I doubt whether anyone knows much about these Locusts) we are open to have the best of our granifaceous crops eaten up next year. Now I think you will agree that one cannot budget for a disaster of this kind - you might as well budget for a cyclone in Mauritius. If in 1952 this Colony is placed in serious financial difficulties due to the combination of Locusts and world wide chaos then posterity must take its share in stabilising the position and loan funds

will....

will have to be utilised for this purpose.

My view therefore is that in framing the Budget we should cut down expenditure to a limit which does not destroy the framework of Government, avoiding all panicky retrenchment we must, in preparing our revenue estimates make a reasonable allowance for a continuation of bad trade aggravated by the Locust misfortune. This I am endeavouring to do.

As regards expenditure, the miserable Select Committee is still sitting wasting time and money with no appreciable result. Delamere is the chief culprit: he never ceases talking rarely to the point at issue.

Now taking the original draft estimates. My personal feeling is that owing to the Locust menace we should reduce our combined Custom and Native Taxation Revenue by say £120,000. This would turn our surplus of £80,000 into a deficit of £80,000, which I consider should be made good: also a small surplus should be provided for - say £20,000. A further £80,000 would therefore be required which in my opinion should be obtained firstly by a tax on official and municipal salaries (an emergency measure limited to the year 1932. During the interval the question of permanent Income Tax with revision of Import Duties should be explored) and secondly, by a small excise duty on a few commodities such as Tea, Sugar, Beer and Tobacco, coupled with a few minor taxes such as Entertainment

Tax.....

Tax. These we calculate would give us the required amount. Now I have at present staying with me the Commissioner of Customs and the Acting Commissioner of Tanganyika; the Colonial Treasurers of both Uganda and Tanganyika. All, including the General Manager of the Railways, our Treasurer and Attorney General, are assembled in conference (in no way binding on their Governments) with a view to exchanging ideas and information. I gather that Kenya and Tanganyika and the Railway favour the tax on Salaries and that agreement has been reached between these as to the rate which should be levied: Uganda is the difficulty: Gowers, whose territory is in a different position to the other territories as he has a substantial surplus balance, is opposed to a tax on salaries, and I believe advises effective Income Tax from 1933 onwards. This raises a problem for if Kenya, Tanganyika, the Railway, the Customs and the Post Office all adopt an identical scale of reduction it will cause discontent if the Uganda official alone continues to draw his full salary during 1932.

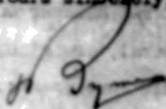
However, we are all doing our best to cope with a most difficult situation and I trust that means may be found to solve the mass of problems which are now confronting us.

The.....

4.

The above is merely a rough preliminary outline but
it may help you to appreciate the situation should we have to
approach the Secretary of State at short notice.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'H. G. ...', written over the typed name 'H. G. ...'.

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

13A

In the middle of July last the Governor telegraphed that he anticipated a deficit this year of £114,000. On receipt of this telegram we considered here, in conjunction with the Treasury, possible measures ~~to~~ (a) ^Gbalance the Budget during the current year and (b) to improve the position for 1932. One of the possibilities which suggested itself was a cut in official salaries, and it was estimated roughly that an average cut of 5% on all salaries would yield:-

confer & minutes
on 16/30/30
for record

European salaries	about £42,000
Asiatics	£23,000

The then Secretary of State was, however, definitely adverse to any cut in salaries, and it was accordingly suggested to the Governor that he should consider the introduction of an income tax.

It should be mentioned that the Governor of Tanganyika was at this time pressing to be allowed to introduce a cut in salaries but he was told that income tax was definitely preferred even though it amounted in effect only to the same thing since no-one but Government officials would pay it.

The telegram sent to the Governor will be found at No. 1 on 17302/31.

In reply the Governor said that he thought an income tax would be impracticable as an emergency measure. ~~The Secretary of State telegraphed~~ as follows:-

"I consider that necessity for introducing income tax next year should be definitely ^{considered} and that for this purpose legislation should now

15
"be drafted in readiness for Autumn session.....

I have already recognised that if a tax is introduced as emergency measure it could probably for the most part be effectively collected at the outset only from Government officials and in view of delay in introducing tax I shall be prepared to agree if you are pressed to immediate cut in salaries which should approximate as closely as possible to anticipated effect of income tax in each individual case, the cut to be a purely temporary measure pending introduction of tax. On the other hand I recognise that sacrifice has already been called for from service in matter of travelling allowance."

16.4.21 (17307) 21
This telegram was dated the 17th of August and there has not been subsequent ^{printed} correspondence with Kenya on the subject.

On the other hand since that date various Colonies, e.g., Ceylon, Fiji, have made proposals for cuts in salary. Governors making these proposals have been informed by the Secretary of State as follows:-

"My general attitude on this subject is that principle of equality of sacrifice should be followed as far as possible and any proposal which in effect means special tax upon a particular section of the community is not in accordance with this principle. Reductions in salaries of public servants are in my view justifiable only when both the following conditions obtain:-

- (a) all practicable means of increasing revenue have

16

have been carried out and drastic reductions on expenditure side are still necessary in order to balance budget;

(b) salaries were adjusted to a higher level of general prices than now prevails and may with some justification be regarded as reducible without serious breach of obligations on ground that lower amounts will suffice to maintain adequate standard of living."

The above is an extract from a telegram sent to Fiji on the 8th October. A similar telegram was sent to Ceylon. Subsequently the Ceylon Government have made further representations to the effect that a cut in salaries is inevitable and have asked the definite permission of the Secretary of State for measures imposing a cut to be introduced. These representations are still receiving consideration.

21/10/51

It may be added that the Governor of Uganda has reported that he is anxious to take as soon as possible the preliminary measures necessary for the introduction of income tax on incomes of £500 a year or over. He has communicated with the Governors of Kenya and Tanganyika to find out if they are prepared to introduce income tax too.

[Handwritten signature]

PERSONAL & CONFIDENTIAL.

GOVERNMENT HOUSE,

KENYA,

EAST AFRICA.

27th September, 1951

My dear Bottomley,

I returned to Nairobi yesterday afternoon after a fortnight's visit to Turkana. I went right up into the Ilembi Triangle and stayed one day at Todonyung (Fort Wilkinson). I saw some minor Abyssinian officials but to my regret the meeting with the new Governor of Maji, which Sir Sydney Barton tried to arrange, did not come off: that dignitary is reported to be still on the road although he left Addis Ababa about two months ago.

The Turkana were delighted to see me, I being the first Governor who penetrated into that inhospitable region: they are a fine people who are rapidly settling down under our administration. However, I will not weary you over my journey for I am preparing a diary (with map and possibly with photos) which will shortly be sent to you. It will contain my general observations on the frontier situation.

I found everything peaceful on my return except for the miserable Select Committee who are wrangling and fighting over every item so far without any appreciable result for I have already cut down expenditure to a point at which further retrenchments would mean closing schools, hospitals, etc.

I... ..

Handwritten note:
has
along
referred

^{and for}
I ~~Felt~~ that as a measure of precaution we should have to raise additional revenue and, at first sight, Income Tax seemed to be the only fair proposition. But apart from the intense opposition on the part not only of the elected members, but of the outside public, the Attorney General informs me that there would be no likelihood of any benefit accruing in 1952 - the very year we want increased revenue - except in respect of deductions from official salaries. He has pointed out to me the complicated machinery that would have to be established and the expense that would thereby be entailed. This later information makes me veer towards Symes' idea of a tax on salaries on the lines adumbrated by his Government, the Bill introducing it being operative, unless continued by resolution, for the year 1952 only. Were this measure introduced some of the hardships and anomalies connected with the surrender of Travelling Allowances could be adjusted. The difficulty would be, as usual, the Railway for we would have to try and get Uganda to agree to a similar measure, for railway servants on one side of the border could not be treated differently to those on the other. I do not know what views Mr. Thomas has about this question of officials salaries but I am sure he will realise the delicate and difficult position in which we are placed. Furthermore, if Sterling depreciates still further an added complication will intervene.

I....

I saw Rhodes this morning who gave me a brief account of the Railway Council meeting last week. Apparently they are cutting down his revenue estimate from £2,000,000 to £1,800,000 and the unofficials have recommended that £50,000 of the £200,000 reduction be made good from cuts in Salaries. They have reached an agreement about carrying maize not at Peak periods but at such times as may be more suitable to the Railway Administration. The proposal to increase the maize rates to cover cost of haulage was postponed to the next meeting on the grounds that the matter was not one of particular urgency owing to the small export anticipated this year. I have not seen the Minutes yet but I give you this outline in order to express to you my feeling that, if you have not definitely engaged an economic expert, it would be better to let the proposal hang fire until the position becomes clearer both as regards the Colony and the Railway. The present time of general uncertainty is not a suitable moment for an expert to arrive on the scene.

I enclose a copy of a circular re development in the native reserves drawn up by my special committee.

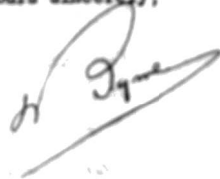
No....

4.

We hope soon to get our programme out and then push on with the good work to the best of our ability.

Enclosed also is a recent cartoon which may amuse you.

Yours sincerely,



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

30

Ref.No.NAİM.94/7/-II.

N.A.D. Ccc. 30

NATIVE AFFAIRS DEPARTMENT,
NAIROBI.

31st Oct 1931.

DEVELOPMENT IN NATIVE RESERVES.

Government is aiming at the improvement of the conditions of life of the inhabitants of the Native Reserves and the educational activities of all the various Departments of Government are designed towards this end.

(2) It is evident that one of the factors which must govern the level of civilisation which can be attained is the economic position of the population. It follows that the development of all the resources of the Native Reserves must be one of the primary concerns of Government.

(3) The areas in native occupation are capable of far greater economic output than has hitherto been achieved. This is fully realised by Government and His Excellency has directed that vigorous and co-ordinated efforts must be made in pursuance of the end to be attained, that is the realisation of the maximum productivity of every Reserve.

(4) The estimated value of agricultural exports of native origin for the last five years is as follows:-

1926	...	2479,780.
1927	...	2027,780.
1928	...	2200,000.
1929	...	2200,000.
1930	...	2200,000.

The total value of agricultural exports during the ... same ...

TO ALL PROVINCIAL COMMISSIONERS
(with enough copies to District Commissioners)

To Hon. D.S. & S.S.
" Hon. D/S.
" Hon. D/A. } With copies for distribution
(and C.V.O.) } to members of their staffs.
" Hon. D.P.W.

same period was as follows:-

1926	...	2948,737.
1927	...	2720,720.
1928	...	2924,160.
1929	...	31,280,640.
1930	...	22,170,776.

Therefore in 1926 Native agricultural exports were about half the total, but in 1930 they were less than a quarter.

(5) It is appreciated that the value of the produce exported is no accurate indication of the amount grown owing to (a) fluctuations in prices; and (b) local consumption; but figures over five years might be expected to show an increase.

(6) Two lines of action are immediately indicated, viz:-

- (a) general and continuous propaganda by officers of all Departments; and
- (b) a programme of long range development.

As to (a) every opportunity should be taken to impress on the people individually and through Headmen, Local Native Councils, Missions, Schools and Barasas the need for increased production. Departmental officers should stress the inter-relationship of their own activities with the economic position.

As to (b) the first necessity is to arrive at an appreciation of the facts so far as the facts can be ascertained. In the 1930 Agricultural Census on page 69 is an estimate of the area under cultivation together with an estimate of production of individual crops. There are however no previous figures with which to compare these estimates. It would be valuable to know:

- (a) to what extent if any the areas under cultivation are increasing annually.
- (b) to what extent there is room for expansion after allowing for fallow land, grazing land and forests.

Provincial Commissioners are therefore asked as a preliminary step to forward to the Chief Native Commissioner reports which will be in the nature of economic surveys of the several districts of their Provinces specifying, wherever possible, each section of the district, with recommendations for the advancement of native agriculture in the light of the special needs of each district or section, and indicating the directions in which increased effort is particularly needed and likely to be attended by the best results.

(7) The directions in which such efforts may be exerted may be classified under the following heads and Provincial Commissioners in making their recommendations are asked to follow this classification-

I. AGRICULTURE.

- (a) Increase in the area under cultivation.
- (b) Increase in the yield per acre
- (c) Improvement in the quality of crops by use of superior seed.
- (d) Introduction of new kinds and varieties.
- (e) Improvement in methods of cultivation. (e.g. by use of ploughs)
- (f) Increase in the productivity of the land, e.g. by drainage, irrigation or use of manure
- (g) Rotation of crops and conservation of soil values.

II. ANIMAL HUSBANDRY.

- (a) Ghee making, improvement in quality and quantity.
- (b) Improvement of quality of hides and skins.
- (c) Improvement of quality of stock.

III. FISHERIES.

IV. GENERAL.

- (a) Improvement in facilities for transport.
- (b) Improvement in methods of marketing
- (c) Improvement of water supplies by bore holes, wells, pipe lines etc.
- (d) Increase of local fuel supply.
- (e) Miscellaneous - e.g. improvement in the health and physical standard of the people which result from the adoption of more hygienic methods of life leading to the reduction of disease. In this last

connection attention is invited to the success following intensive campaigns already carried out e.g. in the Digo country during 1927 - 1928, the first result of which was a greatly increased demand for Digo labour and enhancement of their earning capacity due to marked improvement in physique, vide pp.21 and 22 of the Annual Medical Report for 1928; also the campaigns carried out more recently in the Kikuyu and Kavirondo areas relating to combating helminthiasis by the introduction of pit latrines.

(8) It will be at once appreciated that the close co-operation of all departments will be essential to success, and also that such co-operation will be ineffective without intensive propaganda. In compiling their reports Provincial Commissioners will naturally consult such technical officers as are available in their Provinces.

The proper co-ordination of administrative with technical activities is a powerful factor in increased production, as any attempt to put into practice the lessons which are or should be conveyed to the native population will in course of time result in a demand for improved conditions which will gradually become inherent.

The natural effect will be a growing interest in production as a means of satisfying that demand.

(9) On the receipt of Reports from all Provincial Commissioners these will be collated and a programme will be devised indicating the general policy to be pursued and the particular steps to be taken in furtherance of that policy in respect of every district.

A. de V. WADE.

ACT. CHIEF NATIVE COMMISSIONER.

3/11 AUGUST, 1931.

Nairobi,
Kenya.

18th September, 1931.

NADM. 27/3/4.

My dear Bottomley,

In answer to your letter No. 17195/31 of the 10th July on the subject of Clarence Burton's memorandum on Kajiado District, I have had referred to Hemsted the statement attributed to him to the effect that an extra sum of Shs. 8/- was put on the Masai tax so that road communications might be provided by paid labour instead of forced labour. Hemsted has replied as follows:-

"For some years the Masai paid only Rs. 3 while other tribes were paying considerably more, the reason being that a new form of tax, i.e., a Stock Tax was under consideration for some time, but eventually this was found to be impracticable, and in its place the Hut and Poll Tax was raised to Shs. 20/-.

"The matter was discussed with Sir Charles Bowring, then AG. Governor, the late Mr. McClure, who was in charge of the Masai during a part of 1918/19 and myself, and in view of their wealth it was agreed that the Masai could very well afford to pay a higher rate of taxation than other tribes. I believe two or three million rupees were paid to them during the war for livestock required for military supplies.

"So far as I remember there was nothing more in it than that, and I think Clarence Burton must have been under some misapprehension. I do not remember that the Masai were ever consulted about the increased tax but paid it willingly and it was collected in full without difficulty.

"There was never any question of calling on the Masai for compulsory labour on roads under the Native Authority Ordinance, as among a sparse scattered nomad population, unprovided with tools, it was obviously quite impossible."

This question of the Masai tax was dealt with in paras. 11, 12, 13, 14, 15 and 16 of the memorandum on Native Taxation attached to my despatch No. 431 of the 4th August, 1931, on the general history and theory of taxation in Kenya, and I explained that the real reason for their paying a higher tax than other tribes was - or was supposed to be - their greater wealth per head of population. Wade tells me, however, that he has

heard it argued, among others by Maxwell the late Chief Native Commissioner, that quite apart from that it is reasonable that they should contribute on a more generous scale than others to the Colony's revenues in view of the fact that they contribute nothing in the way of communal labour to the maintenance and construction of roads or other local works. Buxton may have been thinking of this.

As a matter of fact the Masai seem to get very good value for their taxation in comparison with other tribes as the following figures indicate:-

The Masai population is approximately 50,000 and the Nyanza approximately 1,000,000, and the Kikuyu approximately 800,000 - (actual figures of last estimate are Masai 48,547, Nyanza 1,092,036, Kikuyu 795,934). In the figures of expenditure by Government on native services given in my despatch No. 63 of 25. 1. 1931 the expenditure on Masai is estimated to be £30,663, on Nyanza £150,120 and on Kikuyu £179,296. That is to say the Masai gets roughly Shs. 12/- per head, the Kavirondo Shs. 3/- per head and the Kikuyu Shs. 4/50 per head. In other words a Masai, although he pays less than double as much as a Kavirondo in direct taxation gets four times as much in direct services (and nearly three times as much as a Kikuyu). Again, the revenue from direct taxation in Masai is £17,750, in Nyanza £235,000 and in Kikuyu is £177,868. So that Masai might expect to get about 1/13th of what Nyanza gets and about 1/10th of what Kikuyu gets. Actually it gets about 1/5th of Nyanza's amount and 1/6th of Kikuyu's. So that, looked at from any point of view, it gets about double as much as it ought to out of Government (in comparison with the two large Provinces) even allowing for the Shs. 20/- tax as opposed to the Shs. 12/- tax.

Yours sincerely,

By Air Mail.

12²⁵

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

8th September, 1931.

My dear Bottomley,

A very short letter this time. The Select Committee on the Estimates have been sitting for the past week. There has been much talk so far with little result: the alterations put forward are, I hear, rather of a minor character. I fancy their report will not be ready for about a month. They adjourn during the week 21st-27th as Railway Council meets on the 23rd. This will be a very important meeting at which the controversial rate question will be discussed. As I told you in my last letter there are rumours of some sort of agreement being arrived at but I am not very sanguine. The possibility of the Railway being unable to continue the low rate, of the Colony being unable to subsidise and of maize being no longer a business proposition without either one or the other was one of the chief reasons why I asked for an Economic Expert. If maize went out of production our whole economic position would certainly require review. I will cable to you briefly informing you of the result of the Railway Council meeting.

I....

31st August, 1961.

My dear Bottomley,

We had the debate on the Estimates on Wednesday, Thursday and Friday. Three dreary days, each elected member speaking at great length, ranging over every possible and impossible subject. DeLamare spoke for over an hour - a rambling and confused speech - but I gathered that at the back of their minds is a combined demand for what they call a constructive policy consisting of vigorous propaganda for more White Settlement (at a time when I have had to increase the vote for getting rid of Distressed British Subjects!) and the getting by hook or by crook of a sufficient sum (which I reckon would be in the neighbourhood of between one and two millions) to enable the Land Bank to take over all mortgages on terms more favourable to the embarrassed settler community. Where they expect the money to come from I do not know - we have no surplus balance and I fancy that even they must realise that it would be futile to contemplate raising a loan on the security of the fluctuating value of land in this Colony.

Another united and naturally popular cry was

the immediate percentage cut (10%) on Officials Salaries. I put the Attorney General up to reply to this. He pointed out the inherent difficulties and dangers of such a course, which includes grave discontent among public servants, pensions and Widows and Orphans' Fund difficulties and the fact that a very considerable number of senior officers who are entitled to retire on pension would at once elect to do so. He stated that the opinion of the Government was that if additional revenue were required the fairest way of raising it was by introducing an income tax and that although this would largely fall upon officials they would willingly agree to bear their share of such taxation. There were cat-calls and interruptions from the "other side of the House" and there is no doubt that they will resist this by all the means in their power. It would interfere with their schemes for increased White Settlement.

The Select Committee, to which I have this year added the Chief Native Commissioner and the Commissioner for Local Government, Lands and Settlement, commences its sittings this morning. They have all sorts of ideas about cutting down expenditure and they are particularly bitter about Military expenditure, some putting forward the plea that if the Committee of Imperial Defence require us to keep up an establishment....

establishment beyond what is required for internal disorder the Imperial Government should pay. Poor British Taxpayer. At any rate do your best on your side to get reductions in Military expenditure. Personally I never was very happy about this elaborate and expensive scheme of mechanized Transport which ties our operations to the vicinity of the so called roads. I had intended to go up to Fort Wilkinson on Saturday; there are so many troublesome questions arising over this joint Abyssinian and Sudan Frontier that I thought it would be an advantage to me to have a birds eye view of the area. However, a telegram has just come telling me that the rivers are in flood so I have had to postpone my departure.

The main question now is whether our revenue estimate is too optimistic. After all it is only an estimate. I have publicly stated in my address that it is our intention during the next few years to seize every available opportunity of reducing our overhead charges. I have several times advised that sudden and panic retrenchments are undesirable. There is therefore a danger in adopting too pessimistic an attitude, for, if the Budget is to be balanced, it will entail further drastic curtailment of services....

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services which had much better be done gradually. This revenue estimate has been prepared with most precise care and as regards Customs I have very great confidence in Walsh, who is certainly not an optimist. He knows more about the Colony's trade and the ramifications of inter-colonial trade than anyone else in the country. He defended his estimates in a very able speech.

Similarly I have equal confidence in Wade who, by the way, is an admirable debater and in every way a satisfactory Chief Native Commissioner. I do hope that he may be appointed to the permanent post for I now see that a newcomer would take years to get our complicated Tribal customs, etc., into his head and in all probability he would be a poor substitute for Wade in our rather stony Council Chamber. The Hut and Poll Tax estimate was prepared in close collaboration with the various Provincial Commissioners and District Commissioners.

I do not know what will happen in Select Committee but my feeling is that probably the outcome may be the imposition of an Income Tax as an additional safeguard but, as I said before, the combined hostility of the Elected members, who will carry the public with them in a matter of this.....

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this nature, has to be reckoned with. I am keeping Gowers and Symes informed as to what is taking place here. If Income Tax were to be introduced in all three Colonies it might be desirable for us to work on uniform lines.

This is the present position in a - very large - nutshell.

Yours very sincerely,

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

PERSONAL & CONFIDENTIAL.

By Air Mail.

99/10
GOVERNMENT HOUSE.

NAIROBI.

KENYA.

21st August, 1951.

My dear Bottomley,

I returned to Mombasa this morning having adjourned Legislative Council till the morning of the 26th. This gives them time to study the Budget figures before the debate and before reference to Select Committee. I presented it on Tuesday morning and find that it has been well received both in the Press and by unofficial members. This is only the beginning, however, and no doubt many changes will be made in Select Committee; but there is one thing about which I am certain, namely, that apart from the Estimates we must seize every opportunity this year, next year, and the following years to cut down expenditure. The overhead charges of this Government are too high for the output and our aim and object must be to cut these down to a sensible figure which will permit of the accumulation of an adequate Surplus Balance.

I have given instructions to the Attorney General to prepare at once and have in readiness - if required - Income Tax Legislation. It may not be necessary and I hope it won't be for it was a failure before and, moreover, it does not fit in with our system of indirect taxation. However,

if...

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if we have to introduce it the officials will loyally accept this measure but I would most strongly urge that the proposal to treat them differently to the ordinary taxpayer by making advance deductions from their salaries be not adopted. Nothing would cause me more embarrassment. We are all working together excellently and the officials know that I will do my utmost to secure for them fair and equitable treatment. Seriously, I think your London Committee will have to look into the question of salaries and terms of service for future entrants. If agricultural prices are going to be stabilised at a lower figure I very much doubt if any of the Colonies can stand the emoluments now in force.

Your first long and unsettling cable re the Budget reached me on my way to Lamu. The best I could do was to cable my views to Nairobi and get them to put the reply in general form after consulting the various Heads of Department. I noticed that Hushton inserted the suggestion regarding transferring monies spent on Buildings during the past few years to Loan account. I have never been enamoured with this idea and I thoroughly agree with the views expressed in your latest telegram.

We had a big meeting yesterday with the Railway and Government experts regarding the Magadi Soda business: they were all most emphatically opposed to the terms suggested, particularly

the....

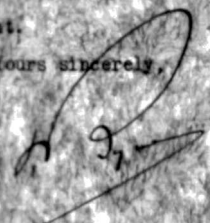
5.
the Railway people who recently revised the rates and entirely disagree with the statement that they are running everything at a loss. Moreover, they have sunk considerable capital in rolling stock, etc. If you want us to agree I'm afraid you will have to get us better terms.

There are rumours that the maize rate difficulty may be overcome by an adjustment under which this produce will be carried more at the convenience of the railway than during a peak period which involves huge expense. However, it is only a rumour.

I hope you will have a long talk with Moore and give him an opportunity of seeing the Secretary of State and Dr. Shields. He is a wise and sensible little fellow.

No more news at the moment.

Yours sincerely,



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

PERSONAL & CONFIDENTIAL.

31 9
GOVERNMENT HOUSE,
NAIROBI,

KENYA
14th July, 1951.

My dear Bottomley,

I arrived back on the 9th after a most extensive trip over the Railway system in Uganda. We went to Namasagali - Masindi Port - Butiaba - Murchison Falls and Packwach. Then back to Butiaba and motored to Fort Portal and Entebbe thus traversing the country through which the Congo extension may eventually run. Gowers was with me all the time and it was a great benefit to me to be able to discuss various matters with him. I saw all the Government institutions at Entebbe and Kampala and had a meeting with the Chamber of Commerce at the latter place. The main topics of interest were Railway rates (their views being completely at variance with those of Kenya) and the losses on branch lines.

As regards the latter, Gowers has submitted and supported a Resolution of his Council to the effect that this Government should bear the losses contracted on its branch lines although constructed before the passing of the Order-in-Council. The Railway Council met here on the 8th July but did not get to grips with these two difficult questions as the General Manager was not ready with his final figures. The tug-of-war will come on at the August meeting and I hope the advice and assistance of the Economic Expert will be available about September so that a decision can be arrived at. This decision (possibly voiced by the High Commissioner if the present system remains) will have far

reaching importance.

On my way back to Nairobi I left the train at Eldoret and paid a flying visit to the locust infested areas on the Plateau and in North and South Kavirondo. Nairobi has now been invaded where even Government House has not been spared, for yesterday a dense swarm settled on us devouring all the grass, etc. It is pathetic to see the ruination caused by this plague especially where the settler and native crops have been wholly destroyed. However, if we get through the next month or so I am hopeful that the total damage will not be quite so bad as expected and that our local food supply will prove adequate.

The political excitement has, for the moment, died down although we are from time to time amused with bitter letters in the 'East African Standard' and with Cartoons in other papers depicting me as the villain in the piece e.g., driving a steam-roller over Delamere! I gather the reason for the manoeuvre on the part of the elected members (with their Press Bureau) was that the idea had got about that I was definitely sent out by the present Government to put them in their place - where they got such an idea I cannot imagine - and therefore when I overruled them in a perfectly reasonable and conciliatory way, they raised the cry of "bureaucratic control". The enclosed message from Delamere to his followers rather confirms this; I fancy that Rhodes was intended to see the first three lines of the message only.

In....

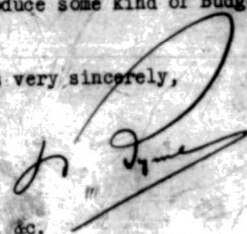
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

In the meantime we have been getting on steadily with our 1952 Budget. I am hopeful that I may now be able to show a small surplus which is certainly more than ever I expected. However, I do not want to commit myself as the final figures will not be ready for a week or so. I hope to commence the Budget Session about the middle of August.

The Road and Rail Bill is now before Select Committee and interested parties have been publicly invited to give their views. When the Report is signed it will have to come before Executive Council for consideration.

No more news. I feel a little more cheerful over the prospect of being able to produce some kind of Budget for 1952.

Yours very sincerely,



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

X a letter about 1951 is by no means favourable
W.C.B.
29.7.51

ELECTED MEMBERS ORGANISATION.

Ref. No. MSC/RRB/1/2/635.

THE MEMORIAL HALL.
NAIROBI.

1st July, 1961.

The Hon. Brig. General G.D. Rhodes.
The Hon. T.J. O'Shea.
The Hon. Major Robertson Eustace.
The Hon. Col. W.K. Tucker.

Dear Sirs,

Subject:- Road and Railway Bill.

Enclosed find copy of message received by first post to-day.

I attended at the Hon. Attorney General's Office at 9-45 to-day with the original. The Attorney General informed me that owing to the fact that several Members of the Select Committee are unable to attend to-day, he is postponing the meeting until 10 a.m. tomorrow.

Yours faithfully,

(Signed). CHARLES GAITSKILL.

Secretary.

GAITSKILL. MEMORIAL HALL.
NAIROBI.

Please inform Elected Members Road Rail Committee and General Rhodes much regret unable to come Nairobi owing bad influenza and send my apologies Chairman. Please remind members of Minutes meeting held Shell Office as basis members' general policy. Please give members following message from me. Begins. We are fighting for whole position economic progress in Kenya and against reaction to bureaucracy. Our weakest point temporarily owing Government action on top of world slump is financial. If our enemies can get us down over our economic financial position we have to start all over again to re-constitute our position against increased Treasury control. Vital therefore everything done to uphold Railway position for this reason and for buttressing main points rating policy which have been such success last decade. Differences regard to minor policies Railway are nothing compared to this. I beg members to avoid any differences and to make certain that the present Bill, dealing only with control over goods between scheduled points, goes through without complications of delay and does job properly. Personally have accepted principle of doing this by high licences to meet opinions of others. Convinced that benefit whole population greatest if State common carrier effectively protected from unfair competition so that country's commitments are safeguarded and future profits can be returned to whole public in lowered rates as has been done last few years to very large extent. At present most important concentrate principal factor of policy which is prevent reaction to bureaucratic control economies. Success therein largely depends on breakdown finance of Colony or Railway. Later when proper balances control recovered we can go thoroughly into differences between us. Ends. Let me know how long Committee likely to sit.

DELANERE.

DUPLICATE
original sent
by air mail on 25/6/51
PERSONAL AND CONFIDENTIAL.

Original has been
sent to [unclear] [unclear]
[unclear] [unclear] [unclear]
25/6/51

22nd June, 1951.

My dear Bottomley,

In my last letter I informed you about the trouble in Council over the Government's refusal to hand over the finances of the country at this delicate stage to the mercy of the Elected members. I told you that the row seemed to have blown over and that a spirit of friendliness prevailed. Well, last Tuesday we brought in the taxation measures which some time before with Delanere's knowledge we had arranged with the other Territories. In so far as individuals were concerned they were trifling (Sh. 10/- on a tyre capable of doing 12,000 miles and 6 cents on an ordinary letter) but combined they are calculated to produce revenue to the extent of \$25,000: a very useful help in these hard times. A bitter political campaign was at once organised by Delanere - the "representatives of the people" touch - combined with a venomous attack by O'Shea, not only on the Governor's expenditure (which I had cut down considerably but had lost a big amount of my savings owing to a portion of Brigg's 1950 salary having to be charged against 1951) but on the Civil Servants generally who were, he alleged, fattening on the land while the poor settlers were living on Fumbo. The Settler press joined in the fray with great gusto and, I fear

&c...

a deal of harm. It is clear to me that a Governor of this Colony who, after consulting his Executive Council, adopts measures fair to the people generally will have a bad time politically, unless the measures meet with the complete approval of the European elected members (whose opinion on some subjects I do not value highly as it is dreadfully biased). What Delamere calls Government by agreement means Government by agreement with him:

The Council adjourned on Friday in a more reasonable attitude, for I think they saw that when the froth was blown off, the public were beginning to realise that there was not much for them to swallow and that the Government measures were fair and reasonable.

In prosperous times these little storms do not matter much, but in times of stress and difficulty like the present they indicate what a time I am in for with the clouds of drastic overhaul now on the horizon.

I do most emphatically believe that this overhaul is urgently required and that the very best man you can get should be sent out to conduct it. A mediocre man will merely land us in a hopeless mess, for instead of co-operation there will be obstruction.

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Our economical resources will have to be examined, bearing in mind what is genuine and lasting and what is not. I refer here to loan expenditure, etc. Then it will be necessary to determine the Administrative establishment which the country can afford, having regard to its output, and to readjust the incidence of taxation, European, Asiatic and Native required to provide essential revenue. This raises the desirability of an Income, coupled with a Land, Tax which will eliminate the present inequitable Poll Tax.

Yet another complex problem is rapidly emerging in the sphere of Railway policy. Delaere and his following made a most impassioned declaration in Council to the effect that the low Haile rates were sound and to the advantage of the Railway. Uganda, on the other hand, is, I understand, going to object to this most strongly, asserting that if their cotton seed requires help in the matter of cheaper transport, a grant will be made to the Railway Administration for the purpose. What is the poor High Commissioner, who is also Governor of Kenya, to do in such circumstances?

Seriously, I cannot be left to carry this baby alone. As I have said before, a really first rate man must investigate and report, and H.K. Government must then decide definitely as to....

to the policy which is to be adopted. There is no good leaving such vital matters to be handled about in this impossible Legislative Council - I mean impossible only when political issues are at stake, for its unofficials are both painstaking and helpful in dealing with ordinary legislation.

In the meantime a makeshift Budget for 1952 must be prepared and this is now being done. In view of what I have said above no radical changes in taxation can be made at this stage, but the extra revenue required will have to be obtained from sources which we are now exploring. I am most anxious to avoid overhasty economies and retrenchments which for "many years to come will deprive us of the power to take advantage of returning prosperity." But this is not going to be easy, for I imagine we shall have to fix our Customs revenue at £750,000 (£800,000 less than last year) and there are in addition greatly increased loan charges to be met.

I go to Uganda today to meet Gowers. One of the matters I want to raise with him is our heavy Military expenditure. Personally I do not think these two Colonies require so many armed men (King's African Rifles - Police - Kenya Defense Force) and I am certain we will not be able to maintain them at their present establishment.

Moore.....

Moore is rather worn out with overwork so I contemplate allowing him to go on leave at an early date. I want to have him back in the country when the Economic Expert is here. There will be another advantage in this, for he will be able personally to explain to the Secretary of State our views and difficulties.

Yours very sincerely,

(Sgd.) J. A. BYRNE.

Sir S.C. Bottemley, K.C.M.G., C.B., D.B.W.
The Colonial Office,
LONDON, S.W.1.

Downing Street,

Personal and Confidential

10th. July, 1931

My dear Byrne,

I have already told you that you must not think that the want of any reply to your air mail letters does not mean that they are not appreciated. However, in the case of your letter of the 15th of June you have asked for a reply, so that I cannot let that letter go with the rest.

I am very glad that something is being done about the hospitals and prisons. The former was a prominent question when I was in Nairobi and as regards the latter I can only say that when Mr. Hunter showed me the ~~hospitals~~ of Nairobi he drew the line at taking me to the prisons. We are certainly anxious that you should push on as quickly as you find possible with these two items of loan building, and I am sure that there is no reason to think that the Secretary of State will

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W.S. KILGILL

SIR JUSTICE BYRNE, K.C.V.G., K.C.S.I., J.B.

will not be able to give approval for both within the totals allowed in the Loan Schedule, provided of course that no point of difficulty arises on details.

As regards taxation, we shall wait for your despatch but, entirely on my own authority, I suggest that as regards the age limit, the obvious solution, until you can raise the native age to 18, is to lower the non-native age to 10. That would dispose of the differentiation point and not increase unduly the burden of taxation on non-natives.

As regards land also, we shall await your official views.

You will notice from the record of the evidence of Lord Francis Scott and the others, that the definition of the Highlands had a prominent place in the examination by the Secretary of State. There will no doubt be trouble over the enquiry but it might be better at all events to make a start at a

time when there is in fact no European demand for land.

We have noted what you say about the Chief Native Commissionership, and the post is now under the consideration of the Secretary of State. I am personally rather sorry that Watkins is out of the running as all my recollections of him have been very pleasant; but apart from anything else he is, of course, rather old now for the post.

As regards the last point in your letter. I realise that taken out of its context the statement that the Secretary of State considered that the Legislative Council was not very important would be a little startling. As to the ^{means} needs of native political development. I hope that the Legislative Council may remain in the background for some time.

Although it is a fortnight since I got your letter, I have been away for a good deal of the time, and some research into the points you mention has been necessary. The result is that

I am now answering in a hurry in order to catch
the Air Mail, so that you will have my reply before
August.

Yours sincerely

W. S. D.

PERSONAL & CONFIDENTIAL.

643
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

15th June, 1951.

Recd 24/6

My dear Bottomley,

As you have no doubt noticed there has been a lull in my letter writing. The fact is that I have been snowed under with various local problems including the acute financial depression, made worse by this unfortunate plague of locusts.

The Legislative Council is still sitting but I hope to finish next week and then get off to visit Gowers and the railway system in Uganda.

You have no ^{longer} doubt by now received the Press copy of my opening address. It is self explanatory except as regards the reference to the Gael and the Nairobi Hospital. The former is a disgraceful institution and the latter is not much better. A grouped Hospital for Europeans, Asiatics and Africans is urgently required. Up to the present there has, since my address, been no public appeal to push on with these works and my intention is to let matters stand still till the August Sitting (when I hope to get the Estimates launched): in the meantime you might possibly let me know what your views are. Without doubt you will be continually worried at home about these two institutions.

No.....

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

2.

We had a decided breeze in Council when I refused to let the elected members take charge of the present difficult situation through the medium of a Select Committee. They were rather theatrical and I believe there was some talk of walking out of the House. However, they knew they were not on a good wicket and that the country was not behind them, so they let the matter drop and are now most friendly and helpful - Lord D particularly so. I expect this will not last long as I am convinced that the Government must govern and not be dictated to.

*apparently
staid
cool*

The locust position has become slightly better during the past few days. The destruction of crops in certain areas has been very bad specially in South Kavirondo. We have taken all the necessary steps to ensure that adequate food stuffs are available and if things do not become worse the stock now in the country will suffice. The campaign waged on the hoppers has been extraordinarily successful and at a very small cost to Government (about £5,000): we propose to continue it as I do not want them to invade the untouched areas, particularly the Kikuyu Reserve which supplies a considerable amount of grain.

I do wish the trade position would brighten up a bit - it is horribly difficult to handle. I have cut down expenditure to the extent of about \$170,000 and any further economies would mean unpoplar retrenchments and closing up establishments such

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

5.

as schools, hospitals, etc. I want to avoid this but I foresee that we shall be at our wits end to balance the 1932 Budget. In addition to reduced customs revenue there will be, I fear, a heavy fall in Hut and Poll Tax receipts owing to the locusts and to the fact that European employers are drastically cutting down their labour staff.

I am really very worried over two matters which the Secretary of State wants me to push through without delay. One is the Hut and Poll Tax question (Widows, and raising the age to 18), and the other, the suggestion to send out a Commissioner to enquire into the allotment of land.

Now as regards the former - about which a reasoned despatch is now being prepared - you know my feelings about natives and my anxiety to see that they get justice. But any drastic change, during this critical time, of a system which has been in force for many years will completely disorganise our finances, for we anticipate that even an attempt to adjudicate on the apparent age of a native will result in a loss of £40,000. How on earth am I to balance such a loss at the present time? Why not give us a little breathing time and let us adjust our affairs more gradually as the result of the report of the Special Commissioner who will, no doubt, review the whole revenue position?

The question of the enquiry into the allotment of land is.....

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B
C1

Handwritten notes:
The
Secretary
of State
has
agreed

GOVERNMENT HOUSE.
NAIROBI,
KENYA

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is still giving my advisers most anxious attention. I do not want to commit myself just yet but in principle the idea is sound, for there are at present many outstanding problems which appear to be almost insoluble. A comprehensive review and definite settlement would be an immense advantage. But I anticipate that such an enquiry will throw the country into a blaze at a most unsuitable time. There is no knowing where it will lead us to, and this on top of the enquiry into our economic structure. We must all try and get this country straightened out but too hasty action would do far more harm than good.

D

I wrote a personal letter to Lord Passfield about the Chief Native Commissionership. What we really want is not an office wallah, but a man who will be able to devote his time to pushing on development in the Reserves for these are going to be the salvation of this country. Unless you have a first class man in mind, let me have Nade. He has great knowledge of our natives and their customs and he is firm, but very tactful. Even Lord Selkirk came to me yesterday and informed me that he would be very pleased if he were appointed. Watkins would never do; he would be a second Maxwell who was very tiresome at the end.

Many thanks for sending me Leggett's Memorandum. He had already sent me a copy as he is an old South African friend....

friend. There is much in it that is worth consideration, especially the warning about the danger of dumping more European in this country at the present time. In this connection I had to give a wiggling to Wolfe, the Acting Director of Agriculture, who, I found, was involving himself with the elected members in some closer settlement schemes.

By the way I was rather alarmed at reading in your open Despatch No. 525 of the 15th May the following remarks attributed to Lord Passfield in reply to Kolnange:

*6 months
later
1944*

"The Secretary of State went on to say that the Legislative Council was not very important; it was only advisory to the Governor who does what the Secretary of State says".

It may be very true but if this got into the East African Standard it would stir things up considerably. In view of this I sent orders at once to have the Despatch treated as a confidential document.

Yours sincerely,



Sir W.C. Bottomley, K.C.M.G., etc.
The Colonial Office,
LONDON.

June 17th. 1931.

THE SECRETARY OF STATE FOR THE COLONIES.

REG. 10 DOWNING STREET
LONDON.

SIR,

You have no doubt been receiving complaints from this part of the Empire lately, but I wish to add one more, and will try to be brief.

I should like to warn you first, that unless something is done and quickly, to establish justice and fair play here, there is likely to be serious trouble.

Do for goodness' sake send someone out here, some level headed man, (not an expensive commission to sit for months and 'chew the fat' yet do nothing - we has been done before- while distress is occurring all over the country) but an unbiased business man who will go into things cleanly and clearly without favouritism, in fact to see fair play to the under man, who is fighting for his bread and family, and not to allow all those who sit high up in offices, in ease and luxury, to have the power to sack men by the score who do not know where to turn in these days of many retrenchments, for another job.

We all know that times are difficult everywhere. Very well then, let us all pull together and do as many private concerns have done and all take a cut in salaries, to which everyone European and Asiatic, would have agreed before retrenchment was started. All living is getting a little cheaper everywhere, then why should some be asked and others not touched? If I can make a shilling go where one and sixpence went a short while ago then so can the Governor, the General Manager of the Railway, the Director of Agriculture etc..

Money has been spent like water (and still is being spent) on elaborate Government Houses, Offices, Schools etc. Then those who have been spending the Government's money, knowing that the slump was bound to come, should be the first to have a cut in salaries. The majority of Govt. servants out here are quite willing to have a cut in salary - on a sliding scale- and to see fair play to their fellows. I know this for a fact. So do please let this be done without any more loss of time and any more distress, or there certainly will be serious trouble, for what are these poor fellows to do I ask you? Sacked, perhaps with a passage home and not a cent besides after clearing up their affairs here (for things had only just begun to get a little easier and the cost of living to abate somewhat), or perhaps with a little Provident Fund, about enough to take their families home. What are you going to do with them when they get there? Send them to the workhouse? for there is apparently less chance of their finding work at home than here. Can they come and live on the dole? They can't claim the old age pension! Then what are they going to do? I believe the Governor here said that there was to be no distress. What does he know of individual cases anyhow? I know of plenty where there is real distress. And what utter nonsense! What else can there be but distress where there is neither work nor money. There are cases of men with families, being edged, who don't know where to turn. Of young fellows, just started in life, thrown out to be perhaps just loafers! Of young people just married (What a tragedy!). Moreover it is grossly unfair to bring men out from permanent jobs at home and then to throw them on their beam ends at any time! They cannot get their old jobs back beside, where is the attraction in Govt. service if it is not security?

It is such a mad thing to do to keep up the high salaries of a favoured few who will not circulate their big pay in the country but half the time send it out in investments or savings - and sacking hundreds of others who will either have to leave and be a burden on their home country or die here of starvation (or what is worse, parva.)

Let there be no more shilly shally or bunkum, but make a sliding scale cut in all salaries from the Governor downwards (who should have been the first to suggest it. And have all those who have been sacked reinstated.

Your stamp for England, Sir, can see that Justice is done

KENYA COLONY.

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R 22 PM 49
Code
6.15
21/5/11

O. O.

Mr. Parkinson 20/5/31

X Mr. Fin Campbell 20/5/31

Mr. Tomlinson 20/5

X Sir C. Bottomley 20-5

Sir J. Shuckburgh.

Sir G. Grindle.

X Perm. U.S. of S. 20.5

Parly. U.S. of S.

X Secretary of State
C. M. S.
21/5

~~CONFIDENTIAL~~ PRIVATE AND PERSONAL

Following from Bottomley begins:

Your letters 22nd April and 1st May.

We are inviting Sir Arthur Salter to

enquire into financial and economic

position of Kenya with special

reference to agricultural and fiscal

policy including railway finance and

policy. It is doubtful however whether

he will be available and no reference

to him by name should be made at this

stage. If you make official applica-

tion for a special commissioner to

visit Kenya the Secretary of State will

do his best to find suitable man and

you may announce to the Council if you

wish your intention of making such

application. The Secretary of State

has in mind a one man enquiry not a

local committee and you will no doubt

make it clear that this is what you

intend

DRAFT. Code tel.

IMPORTANT

Governor,

Nairobi.

See also draft tel:

on 17157/31 - 2

YR on 17157/31. See

intend to recommend.

As to Committee on Public Services I am sorry that Tomlinson cannot visit East Africa in near future ~~[although he would much like to do so some time later.]~~ It is difficult to say when report on unification of Colonial Service will reach you but it certainly should not be later than September.

In the circumstances best plan seems to be for you ^{now} to set up local committee which is unlikely to get very far before that report is available and give up all idea of a Chairman from the Colonial Office. It is of course for you to select a Chairman in Kenya but perhaps I might suggest Hasnton.

As to assistance to agricultural industry I am

afraid

[]
[shown with H.C.'s
S.1.7.7
2/5

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As to assistance to agricultural industry I am

afraid

[]
I showed unit III's
8.1.7.7
295

afraid that approval for further
 sum to be made available cannot be
 given. The Secretary of State
 would have been glad to agree to this
 so as to help you politically but on
 financial grounds he feels bound to
 take the
~~main~~ ~~economic~~ view that it would be
 unjustifiable. Official reply to
 your telegram No.158 is being sent
 separately. As to agricultural loan

*of Secretary
 of State*

position briefly is: (i) subsidies
 which in effect are levies on general
 taxpayer for benefit of a particular class
 are undesirable economically and

administratively: (ii) subsidies
 on a plausible
 are the obvious/expedient when things
 go badly and ~~practical considerations~~
 overriding necessity of

Practical

of finance are most effective counter
 constant pressure in this direction
 to plausible arguments in favour

(iii) ~~most important~~ *maximum* protection afforded
 are not even considered unless they can
 if subsidies ~~have to be~~ *paid* from

current revenue or accumulated balances:

(iv) if subsidies are granted from
 loan funds ~~all these safeguards~~ *are*

largely swept away: (v) so long as
 borrowing



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financial grounds he feels bound to
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your telegram No.158 is being sent

Secretary of State

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~~taxpayer for benefit of a particular class~~
are undesirable economically and

administratively: (ii) subsidies

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go badly and ^{overriding necessity of} ~~practical considerations~~

practical

~~of~~ finance are most effective counter

~~to possible arguments in favour~~ ^{constant pressure in this direction}

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~~if subsidies~~ ^{are not even considered unless they can} ~~be paid from~~

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(iv) if subsidies are granted from

~~loan funds~~ ^{loan} ~~all these safeguards are~~

largely swept away: (v) so long as

borrowing

borrowing is possible loan money
is easy money, the subsidies mount up,
and the position becomes more and more
artificial until the crash comes:

(vi) loans make it much easier to
build up uneconomic ~~structure~~ ephemeral
structure with ^{put} real assets corres-
ponding to them.

Productivity of the country
not increased nor its taxable
capacity expanded. Loans would
hinder adjustments which situation
demands and which constitute only
permanent solution.

Subsidies based on loans

(vii) In any event loan for
this purpose could not be raised as
even if the Secretary of State
were to recommend Treasury
assent would not be given. It
would certainly not be to the
interest of Kenya to come on the
market now in order to borrow
for the purpose of subsidies.

*and action would be unprofitable
if not a big loss*

In discussion has been - wait
Mm
19/5

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

Dated 18th May, 1931. Received 4.28 p.m. on the 18th May, 1931.

-----OOO-----

Private and Personal. With reference to my personal and Confidential letter of 1st May. Legislative Council meets on the 2nd June and I am holding myself final Executive Council meeting on 27th June.

I would much appreciate replies to points raised in letter before latter date as must prepare my Address outlining policy.

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regarded - by Govt. O*

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Mr
4/5

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Mr. V. Campbell

52

Please see Nos 9 & 12 in X.1.6393/10
herewith. You were not available
when we had to deal in January
with Mr. Moore's suggestion of an
"agricultural loan" to which he
debited sums already advanced
from surplus balances to various
institutions. You will see
that in that para of No. 12 the
idea was rejected definitely.

Mr. C. Atkinson has now had
a letter from Mr. J. Byrne who
says he will be prepared to
advance a loan of that kind
he calls for a telegram urgently
which will give him a reasoned
answer to the ^{non-official} ~~he requests~~
members when ~~he requests~~
this demand. It seems that
certain Dominion laws
(? Australia) may be cited
as precedents.

Mr. C. Atkinson will be grateful
for any suggestions you may
have to make as to the
reply which might be sent to
Mr. J. Byrne on this subject.

acc. Parkman
1875721

I'm afraid it will be somewhat difficult to deal with this matter in a telegram.

2. If I were the Govr., my argument would run somewhat as follows--condensing things as much as possible:--

(1) subsidies are undesirable, economically and administratively. Economically, because they offer no solution, because they retard the "natural" solution, and because the repercussions are always extremely difficult to forecast, and usually entrain further artificial measures. Administratively, because it is almost impossible to fix subsidies accurately to meet varied and changing conditions; because they give rise to serious racial or class disputes and difficulties; and because they usually involve further and often complicated measures of control--such, for instance, as the control of acreage, ~~prohibitions~~

Subsidies build up, and tend to intensify the necessity for continuing to build up, a complicated and artificial structure, always liable to collapse with disastrous results.

(ii) there is always pressure to obtain subsidies, when things go wrong. It is the obvious expedient which occurs to everyone; and it has a certain plausibility. This intense pressure to do the wrong thing is best countered by making it plain to everyone who urges a subsidy that the country--and he and his associates amongst the others--have to find the money for the subsidy. Practical considerations of finance are the best effective limitation on this constant pressure. And this in its turn educes the case against the subsidy:-- put forward by those who will not benefit, but

who will have to pay. A subsidy is, in effect, a levy on the general taxpayer for the benefit of a particular class. If the political balance is sound--which regrettably is seldom the case--the "other sound of the bell" is heard. And it is the more strongly heard the more direct and immediate the liability is.

(iii) To require subsidies to be paid from current revenue, or from accumulated balances, affords the maximum protection in this respect. It limits the pressure, from the direct opposition which such proposals arouse, and by importing into the problem the over-riding necessities of practical finance. If the money is not there, how is the subsidy to be given? That argument strikes home to everyone.

(iv) If, on the other hand, one accepts the proposition to grant subsidies from loan funds, all these most desirable--and as it were automatic--safeguards are largely swept away. Loan money--so long as one can borrow--is "easy money". The day of retribution is pleasantly deferred. Every one joins in the hunt: subsidies to one entrain subsidies to another: the artificial structure broadens and heightens: the pressure to reduce costs of production is lessened, and may even disappear. The real solution is put off; and the artificial solution lulls effort. Subsidies mount--they always do. The thing gets more and more artificial till the crash comes; and the crash is itself intensified by the preceding easiness.

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(v). Loans would make it very much easier to build up a wholly uneconomic and necessarily ephemeral structure. Such loans have no economic or financial justification. They would have no real assets corresponding to them--the productivity of the country would not be increased, or its taxable capacity expanded. They would hinder the adjustments which the situation demands, and which constitute the only real and permanent solution. It is of course arguable that, if things were to improve in a short time, and if Kenya were to find itself on a really sound economic basis in a few years, subsidies now would, or might to a considerable extent, avert the necessity for unpleasant readjustments at present. That, put in other words, is merely a gamble as to the unknown future. And, if it was a gamble which "came off", Kenya would still be at the disadvantage that she had not been forced, by stern necessity, to revise her methods, to overhaul her system, and to become more efficient. "Look at rubber".

(vi) I would finally point out that the question was really somewhat academic. There was no money in the till--there nothing could be done. Nor could a loan be raised--because ~~the~~ the S/S's assent, and Treasury assent, could not be secured. To come on the London market now, to borrow to grant subsidies, would most certainly not be to the interests of Kenya. The City has strong views as to that sort of thing. Australia's reputation as a maker of sound precedents is somewhat blown on these days. All the world knows of America's difficulties, and Canada's difficulties, in their efforts to regulate artificially

wheat prices. Kenya doubtless knows all about Egypt's similar difficulties as regards cotton, Brazil's as regards coffee, and the world-wide difficulties as regards sugar.

The sugar-subsidy position got so intensely difficult formerly that the Brussels Convention had to be elaborated. ~~XXXXXXXXXXXX~~
We all know the position as regards sugar subsidies here.

3. It seems to me that an "agricultural loan" can only be justified on one basis:-- apart of course from some reasoned scheme for improvement which promises, on reasonable grounds, to earn its loan charges. That basis would be that the position had become such that "relief" was necessary to discharge the elementary duty of every Govt: to keep its population alive. It might be--probably would be--that the best and cheapest method of keeping the machine moving, at the minimum rate necessary, would be to give direct aid, in some suitable form, to agriculture. S.g., in the "sugar colonies" almost certainly the cheapest and best way to give relief is by keeping the sugar industry alive: no other organized machine is in existence or could be set up. It may be the same in Kenya. But we have not come to that position yet; nor do I think ~~XXXXXXXXXXXX~~ we shall come to it.

4. This is rather discursive, I'm afraid; but it may perhaps form the basis for a telegram.
The 12-9-31.

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4. This is rather discourative, I'm afraid; but it may perhaps form the basis for a telegram.
The 12-9-31.

[Handwritten signature]
12/9/31

PERSONAL AND CONFIDENTIAL.

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GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

1st May, 1931.

Dear Bottomley,

Another long letter, I fear, but it is well to keep you wise as to what is going on. I propose to assemble the Legislative Council about the first week in June and in the interval I must prepare my opening address defining our financial policy. It is important that this policy should be well thought out and that it should be in conformity with the views of the Secretary of State. Delamere and Co., (practically the same old gang have been elected again) are, I know, going to give considerable trouble; what they want is to get the axe into their hands and hack the Government tree about leaving it in a state that will certainly gravely impair future efficiency. If money is not forthcoming for their various schemes for subsidising or aiding agriculture their attitude will be that they will soon find it by lopping off more branches. The result of this would, I think, be deplorable.

My present intention is, after outlining the financial position, to declare that the Government has been watching events closely and has taken the measures necessary

ON....

recd. lsd. 5/5/31

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on the information at present before it to reduce departmental expenditure so as to balance the budget on the basis of the less favourable estimate of Revenue which it now appears prudent to adopt. That in dealing with the future the Government proposes to proceed as follows:-

(a). To prepare the 1952 Budget on the most conservative lines on the assumption that no immediate recovery in the present depressed conditions can be expected, and to keep the Council fully informed if for any reason during the current year any further revision of the amended Budget forecast for 1951 is considered necessary.

(b). To secure a careful and unhurried study of the general situation with a view to seeing whether the present cost and standard of the annually recurrent services and commitment of Government are or are not excessive in view of the annual revenue which may reasonably be expected to accrue should the present level of prices of our agricultural products become more or less permanent.

As regards (a). I shall lay on the table particulars of the cuts in expenditure made with the advice and consent of Heads of Departments (amounting to roughly £150,000) during the past few months when there was no

Legislative....

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

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enquiry should embrace the K.U. Railway finances as well as our Kenya local problems. This necessarily drags in Uganda and in this connection I quote from a recent personal and private letter from Gowers to me. Touching on railway matters he stated:

"Now my principal object in writing this is to let you know that I am all in favour of having an investigation carried out by an acknowledged expert sent out from home, who would of course be entirely disinterested. But I will have nothing to do with supporting any enquiry to be carried out by a local Committee."

Another point will be whether local men should form a Committee under the Chairmanship of the Commissioner and there will be a strong demand for this - or whether he should work alone. I think that provided that the Committee can be kept quite small and appointments made on economic and not on political grounds it would be desirable, in so far as Kenya affairs are concerned, to adopt the former course. Wilson's and your knowledge of this place will make you realise how much depends on the selection of the right type of Commissioner. He will have to be an acknowledged authority on economics and finance and in addition be free from bias.

The....

*be careful
to the man
Commissioner*

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

5.

The next point is the Public Services Committee, and in this connection I am glad to hear from Wilson that the London Committee's Report will be out in about six weeks time. In my judgment this enquiry into our local conditions should be kept entirely separate from the economic and financial enquiries, although it will be relevant thereto. I would therefore urge that I be permitted to state in my opening address that an experienced Colonial ^{Office} official will shortly be sent out to act as Chairman. Might I suggest Tomlinson; it would be an excellent choice and it would give him an exceptional opportunity for gaining knowledge of East African conditions?

Now there is another important matter on which I am anxious to have guidance before the Council meets. DeLamere and Co., are, I gather, going to raise a united demand to have the agricultural and maize subsidies and advances met from Loan Funds, our surplus balances being recouped from Crown Agents' advances until the Loan is actually raised. The point has already been dealt with in Moore's personal telegram to Wilson of the 19th January, and in the final para of Wilson's personal telegram to Moore of the 30th January....

See available

no 4 in 16343/2

no 12

4th

6.

(1) January. Personally I think that emergency advances of this nature should not be included in Colonial Loan Schedules but I have seen in the papers recently that Australia is floating an Agricultural Loan for what appears to be a very similar purpose, and our local prophets will at once ask why, if Australia in her present rocky financial position, can float such a loan is it bad finance for Kenya, which is comparatively much better off, to do so. It would be desirable that I should be in a position to give a reasoned reply to these demands stating the actual grounds on which the Secretary of State and the Treasury object to them.

There is now much local talk in favour of the creation of Co-operative Credit Societies for the different industries. If a sound scheme can be evolved, there will doubtless be a demand either for a Government Guarantee or working capital. This I regard as in a different category from the above, and I presume there would be no objection in theory to the utilisation of Loan funds for the purpose, either specially provided or in connection with Land Bank Funds, if the scheme was found on enquiry to come legitimately within its purview.

I have and always will endeavour to frase these
letters...

GOVERNMENT HOUSE,
KENYA,

EAST AFRICA.

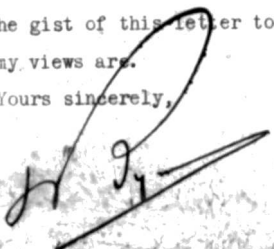
7.

letters to you so that they may give you information without requiring a reply. In this case, however, I am sorely in need of information for the purpose of preparing my statement of policy and I should therefore be very grateful to you if you could cable to me as soon as possible the considered views of the Colonial Office on:-

- (a). The points I have raised about the Special Commissioner.
- (b). The possibility of getting out at an early date a Colonial Office Chairman for the Committee on the public Services and,
- (c). Briefly the position as regards transferring agricultural subsidies, etc., to Loan account.

I have communicated the gist of this letter to Gowers so that he may know what my views are.

Yours sincerely,



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

62
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GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.
22nd April, 1931.

PERSONAL.

Dear Bottomley,

A short line by Air Mail (not very reliable at the moment) to tell you the latest news. Indeed there is not much at the moment for everything is peaceful: when the new Council meets the fun will begin.

The immediate problems which may be of special interest to you are:-

Financial position, Locusts, re-opening of Agricultural credits, Committee on the Public Services and the demand for a local Economic and Finance Committee.

Financial position. Rushton varies between optimism and pessimism - personally I think we are holding our own. Moore came back from Mombasa yesterday where he talked matters over with Walsh. There are signs of improvement there and although imports are not increasing to any extent the time must soon come when stocks will have to be replenished. On the other hand we have to reckon with a decline in other sources of revenue possibly in hut and poll tax and certainly in such items as school fees, etc. The whole position requires continual watching but I see no

reason.

Answered letter 24/5/31

2.

reason for panic as the country is at heart sound.

*This has been
effort since*

*to investigate
calling on the
of the area*

*77th sent to
the boy and*

Locusts. These are not the same type as those which last invaded us and it is therefore difficult to foretell the damage which may result. There is extensive laying in Uganda and in our territory adjoining it. We have taken immediate action by organising the farmers and the natives on the reserves and by supplying free poisoned bran: we are also helping in connection with unallocated lands by giving free petrol and some assistance towards the payment of labour. This will all cost about £5,000 and it is the most we can do at the moment, but I am trying to get Gowers to co-operate and take action on his side of the border for there is not the slightest use in our killing hoppers here if we are going to be invaded by those hatched out in Uganda.

Re-opening of Agricultural Credit Scheme. Notwithstanding the financial position I still think that it would be desirable to afford temporary help to enable deserving individuals to weather the storm and there are many really good men whom it is desirable for us to keep in the country. On the other hand, I am totally opposed to bolstering up the inefficient: they must go under and indeed it will do no harm if they do.

E.H.S.

3.

The Public Services Committee. This is a source of worry to me. I realise that the main services such as agriculture, administration, medical, etc., must be dealt with on inter-colonial lines and that in order that this be accomplished it is desirable to wait the recommendations of the Committee sitting in London. But I shall be pestered in Council when it meets, the arguments being that apart from the salaries, etc., of the higher officials, Kenya has special problems of its own due to local enlistments and to climatic conditions and that there should be no delay in dealing with the matter as the Budget, which is now being prepared, is affected. The Chairman of such a Committee should undoubtedly be a Colonial Office Official well versed in the intricacies of inter-colonial salaries, allowances, pensions, etc., and if one could be sent out as soon as possible who is acquainted with the probable recommendations of the London Committee we could, I believe, get some useful work done which would remove our local difficulties without in any way conflicting with the general terms of colonial service which may be eventually adopted. In addition, it would....

would be an advantage to me to discuss general matters with someone from the Colonial Office.

Economic and Finance Committee. This is going to be my main trouble. In the election addresses all candidates are pledged to insisting on this. To my mind a local Committee would be worse than useless and would prove a continual embarrassment to the Government. If we flatly refuse there will be much noise and the Select Committee on the Estimates will be used in an undesirable way as a lever to effect the same end. Now there is no doubt that having regard to the changed agricultural conditions examination of the financial and economic position, including the Railway, by one or two (one an expert in Railway matters) independent experts of repute would be most desirable - Grigg and Gowers have already pressed for the Railway examination - and the Secretary of State in a despatch directed me to express my views on the vexed question of native taxation. I do not think that such an enquiry should await the Report of the Inter-Parliamentary Commission: it is in my view a matter of urgent necessity.

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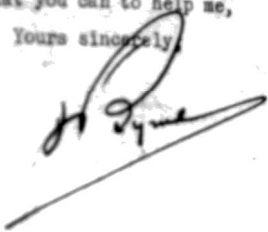
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GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

5.

I am sure you all at the Colonial Office will realise that I shall have a difficult time during the next few months until we get these outstanding questions settled and I know that you will do what you can to help me,

Yours sincerely,



Sir Cecil Bottonley, K.C.M.G., C.B., O.B.E.
The Colonial Office.
London. S.W.1.