

No. 17174

B.

SUBJECT

CO 533 / 411

Financial & Economic Position

Proposed Investigation by Special Commission

Previous

F. C. A.

Subsequent

18057/32.

18057/32 EA (P. Q.)

22. April 1931
States present may be brought to affect local economic
conditions. Various present location and suggests appointment
Commission to inquire into economic conditions etc; suggests
early advice
W. Campbell 20/4/31

Mr. Luskison.

Dr. C. Bolton Leg. 23.4

Dr. S. Wilson

for your observations

please

G.A.L.

22.4.31.

I fear through Mr. J. Campbell, who
will be able to advise generally
& in particular on X. If
a special enquiry is to be
conducted, I used very far
my recollection of him at the
Dunbar West & also
Niemeyer would be a
sound selection.

For the items of ref. to the
Boarding Committee. See
901 17729/22 beneath.

As to local services enquiry,
see X. 16389/30: but Dominion
letter to the Board of April
(No. 9 in file) shows the points
the reason for some delay.
As to a Railway expert,
see para 10 of C.D. 2 for
(No. 18 in X. 16188/30) and

also Mr GA in 9003871 90.
In principle, I do not
see objection to the dispatch
of a special commissioner
on the lines suggested; I think
it that it will be a
one man job, and not
a Committee; and that
the enquiry should be directed
to Kenya including
transport administration.

Beet & Hines.

23.11.51

The one man
enquiry if he
will send a
colleague
with

- 3
1. Perhaps we might reach tentative decisions here quicker in conversation than by muniting?
 2. I don't like the idea of a local committee at all--the reasons are obvious. It would probably embarrass the local Govt:--and the S/S--seriously; and it seems most unlikely that it would carry guns enough to effect anything useful. Much more probably--considering its probable composition--it would be a mere source of embarrassment.
 3. There are many advantages in the suggested wide enquiry--provided we could get the right man, or men. I doubt very much whether a "one man show" would be wholly satisfactory: the ambit seems perhaps too wide for success in that direction. If a Comm., it should be small--say not more than three. Niemeyer would cover most of the ground, thoroughly well; but he is now in Brazil, I gather; and I doubt very much whether the Bank would spare him for an enquiry which has no "exchange" or "international" aspect. His main function--in pursuance of the accepted policy of the Bank--is to smooth out big things which impede international recovery, and hence English prosperity. Kenya hardly comes into such a picture. Further, Niemeyer--excellent as he is--has never had any executive experience of administration. On the nothing like leather principle, I personally attach great importance to that. One can't really get down to a wide enquiry of the kind, without some practical experience of the work of actual administration of a country. Failing Niemeyer, Sir A Salter, formerly of the League, would be most suitable, I think. He has the "big name" which is needed. He too has no direct executive experience; but he has been more in contact with

those who have, I think, than Niemeyer.

On the financial side, he is first rate; and he has a very wide international experience, particularly of countries in a state of depression. He knows nothing--I think--about railways, or railway finance in particular.

Failing him--and my personal view is that he would for this job be the best of the lot, except on the ground of known reputation--I would mention Sir E M Cook, now Director of the Bank of Egypt, formerly financial adviser to the Gov of Siam.

First class man, with executive experience; financial capacity undoubted: tremendously energetic; and full of horse sense. Here again I doubt if we could get him. Salter is now in India, I believe, and is on his way to China immediately thereafter--he may possibly have left India already. He told me he had promised to go to Colombia on his return; but that may now be off. I cannot at the moment think of any other person suitable for a "one man show". I really don't know.

4. Particular points:--

(a) I should have thought much work could have been done, as regards the constitution of a "Colonial Service, without waiting for the general decisions as to the Col: Service. There will be repetitions, of course; but the bulk of the problem could perhaps be attacked without waiting.

(b) The terms of reference formerly settled do not seem very suitable in the present connection.

(c) The ideal would be, perhaps, someone of the Niemeyer type, someone with special experience of railways and railway finance, and a practical

4
administrator. If it has to be a one man show,--and that makes for both speed and economy, and secures the highest degree of responsibility--I would personally prefer Salter or Cook. Weighing "reputation" in, I would prefer Salter:--his conclusions are more likely to be accepted.

The 23rd: April 1931.

Sir S. Salter

I have no doubt that Sir A. Salter would be an excellent choice. But you will no doubt wish to discuss with us, as Sir J. Campbell suggests?

W.S. 23.4.31

I doubt the advisability of agreeing to a Services Commission as yet

*8/27
2/2/31*

Sir S. Salter

I cannot recall telegraphing or agreed at our discussion this afternoon. Nothing was settled as to how Sir A. Salter should be approached, but I think that it

Worshipful that we could
send him provisionally
without waiting for the
Governor's official requisition.

W.H.S.
24.4.31

The main thing to do at the
moment is to get the telegram
off. I will discuss the question
of the selection of a man who
will be back of State early next
week.

J.H.C.
Stance

26.4.31

2. In the 1st draft enclosed (encd) 26 April

W.H.S.

Dr. Wilson

18.4.31

Prof. Wilson's

acknowledgement

26.4.31

You will see that the document

is not off

W.H.S.

26.4.31

Yes. He is
Dr. Wilson
26.4.31
J.H.C.

(See note)

Sir C. Rothery.
I have spoken to Sir J. Campbell
this morning. He is going to try
& ascertain where Sir D. Butler
is at the moment.

J.H.C.
Stance

1.5.31

As it is very unlikely that Sir
D. Butler would undertake the mission
I think you had better consider
who else there is.

J.H.C.

1.5.31

Sir S. Wilson.

The "Clay" referred to by the Governor
is presumably Dr. Henry Clay, who was Professor
of Economics at Manchester University up to 1930,
and was a member of the Economic and Wages Commission
in South Africa in 1925. He is now living in Surrey.
I have not been able to find out anything more about
him than that, but he may be known to the Secretary
of State.

Sir Edward Cook Kt., C.S.I., C.I.E. is the father
in Sir J. Campbell's estate. He was apparently
the last holder of the post of Financial Commissioner
in India before Sir Basil Blackett. There is no

reference to

London

reason to suppose that he is not in England now.
It seems very probable.

I have not thought of any
one else yet, but Mr. Parkinson
I will try.

S.S.
2/5/31

Sir J. Campbell.

Have you been able to
hear anything of Sir A. Carter

J.H.L.

S.S. 31

Letter to Sir J. Campbell from

Tuesday 4th May

Sec of State

To see. It doesn't look as
if there is much chance of getting
Sir A. Carter.

J.H.L.

S.S. 31

Seen. Sir. Chamberlain
tells me that Mr. O'Donnell has done
excellently in Palestine, & will
reach England on 25 May. Would he
not do? 1/5/31

6
Sir J. Campbell
Please see J.P.'s minute.
Will you, please, advise
all Parliament
27/5/31

Sir Samuel O'Donnell would do very well, I have
no doubt; but no one in Kenya--and perhaps few
people here--have ever heard of him. He will
want a holiday on his return (his health is
not very good). But I have no doubt he would be
available later; and there is no great urgency.
Sir Samuel O'Donnell is the type of man who
would obtain a Governorship in India; indeed, he
would have been appointed Governor of the United
Provinces, but for the state of his health.
He is able, hard-working, level-headed, and gets on
well with people. His executive experience has
not been as extensive as with most civilians of
his standing: his secretariat experience has been
considerably greater. I know him very well indeed;
and can recommend him with absolute confidence,
if " reputation " is not regarded as essential.
The 8th: May 1931.

J.P.
5/5/31

Sir C. Bottomley

Kenya is a peculiar country -
they wd. not do so prefer
a man with a "reputation" -
Personally I prefer "the
right type of man" - without
a name, wd. miserably
means much extra
administration. all Parliament
10/5/31

Si. S. Wilson.

I am inclined to try a letter
to Mr. Consul San Francisco
for Si. A. Satter. Finding him
and as Si. E. Cook is not available,
Si. S. O'Donnell seems very
suitable...

W.C.S. 11.5.31.

Rec of State

I agree.

THC

11.5.31.

Letter to me above

P 12/5

San Francisco 30/5/31
3/4 to Mr. Consul General L. tel. 12 on 14 May

5 to Mr. tel. P.P. on 14/5/31 31 May
Copy attached.

6 of Mr. Consul Gen. San Francisco tel. 22nd May
his message from Sir A. Satter regretting unable
to accept appointment.

Si. S. O'Donnell should now
be sounded on the lines of the letter
to A. Satter in No 4; his message is
clear that in any case he would not
be pressed to go and would be happy
to stay in his country, if he felt he
gives it.

See Si. Campbell's
memo 18 May
1931

I assume the minutes will
take the form of a letter from
Sir J. Campbell under the Dept. and
I have drafted of course.

STW:Heen
26/5/31

Letter to me - draft.
W.C.S. 26.5.31

7 Foreign Office _____ 26 May
Include copy to G.

8 Gov. tel. 169 Conf. _____ 29 May
Apply for special commission to receive
financial and economic position and propose to
make announcement to legislative Council. Request
commissioner arrive as early as possible.

By J. Campbell.

You told me that you

L.V. Campbell
 I have expanded the
 prep. tel. as
 desired by S.Y.S. - but
 will you please look
 at it & if you wish
 to alter it, do so
 before it goes on
 again to the S.Y.S. for
 approval.

My additions are
 based on your
 minutes of 2.5.31
 & 30.5.31.

A.C. Richardson
 31/6/31

L.V. Campbell
 2/6/31

9. To Gov. Tel. cons. (Saud.) 3/6/31

10. To Gov. Tel. P.O.P. 3/6/31

11. Foreign Office - 29 May
 further copy to be sent of which will be
 changed to 29 June

Telegraphic notes (2? or 5 or 6)

L.V. Campbell
 31/6/31

Mr. Fleming.

No. It is the type of case which the arrangement Office certifying this message on our service. was intended to cover. E.F.

I do not think we can object to the Foreign
 ? Note for G.P.O a/c and put by.
 (Intld) H.B. 8.6.31.
 (ad) E.F. 9.6.31.
 at once.

12. Gov. tel. P. of P. — 9th June.

Considers Sir S. S. Donnell should be ruled out as not of calibre he had in mind; urges someone of type of Niemeyer or Sir J. Stamp be secured.

It seems pretty clear that the calibre of the man to be selected is being dictated not by the nature & importance of the job but by the need of satisfying some nepotism (unofficial)

? to Sir L. Campbell

L.V. Campbell
 1/6/31

L.V. Campbell

You will advise further?

A.C. Richardson 31/6/31

L.V. Campbell

I do not think we can get Niemeyer--for the reasons already given in my minute of the 23-4-31. But, in view of this wire, I suppose we shall have to try?

Sir Josiah Stamp seems to me equally unlikely to be available: he has very many interests here--which he could not, I think, leave for the period which would be necessary.

And anyone of this type would want very handsome remuneration--a point not without its importance to Kenya.

2. I suppose the only course open is to make an effort to get what the Govr: desires. I do not, however, think that effort will be successful. Another possible name is that of Sir R Horne. But he too, like Niemeyer and Stamp--and people like Sir E Geddes--~~are~~ are very much occupied. Lord D'Abernon is perhaps another "possible"? I have no personal acquaintance with any of them--except some slight knowledge of Horne, and a fairly intimate acquaintance with Geddes, in his earlier days. I may be wholly wrong; but--apart from Niemeyer and Stamp--I should think O'Donnell would do the work better than any of them. I suppose that Sir B Blakett--even if available, which is most unlikely--would be regarded as not wholly suitable by Kenya.
The 11-6-31.

[Handwritten signature]
This is getting rather beyond
the Department! The
probable remuneration is

10
These men with "names"
alarms me, but one must
make allowance for
local temperament; if
a good report from
Sir S. O. Donnell will not
be effective, because he
has not a wide reputation,
then perhaps it is better
not asking him to go.
In the circumstances the
only thing to do is to
send Sir O. Niemeyer
despite X in Sir J. Campbell's
minute of 23.4.31?
Perhaps, if this is approved,
Sir J. Campbell will write
to him personally?

12.6.31
All Parkinson
Sir S. Wilson

I see no alternative. And,
regarding the position of professional,
it is not merely a question of
helping the Government with his local
difficulties, but of being a man
whom we & Parliament would
be able to. It seems to me

have been very far coming
Colonial, but we can apply
his lessons elsewhere, & should
probably have to do so.

W.G.S.

13.6.31

Sir G. Balfour.

I spoke to Sir Richard Hopkins at
the Treasury a few days ago about the Mission to Kenya.
He saw no chance whatever of our being able to
get Sir Otto Niemeier or Sir Josiah Stamp, and
said even if we were prepared to pay for
either of these people, they could not possibly
be spared from this country to take on a job
such as that in Kenya. I have to-day spoken
to the Secretary of State, who agrees that we
will have to be content with somebody who
has not got quite such a big name as Sir Otto
Niemeier.

Sir Richard Hopkins and Mr. Waterfield
have both promised to think the matter over
and see whether they can make any suggestions.

W.G.S.

22.6.31.

Have since discussed with
Sir G. Balfour who suggested
Sir Malcolm Ramsay, who has
just retired from the post
of Comptroller & Auditor-General
The Sec of State likes the

view that he would be very
suitable & has instructed me
to sound him as to whether
he would go.

W.G.S.
at once.

1-7-31

See G.O.S.
17.

See also
21/7/31

13 Sir H. Ramsay (W) 1st July 31

W

Sir H. Ramsay % _____ 6 July
 regrets he is unable to accept invitation to
sit as Special Commissioner.

DESTROYED UNDER STATUTE

Personal letter
(see letter)

Sec of State.

As you know Sir H. Ramsay
does not accept (vide A).

As I have said on another
file the latest person suggested
is Sir J. Bairstow, but I think
Sir J. Bairstow would regard him

as a "by-exception". I have
 again asked Sir to check if
 he can suggest anyone. Sir
 J. Campbell inclines to the view
 that we should express opinion
 to Sir J. Byrnes & again
 suggest Sir B. O'Donnell.

J.H.G.

15.7.31

Squire again - prompt action
 undesirable to help the
 Government - 1/12/31

copy of Sir Byrnes's letter is
 forwarded

copy of Byrnes's letter
 15.7.31

copy of Sir Byrnes's letter - s.o. - 1/12/31

DESTROYED UNDER STATUTE

Mr. H. L. ... August 12
 suggests no action be taken pending arrival
 of his house who sails 8 August.

Sir C. Battamley

As the date is due about the
 25th August. You & Sir P. Wilson
 will be away then, & Sir P. will
 does not return till 25th Sept.
 but in the circumstances, we
 must wait & hear what
 to make be to say?

Press cutting No 800 in 1208012/31
 wh. I send on with this is
 relevant.

Alec Parkman

4.8.31

Sir Byrnes

I agree that you can only wait.

Wed 14.8.31

x to Cliffe hills are a
 not a Moore's
 Sir Byrnes
 no MP
 17/8

Rec of State (on return)

You should see. I will arrange

for Sir Byrnes's information
 to be communicated to me & to you
 as soon as possible.

J.H.G.

15.8.31

Handwritten notes:
 See head: see
 in rd. 2/12/31
 12/3

Seen
 1/11/31

14 Extract from East African Standard dated
 23rd June 1931
 signed in accordance with minutes
 of 4/8/31 on 14/8/31
 Thomas
 17/8/31

in pe
 866 218
 18. From the ... 10th August 1931

Mr. Moore who came to see me to-day,
 said that Sir J. Byrne had asked him to explain
 why he did not want Sir S. O'Donnell sent out
 to report on the finances of Kenya. Mr.
 Moore explained at some length that what
 Sir J. Byrne wanted was a man who had a big
 enough reputation behind him to enable him to
 refuse to/any of the Kenya Unofficial associated
 with him in his enquiry and who could, also
 take the onus on his shoulders of saying what
 should be done in big questions of policy, such as
 the freights for maize on the Kenya-Uganda
 Railway. He pointed out that Sir J. Byrne
 was likely to be put in a most invidious position
 owing to Uganda and Sir W. Gowers objecting to
 the present system under which the maize of Kenya
 settlers was carried on the railway at less
 than cost price. Since he, as the High Commissioner
 for transport, would probably have to give a
 decision which would be adverse to the interests
 of Kenya settlers and ultimately might lead
 to stopping white settlement in the Colony.

Mr. Moore said that the Governor
 strongly held the view (with which he, Mr. Moore,
 agreed), that it would be better to send out no
 one at all than to send an ex-Indian official
 like Sir S. O'Donnell. He said that the settlers
 would at once say that we had sent out a bureaucrat
 with hide-bound ideas and with Indian training.
 Mr. Moore said that they would sooner have some one
 who had never been in Government employment, and he
 asked if it would not be possible to get some one
 who had been connected with the London School of
 Economics.

I spoke to the Secretary of State and told
 him what Mr. Moore said, and he authorised me to
 discuss the matter with Sir Warren Fisher, which I
 have done this afternoon. Sir Warren Fisher
 has suggested my getting into touch with Sir Josiah
 Stamp and explaining to him the type of man we
 require, and asking him if he can suggest any
 suitable person.

J.H.G.
 26.8.31
 18A
 1/2 Sir S. O'Donnell %
 1/2 Sir S. O'Donnell %
 DESTROYED UNDER STATUTE
 19. 3/4 1/2 from Sir S. O'Donnell
 28 August
 28 August 31
 Sir Josiah Stamp
 See if State should see at
 ...
 29.8.31

20 Sir J. Stamp % _____ 1st September
Suggests certain names for appointment
as Special Commissioner

21 Sir J. Stamp (20 added) 5 Sept. 31

DESTROYED UNDER STATUTE

This is still rather beyond
the Dept. If Sir J. Wilson were here
I presume he would again consult
Sir Warren Fisher whose suggestion
he wrote to Sir J. Stamp.

He would also send
a copy of Sir J. Stamp's letter to
Sir W. Fisher's place explaining
that Sir Wilson is away & has
sent it here to be dealt with in
his absence & asking Sir
W. Fisher's advice as he has
mentioned: I suppose it was hardly
his copy to Sir Wilson's account
& perhaps the point might be met by
simply remarking that Sir W. Fisher
has both fully appreciated that
pointing in the case of Mr. A.
possibly & an ability to act
with other people are important. It is also
to remark that we can let Sir A. Salter
filler

4/9/31

* or as alternative a
letter to Sir W. Fisher
himself from Sir
J. Stamp or
Sir C. Bostanby 11/9/31

Sir J. Campbell

Have you any comment on
Sir J. Stamp's suggestion? They are
little more than names some

I will minute to Sir J. Stamp

to procedure

W.S.
11.9.31

I regret that I do not know any of these
gentlemen. (My recollection is that Sir Andrew
Mac Fadyen was considered for some other appt.--
Financial Adviser in 'Iraq?--and that he
was not regarded as wholly suitable. Sir
Warren Fisher would know all about him.)
I hardly think that any of them--with of
course the exception of Sir A. Salter--can be
regarded as fitting the Govr's requirements.
The "reputation" element is absent.
The 11th: September 1931.

A

Sir J. Stamp

We must clearly get Sir
W. Fisher's views, & as it is
in consultation of Sir S. Wilson
correspondence I suggest that
you should sign a letter
It should embody A, as well
improvised C.D. in going.
W.S. 12.9.31

W.S. 12/9/31

To. Sir Felix Pole (info. 19.30) — s.o. lms 18 SEP 1938

120 20 Sir Felix Pole s.o. — 2 Oct 38

Handwritten note: *Letter to Sec of State from Sir Felix Pole etc with letters.*

RECEIVED UNDER STATUTE

In accordance with the request of the Secretary of State, I saw Sir Felix Pole to-day. He asked me to explain to him exactly what the proposed Financial Commissioner would be required to do, and I did so to the best of my ability. He showed me a letter from one of his co-Directors, which he had received since he wrote to the Secretary of State saying that he could not go himself. The letter from his co-Director referred to Mr. Thomas' suggestion that Sir Felix Pole should go to East Africa, and it went on to impress on Sir Felix Pole the advantage, from the point of view of the ~~available~~ companies with which he is connected, of his visiting East Africa, not because he would discuss any business when he

was

was out there, but because of the difference it made if someone like himself connected with the companies was known in the territories concerned, etc., etc.

Sir Felix Pole said he thought there was something in what his co-Director said, and that if it was not a matter of great urgency his going out there he might be prepared to consider it in, say, three months' time. He asked me if I could give him some papers which would give him some idea of the problems with which he might be confronted. I promised to do what I could, but I explained that it might not be very easy, as I thought the Governor wanted him to advise generally on the economic policy of Kenya and its finances generally, including those of the railway, and that the exact scope of his mission would depend to a great extent on Sir Joseph Byrne.

I mentioned the question of the railway rates on maize as an example of the type of question on which the Governor might ask his advice. Anyhow I said we would send him anything we could.

Sir Felix Pole said that if (as would appear likely) he was not able to go himself, he might be able to suggest someone else. Incidentally, he said that if he went he would not accept any fees. In the letter which he showed me from his co-Director, the name of Brigadier General C. R. Woodroffe was suggested as a possible person for the mission if Sir Felix Pole could not go himself. Sir Felix Pole did not personally know General Woodroffe, but I know him myself as he was on the "Q" Staff at G.H.Q. in the War.

From

From the point of view of tact and personality, I think he would be an excellent choice, but I don't know what business experience he has and further, as I pointed out to Sir Felix Pole, he would not carry sufficient guns for the job, as I don't suppose anyone in Kenya would have ever heard of him!

J.H.B.
13.10.31.

Sir C. Bottomley.

You promised to deal with the matter what papers we could let Sir F. Pole see.

J.H.B.
above

13.10.31

W. Allen
I mentioned this to you
you are looking up possible action.

13.10.31

Sir C. Bottomley

I have put up a list of papers which might usefully be sent to Sir Felix Pole, together with a draft of a covering letter for that purpose for Sir Samuel Wilson. The only paper I have added since I spoke to you is the report of the General Manager of the Kenya and Uganda Railways and Harbours for 1930.

J.H.B.
13.10.31

Sir S. Wilson

A mixed lot, but if our chief confidential clerk will help Sir F. Pole to form an idea of what other matters would be of interest.

I have included the Oswald Jones report for the sake of the general picture.

is returned to Sir C. Bottomley

At the top of the list I have just put the Nathan Report on local Govt, mainly Kenyan. I don't advise its inclusion, but you may consider it appropriate.

W.S. 15.10.31

J.H.B.
above

17.10.31

26 To Sir F. Pole w/copy 25 and all publications mentioned therein. % 20 OCT 1931

DESTROYED UNDER STATUTE

28/10/31
Sir F. Pole
This takes an early opportunity to forward the papers enclosed in (26) & will return to you as promptly the names of the railway rate policy in the Treasury files as the end of the circulation of Sir Wilson. 10/11/31
J.H.B. 28/10/31

That you should see Sir Felix Pole,
and he thinks that it would be a good
thing if he could have a short talk
with him also. That you could
see him on Tuesday, 1st December
if Sir F. Pole could call in the
morning & you could bring him along
after you have had a word with
him yourself.

(say 11.30 or
12 noon)

E. A. Boyd
25/11/31

I saw Sir F. Pole on 1st December.
He was still doubtful about going
out to E. Africa: but asked me
(without committing the Sec of State) to
write him a letter that he can show to his
Board suggesting that perhaps the
idea might appeal to him.
He is also going to see the Sec of State
next week.

G.H.B.

2.12.31.

Since I wrote the above minute,
Sir F. Pole has been to see the
Sec of State & has also been to
see me. He says he could not
go to Kenya before next Autumn,

and the Sec of State decided that
this must rule him out. The
Sec of State was going to consider
who else might be suitable.
I must discuss with him as
soon as he returns from leave.

G.H.B.

28a minute by Sir John 31.12.31
29 Sir John to Sir Felix 2 Dec 1932

The Sec of State is in communication
with Sir Walter Guinness with
a view to seeing whether he will

Mo 29a 545
29b from Mr. [unclear]
29c to [unclear]
29d [unclear] [unclear]

will undertake this job.

G.H.B.

above
7/1/32

See [unclear]
8/1/32
J.H.B.
9/1/32

To Sir Felix Pole 11 Dec 1932
(asking for advice & papers)

31. Memorandum as to how to discuss
the ^{handling of} draft terms of reference

* Has now a
draft memorandum
to be sent
to Sir
Allen
10/11
26/1

I have prepared the
draft memorandum (No 31) in the
hope that it may be of use
when the time comes to consider
the terms of reference & the
proposed financial arrangements.

I would say it is a
hope that you may be aware of its
existence - there are two copies
available.

(Perhaps Sir [Campbell
might see the paper])

Allen

13/1/32

W.S. 13.1.32

Sir J. [unclear]

[unclear]
16/1/32

(Alphabetical order)
attached as 30/11
10/11
27/1

V.B.
Edmondson
appointed, all
1908/31 K. (Branchlines)
10/11

33. Mr. Walter Guinness
Accepts appointment
20/1/32. 19

Sir S. Wilson.

Colonel Guinness's letter has been discussed
between you and me, and I have also spoken to Mr.
Allen.

The reply might be on the following lines:-

(1) Agree that there will be much advantage
in an unofficial Secretary and say that there will
be no difficulty about Mr. Hobbs's travelling and
subsistence, and that as regards remuneration,
that could be considered when Colonel Guinness
calls at the Office, when he will no doubt be
able to say what Mr. Hobbs receives from his
present employers.

[I have assumed that there will be no
criticism on the ground of Mr. Hobbs's being associated
with a party organisation.]

(2) Terms of reference will be published
but we have not yet prepared them.

[Actually, they will follow closely the
terms of paragraph 105(1) of the Joint Committee's
Report, but we should be glad of instructions,
particularly as to whether railway questions are to
be limited as in paragraph (b) of that Report, or
whether Colonel Guinness is to make a general enquiry
into railway finance. At one time the Secretary of
State had in mind the employment of Mr. Roger Gibb
for a Railway enquiry in East Africa. The recommenda-
tion of the Joint Committee is confined to Kenya, and
no doubt the enquiry generally will be so confined;
but on the Railway side it will be impossible to
deal with even the Committee's (b), without taking

into

Also sees for the
part of [unclear]
on [unclear]
as [unclear]
by the Joint [unclear]
[unclear]

into consideration the position of Uganda in relation to the Kenya-Uganda Railway.]

(3) Colonel Guinness might be asked to come and see me ^{any time} ~~any time~~ on Tuesday morning, which he may fix by letter or telephone, and I will put him in touch with somebody who will be able to supply him with the information which we have easily available, and to discuss with him what other information will be useful, and generally any points arising ^{in the Commission} ~~out of~~ his Mission.

W. Allen

*March 4th is the
Appendix to the
Commissioner's
Report*

[There is a good deal in the way of past estimates of incidence of taxation of the various communities, and on the general question of railway rates, which will be available at once, and of course any published reports will be at his disposal.]

W. Allen. 21.1.32

Mr. Allen,

*You may wish to have found
Moggi's letter of 20th January, with
three minutes, for copy in the Dept.,
following the discussion with the S. of
S. Wilson and C. Bottomley today*

*Ed. Lloyd
21/1/32*

Mr. Guinness and Mr. Posbroke Hobbs called this morning, and had a general talk with Mr. Allen and myself.

The draft telegram I annex represents the first stage. Public action will be necessary as soon as it is possible.

On points which I raised in my previous minute:—

(1) Mr. Posbroke Hobbs' salary has been £600 a year, but he hopes for an increase which will not exceed £100. I said that the terms which we should offer would be on the basis of his present salary, but that if he got any increase we should take it into account.

(2) I did not mention the doubt which I had expressed as to whether an official of a party organisation would be regarded as a suitable secretary. There can be no doubt about Mr. Posbroke Hobbs' personal suitability.

W.C.B. 23.1.32

No 34

Since I dictated the annexed letter from the Guinness has come. I am rather sorry he is so keen on Rathfriland the traditional pleasure place of Henry's "Upper Ten". I am not thinking of the views of any local community but of that of the ~~Massachusetts~~ ~~Guinness~~ ~~and~~ ~~Posbroke~~ ~~Hobbs~~ ~~and~~ ~~myself~~.
One of a good half of the Joint Committee.
I should also add that the Guinness

Guinness told me that the
Staff had in mind that
the Staff should be engaged in
the general railway engineering
activities than himself. No
action has been taken with
regard to the Staff.

L.C.H. 25.1.32.

Recd of Staff.

You should see. Shall
state up the question of the Staff
meeting Lord Proye in East
Africa?

E.H.B.

20 1 32

See note. No. 20. 36

I drew up terms of reference
for cabinet & embodied them in an
U.S. draft to the Governor.

I then discussed with L.C.
Pookmley: & in view of the doubt
as to how far the terms covered
the general financial & economic
position of the Colony, revised terms
were drafted and embodied in a
typed draft.

Both the U.S. draft & the
typed draft are sent in for
consideration as alternatives.

11/1/32

27/1/32

Sec. Sublimon.

On the one side - the conclusion of
one meeting with the Staff. was that
the terms of reference in § 10 (vi)
would suffice. Also, so far as I
know, Lord Proye does not know
that he is expected to investigate
the whole economic structure of
Kenya.

On the other side - the passage
inserted in the Gov's Ed. of
19 January within, & the in forma

ability of considering the wisdom
of business without considering
what the business are.

I prefer the typed version if
the other is decided on it is
necessary to tell Lord Moyne
what is wisdom.

C.C.B. 27.1.32

B.H.G.
above
27.1.32

- 37 39 To Gov, Kenya Tel. No 21 27th January, 1932
(Notifying appt of Lord Moyne (Rt. Hon Walter Guinness) as Financial Commissioner.)
- 38 40 To Gov, Kenya Tel Personal 27th January 1932
(As to Lord Moyne's residence in Kenya).
- 39 41 Note regarding Insurance. Persons travelling
by air.
- 40 42 Press Notice
for Kenya. — Tel Personal 28/1/32
(Reply to No 25)
- 41 43 from 3 of 3 to Lord Moyne 28th January, 1932

Draft of official letter to
Lord Moyne submitted herewith.
(A letter is being sent to his
Secretary).

J.W.K.

28/1/32

W.C.B. 28/1/32

W.C.B. Lord Moyne - 8/6 - 28 Jan 32
H.K. 4021

DESTROYED UNDER STATUTE

DESTROYED UNDER STATUTE To Lord Moyne ptly. (enclosing copies of telegrams). 28.1.1932
DESTROYED UNDER STATUTE

- 43 To Major Forbroke Hobbes 28.1.1932 Cons.
- 44 To Lord Moyne 29.1.1932
- 45 Lord Moyne 29.1.1932

Suggests that it would be helpful if the Governor could detail someone in Govt. service in Nairobi to make certain preliminary arrangements in advance of the Commissioner's arrival.

Draft submitted. It seems desirable that the proposal for detailing an officer and arranging a press notice should go in an official rather than a personal telegram. It is hardly necessary to suggest to Governor that the native interests to be interviewed will not necessarily respond to a notice in the paper!

B.H.G. 29/1.

(Minutes on preceding sheet (Hague) are incomplete but a session is ? presiding)

B.H.G.

W.C.B. 29.1.32

B.H.G.
above

1.2.32

DESTROYED UNDER STATUTE Tel to Gov Kenya - Personal - 1-2-32

47 Tel to Gov Kenya No 25 — 1-2-32

There was subsequent discussion with the Dept of Cons & I understand procedure J.W.K.
At 11.55 - discussion about yesterday
W.C.B.

DESTROYED UNDER STATUTE

48 Lord Moyne (copies of 46 & 47) 27/1/32

49 Extracts from Manchester Guardian 29/1/1932

50 Major Forbes Holmes — 27/1/32
Accepts appt. as Secretary to Lord Moyne & the terms set out in No 48

DESTROYED UNDER STATUTE

51 Lord Moyne — 3 Feb 32
Notes No 44

DESTROYED UNDER STATUTE

52 Lord Moyne — 3 Feb 32
Notes No 45

53 Major Forbes Holmes — 27/1/32
States result of enquiries regarding insurance for his travel risks, & asks for grant in this respect. States wishes as to payment of salary & allowances. Asks for information re regard to insurrection.

I have discussed the question of insurance with the officers - the Treasury was not do more in the case of a home Civil servant than for the extra under the injury warrant. In fact as the liabilities to the Unwarmed Research Dept are concerned were not really called upon to do so more than elsewhere in the same position as they were placed in in similar cases. But the terms in this case are special to the facts & that Major F. B. is not receiving any extra payment for this matter at all.

A/

might as well bear the cost of insurance. As the total is not more than £35 any alternative arrangement was scarce to with the trouble of insurrection. Major says regard to I think ^{comp} £35 may be granted explaining to the Gov. as in the address of the last para of the Draft. Draft & Agents of Major F. B. do receive

W. Allen

27/1/32

Thank letter for the £35 for which provision in the arrangements. That F. B.'s estimate of his own & his family is not excessive.

Feb 2 32 a/c

54 To CA

55 To Forbes Holmes 53 and

By Air Mail 9/2/32
3) 10/2/32
To Gen. 101 (1/10/43, 104, 107, 103, 104, 105)

DESTROYED UNDER STATUTE

The Council to help later as to terms granted.

Major Forbes Holmes — 11/5/32
Asks receipt of No 55 & expenses. Charles

Pct 5

W. Allen

15/5/32

RECEIVED

58. Lord Dwyne — 1/10 — 19/2/32
As to visiting T.P. & Lyons

59. To Sir W. G. ... — 19/2/32

60. To Sir S. ... — 19/2/32

61. To Mr Rankine — 19/2/32

62. To Lord Dwyne (S.S. Amos) — 19/2/32
(W.C. ... of 57, 60 & 61)

63. Lord Dwyne — 20/2/32
Expresses thanks for action taken in regard to his visit to neighbouring territories.

How See 18057/32

64. To (copy) — 30/9/32
His claim for 12/10 in respect of the telegram No. 7 on the file.

This claim is for the cost of a telegram from Sea Services sent in reply to a telegram sent by the Colonial Office (W.C. on file). As the message was on purely Colonial Office business and could not admiralty but was accepted, there is one justification

in the Foreign Office claiming the cost for ... the last ... accepted ... charges against ... and I think it can accept the charge ... to ... I submit ... and ... of ... referring to the Foreign Office amount claimed for the cost of a telegram ... of ... based ... Sea Services ... regarding the appointment of a ... for ...

page 21.

No. 1-52

2/9/32

5² ... 5732

Order Payable No. 425 to ...
to ... office (18/2)

The Accountant

65-26
Queen Anne's Chambers,

29, Broadway, S.W.1.

August 2

5th Sept.

X.17174 A/31.

Sir,

With reference to your letter of the 30th September 1931, No. X.5939/331/501, I beg to inform you that His Majesty's Paymaster General has been instructed to transfer from the account of the Vote for Colonial and Middle Eastern Services to the credit of the account of the Vote for Diplomatic and Consular Services (Consular General) the sum of 12/10s in refund of the cost of a telegram despatched by His Majesty's Consul General at San Francisco on the 14th May 1931 on behalf of the Colonial Office.

2. It is requested that the necessary Receivable Order may be forwarded direct to the Paymaster General to enable the transfer to be effected.

3. The delay which has occurred in dealing with this matter is regretted.

I am,

Sir,

Your obedient servant,

(S) E. Fleming
for Accountant.

THE UNDER SECRETARY OF STATE,

FOREIGN OFFICE.

Original registered on 88/100/31244 (No 70)

27 64

COPY.

(X.5939/331/501).

FOREIGN OFFICE, S.W.1.

30th September, 1931.

Sir,

I am directed by the Secretary of State to transmit to you, to be laid before the Secretary of State for the Colonies, the annexed Statement, supported as far as possible by Vouchers, of sums paid by this Office for Services chargeable to the Votes administered by your Department; and I am to request that the necessary directions may be given for the transfer of the Sum of one pound, fifteen shillings and three pence to the Credit of the Vote for Diplomatic and Consular Services (Consular General), at the Office of His Majesty's Paymaster-General.

£1.15.3d.

1/10/31

I am, etc..

(Signed) F.G.A. BUTLER.

THE UNDER SECRETARY OF STATE,
COLONIAL OFFICE.

STATION.	SERVICE.	AMOUNT.			OBSERVATIONS.
		£.	s.	d.	
Lyons.	Telegram	5	4		Vouchers annexed.
Marseilles.	-do-	2	3		- do -
Milan	-do-	10	0		- do -
Aleppo	-do-	4	10		- do -
X San Francisco.	-do-	12	10		Voucher retained in Foreign Office
		<u>£1.15.</u>			<u>Sd.</u>

*Actions
taken
in
Foreign
Offices
diag.*

*No 7.
17/74/13/31.*

LITTLEHAMPTON
ETA

BALLIFECOURT

LITTLEHAMPTON

My dear Wilson

Very many thanks for
your letter enclosing
copies of those you were
kind enough to write
to the neighbouring Territories.
These visits will I am sure
give me a better chance
of forming a balanced
view of native problems
than I could hope to do
in Kenya alone -

I am so grateful to you

for all your help and advice

Yours sincerely

Mozue

629
62

G. O.

Mr. *19/2*

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

File for 14/2/32

19th February, 1932.

19

DRAFT.

THE RIGHT HONOURABLE
LORD MOYNE.

I enclose copies of letters which I am sending to Symes and Gowers by next week's air mail. You will see that I have adopted the suggestions you made in the letter which you sent to me this afternoon.

As I suggested to you that you might find it interesting to pay a flying visit to Zanzibar I have written to Rankine as well. I also enclose a copy of my letter to him which will go by the same air mail.

Wishing you the best of luck and a very pleasant trip

C. O.

Mr. *Mac* 9/2

Mr.

Mr.

Mr. Parkinson

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shackburgh

Per ~~U.S.~~ *986*

Party, U.S. of S.

Secretary of State

19/2/32

85

Downing Street,

19th February, 1932

DRAFT.

R.S.D. Rankine, Esq., C.M.G.

Copy to Moyne 19/2

I expect you know that Lord Moyne is leaving here by air on the 24th of February to carry out the enquiries as to taxation etc., in Kenya, recommended by the Select Committee in paragraph 105(i) of their Report.

I have ~~suggested~~ ^{*told*} to Lord ~~if he says so~~ ^{*if he says so*} ~~that~~ ^{*I am sure that*} Moyne that he would find it interesting to pay a flying visit to Zanzibar, and I feel sure that the Sultan and yourself would be very glad to welcome him and also his Secretary.

Major A.W. Roebroke-Hobbes.

I have suggested to him
~~understand that Lord Moyne~~
that he ~~should~~ ^{*could*} let you know from Nairobi whether

it is possible to fit in such a visit.

and if he does I hope

You will do everything you can to
assist him in carrying out his

Wm. Wilson

C. O.

Mr. Allen 19/2

Mr.

Mr.

Mr. Parkison

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shackleton

Form. U.S. S.

Party, U.S. of S.

Secretary of State

31
59-60

Downing Street,

14th February, 1932.

~~18~~

26/2/32
19/2/32

DRAFT.

(1) Sir William Gowers, K.C.M.G.

(2) Sir Stewart Symes, K.B.E., C.M.G., D.S.O. to carry out the enquiries as to

I expect that you know
that Lord Moyne is leaving here
by air on the 24th of February
taxation etc., in Kenya, recommend-
ed by the Select Committee in
paragraph 105 of their Report.

Refer to Symes 19/2

Although his enquiries relate to
Kenya, Lord Moyne thinks that it
would be useful if he also visited
Tanganyika and Uganda in order to
get some first hand information as
to conditions there. We quite

A suggestion or two
has been made
during the recent
debate in the House
of Lords.

in the Committee of the House of Commons
agree, and are anxious to

and
his Secretary, Major A.W. Postbrooke-
Hobbes should be allowed to pick

brains of those in touch with native affairs in both Tanganyika and Uganda.

He does not want to be tied to anything in the nature of a cut and dried pro-

gramme, but he proposes to communicate with you ^{& Snodgrass} from Nairobi suggesting subjects

on which advice would be useful, and

perhaps also the names of some of the

people who ~~are likely to be able to~~ ^{might be worth}

~~throw light on the problems to be~~ ^{meeting}

examined. I understand that it is

his idea to ~~use~~ ^{get} air transport for the purpose of these visits.

I know that you and Green Gowers

(To 1)
(To 2)

(to whom I am also writing), will be

only too ready to do all you can to

assist ~~him~~ ^{him} in any way

~~Amrill...~~

brains of those in touch with native affairs in both Tanganyika and Uganda.

He does not want to be tied to anything in the nature of a cut and dried programme, but he proposes to communicate

- + Sandoffine
with you *(from Nairobi)* suggesting subjects on which advice would be useful, and

perhaps also the names of some of the people who ~~are likely to be able to~~ *might be worth*

~~throw light on the problem to be~~ *meeting*

examined. I understand that it is

his idea to ~~use~~ *get* air transport for the purpose of these visits.

I know that you and ~~Green~~ *Green* ~~owers~~ *owers*

(to whom I am also writing), will be

only too ready to do all you can to

assist him in any way

Amuliason

(To 1)
(To 2)

10, GROSVENOR PLACE,
S.W.1.

February 19th, 1932.

My dear Wilson,

I have been thinking over what you told me of your visit to Tanguinyika and I would like to avoid the difficulty which you mentioned of being made subject to excessive attention and having to conform to a pre-arranged programme. I don't suppose for a moment that there would be the same difficulty in connection with this smaller enquiry. At the same time it would take away much of the benefit to be derived from a visit to the two neighbouring territories if we were subject to a cut-and-dried programme which might have very little relevance to the questions to be examined. Perhaps therefore in writing to Sir William Gowers and Sir Stewart Symes it would be well merely to mention that it is the wish of the Colonial Office that Gosbrooke-Hobbes and I should be allowed to pick the brains of those in touch with native affairs and that we shall communicate with them from Nairobi suggesting subjects on which advice would be useful and perhaps also the names of some of the people who are likely to be able to throw light on the problems to be examined.

Yours sincerely,

Moynihan

AIR MAIL

56
C.D.
R 8-FEE
D 9 11

X.17174/B/51 Kenya.

- Mr. Allen
- Mr.
- Mr.
- Mr. Parkinson
- Mr. Tomlinson

Downing Street,

9 February, 1952.

- Sir C. Bottomley
- Sir J. Shuckburgh
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

Sir,

I have the honour to refer to my

(37) telegram No.21 of the 27th January in which

I informed you that I had invited the Right

Honourable Lord Moyne to visit Kenya in

the capacity of Financial Commissioner,

with the following terms of reference:-

(1) To enquire into the matters specified in paragraph 105(ii) of the Report of the Joint Select Committee on Closer Union in East Africa, viz:

(a) the contribution made to taxation, both direct and indirect, by the different racial communities;

(b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;

(c) the amount of money expended in

DRAFT. *Carson*

KENYA

NO. 101

Govr.

To Lord Moyne 27 Jan '52 (44)

3 drafts.

To Dir 2-14 ✓ (43)

From Dir 2-11 30 Jan ✓ (59)

From Dir 2-11 5 Feb ✓ 53

To C. C. (Comp) 4 Feb ✓ (44)

To Play 4-11 (Comp) 44

the interests of such community, in particular on natives and non-natives; and

(d) the degree and manner in which financial responsibility should be conferred on the native councils.

(4) So far as may be necessary for the purposes of the above enquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and

(5) To make a report.

2. I enclose a copy of a letter which I caused to be addressed to Lord Moyne with regard to his mission, together with a copy of correspondence with Major A.V. Frobroke-Hobbes

who will accompany ^{him} Lord Moyne in the capacity of Secretary. These letters show the terms which have been arranged as regards subsistence allowances, etc. and that Major Frobroke-Hobbes is to be paid in addition an allowance at the rate of £200 a year for the period during which he is employed as Lord Moyne's Secretary. This allowance is equivalent to the present

A copy of letter to
the C.O. & the
W.M. is also
attached

the interests of each community, in particular on natives and non-natives; and

(d) the degree and manner in which financial responsibility should be conferred on the native councils.

(2) So far as may be necessary for the purpose of the above enquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and

(3) To make a report.

2. I enclose a copy of a letter which

I caused to be addressed to Lord Moyne with regard to his mission, together with a copy of correspondence with Major E.W. Festroke-Hobbes

who will accompany ^{him} Lord Moyne in the capacity of

Secretary. These letters show the terms which have been arranged as regards subsistence

allowances, etc. and that Major Festroke-Hobbes

is to be paid in addition an allowance at the rate of £500 a year for the period during which

he is employed as Lord Moyne's Secretary.

This allowance is equivalent to the present

A copy of a letter to the C.A. & the W.C. is also enclosed.

rate of salary of his substantive appointment in the Conservative Research Department, but it is possible that this rate of salary may be increased with retrospective effect from the 1st January last, in which case I should consider it necessary that his allowance from Kenya funds should be increased by a similar amount. You will also see that I have ~~undertaken to consider~~ ^{although} the payment to

Major Vosbroke-Hobbes of a reasonable ^{sum of} £35 in respect of insurance ~~contribution from Colonial funds towards~~

~~the cost of premiums in respect of~~ ^{covering} insurance against the risk of travel by air to and from East Africa. ^{After}

consideration of all the circumstances of the case including the fact that Major Vosbroke-Hobbes is not receiving any other remuneration I am of the opinion that the proposed allowance is reasonable.

Thompson

C. O.

17.7.13 Kenya

PS
35
35

Mr. ~~Frederick~~ 8/2/13

Mr. ~~Adrian~~ 8/2/13

Mr.

Mr. Tomlinson.

● C. Bottomley.

Sir J. Shackburgh

Sir G. Grindle.

Permi. U.S. of S.

Party. U.S. of S.

Secretary of State.

S
S

9 Feb 1913

S-

DRAFT.

May A.W. Durbach Holden

Ack'd 5/7

Copy to you in (56)
copy - 4/7

3 1/2

(53)

I am in touch
the rest of the li of the sub-
and to inform that the
C.A. for the C.A. as being
authorise to comply with
your wish regarding the
view of your allowance of
£200 per annum to your
London banker. They are
also being requested to
refer to you from Kenya.

Food fund, ~~on condition of~~
reserves, a sum ^{£35} not exceeding

~~£20~~ representing the premium on

~~in respect of~~
the special temporary minimum savings

~~policy which you have~~
effected for the period of your

~~mission. The out-of-pocket allowance will be~~

~~£100 per month. The out-of-pocket allowance will be~~ ^{£100 per month by the C.A., on demand}

2. A copy of yr. letter which
is being sent to the Kenya
Govt. who will, no doubt, arrange
to meet your wishes in the matter
of the subsistence allowance.

3. The S. G. ~~is~~ ^{is} advised that there is
no necessity for you to undergo any prophylactic treatment
in respect of cholera. ^{and that, although the incidence of} ~~the~~ ^{is} ~~not~~ ^{is} ~~high,~~ ^{high,} you would be well to ~~take~~ ^{take} ~~precautions,~~ ^{precautions,} as
a measure of precaution.

Para 340 in
S.O. 1100
advised
1977

(Signed) H. T. ALLEN

C. O.

Mr. Allen

Mr.

Mr.

Mr. Parkinson

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shackburgh

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

X.17174/B/31 Kenya.

36
54

Downing Street,

9 February, 1952.

Handwritten: *Min 33 1/2*
1807/52

Gentlemen,

I am etc. to inform you that the Right Honourable Lord Moyné has accepted an invitation to visit Kenya in the capacity of Financial Commissioner and that he will be accompanied by Major A.W. Forbroke-Hobbes as Secretary.

2. Lord Moyné proposes to proceed to Kenya by the air mail leaving London on the 24th February, and I am to request you to secure accommodation for him and for Major Forbroke-Hobbes by that opportunity at the expense of Kenya funds. It is understood that you have already taken the necessary steps as a result of a semi-official request from this Department.

3. Outfit allowances at the rate of

DRAFT.

THE CROWN AGENTS

FOR THE COLONIES.

Handwritten: *Noted*
(Note to end of line)
Note to end of 19/52

3 drafts.

Handwritten: *Copy to Gov. in copy 44*
(56)

Hobbes, and I am to authorise you to pay these amounts from Kenya funds on application being made to you.

4. Major ~~James~~ ^{Frederick Hobbes}

will receive an allowance from the Govt. of Kenya at the rate of £600 per annum with effect from the 17th Feb. inclusive. I am to authorise you to make payments on this account to be placed to his credit with Lloyd's Bank Ltd (Cox & King branch), 6 Pall Mall S.W., at the end of each month. The first payment should be made on Feb. 29th and should include, in addition to the amount due in respect of February, an advance of £250 on account of March. At the end of March payment should be made of the balance due for that month.

5. In view of the fact that he is being required to travel by air, the Kenya Govt. will repay to Major ~~James~~ ^{Frederick Hobbes} the premium on a special insurance policy which he desires to effect. It is understood

*Not the amount for about period
Major Frederick Hobbes will be
insured, but in amount not for
middle of May*

5. I am also to authorise you to pay to Major ~~James~~ ^{Frederick Hobbes} from Kenya funds the sum of £250 in respect of insurance covering the cost of air travel to ~~Kenya~~ ^{Kenya} Africa. I am

(Signed) H. T. ALLEN

P 17174/8/51

February 5th 1932

The Under Secretary of State
Colonial Office.

Sir,

Following upon my communication
to you dated 29th January in which I
had the honour to inform you that
I was making some enquiries into costs
of insurance against risks of travel by
air to and from East Africa, I am
now in a position to state that Lloyd's
underwriters quote 10/6 for an

1050

53

Copy to Mr (65)

(2)

Accident insurance for the trip to Kenya, whilst there, and return by air mail route (Imperial Airways) for a period of about 10 weeks. This is easily the lowest estimate received.

2. Regarding the sum to be insured I have taken into account the very small policy which I now hold under which the risks of air travel are covered, and I consider that the minimum amount of additional insurance on account of the journey that it is my duty to provide in the interests of my dependents - a wife and three young children - is £7,000, the cost of which at Lloyd's would be

(3)

I should be grateful, therefore, if the Secretary of State would favourably consider my application for a grant from Colonial funds to meet this necessary additional expense.

3. I would be further obliged if instructions could be given for my salary to be paid by your agents on the last day of each month direct to Messrs Lloyd's Bank Ltd, Cos & King's Branch, 6, Pall Mall, S.W. 1, & to be credited to my account, the first payment to be made on Feb. 29th in respect of the period 17th-29th Feb. inclusive, together ^(4 months) with an advance of £25, being one-half of a month's salary due on March 31st, the balance (£20) of March pay being paid on March 31st.
4. It would be convenient also if an arrangement could be made for me to draw my subsistence

(4)

allowance from the Kenya Treasurer in Nairobi when required.

5. I would be glad to receive payment of my kit allowance as soon as possible.

6. I do not know whether it is necessary for me to be inoculated against paratyphoid, cholera &c before leaving, but perhaps one of your medical officers with experience of the conditions in Kenya would be willing very kindly to advise me on this point.

I am,

Sir,

Your obedient servant

A. W. F. [Signature]

24, OLD QUEEN STREET,
WESTMINSTER,
S.W. 1.

30th. January, 1932.

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W. 1.

RECD 730
1-FEB 1932
COL OFFICE

Sir,

1043

I have to thank you for your communication of the 28th. January (No. 17174/B/S1), in which you inform me that the Rt.Hon. Lord Moyne has accepted the invitation of the Secretary of State to proceed to Kenya to conduct a Financial Inquiry in that Colony, and that he desires that I should accompany him as Secretary.

I have the honour to accept the terms set out in paragraphs 2, 3, and 4 of your letter, under which my services as Secretary to the Financial Commissioner will be required.

(20) 1043-2/16/32

With reference to the question of a reasonable contribution from Colonial funds towards the cost of premiums in respect of insurance against the risks of travel by air to and from East Africa, which I note the

Secretary/

Secretary of State is kindly willing to consider; I am making some enquiries into costs, and will communicate with you further regarding this matter in the course of a few days.

I am,

Sir,

Your Obedient Servant,

A. W. F. [Signature]

White Man's Burden

Lord Moyne's appointment to visit Kenya and inquire whether the native is getting value for the money he pays to the Government is well conceived. The latest report of the Colonial Office on Kenya should have served to remind the British citizen (who still has the native subjects of the Crown in his charge) that the African is now well awake to the fact that if he will work he should have security in his hand, a fair price for his product, and as much of Western civilisation as he cares to assimilate. That, at any rate, is the ideal in which the negro believes, and which the Crown would do well to make real. At present the newly awakened Kenya native is busy voting, from his inconceivably small resources, money for schools, roads, and medical treatment over the disposal of which he has no control. He may pay his hut tax, but the Legislative Council, on which he has no direct representation, allots it as it thinks best. Taxation without representation is still the method of conducting many of the Crown colonies. And so, for some time ahead, it must be. The tribesman who scarcely knows that two and two make four can hardly be trusted yet to determine whether a new railway should take this turn or that, or whether education is best conducted by the churches or on a purely secular and technical basis. But if the Kikuyu and the Kavirondo are to be encouraged to contribute from the fruits of their labour to the advancement of their state they must have some assurance that their money is not merely used to forward the white man's interests. They must, more briefly, get value for it. Lord Moyne, if he takes his new job seriously, will not embark on a mere "visit to Kenya." He is picking up, in his turn, a burden well worth carrying and only to be borne with the aid of common sense, tolerance, and vision.

KENYA'S TAXATION AND FINANCES

Lord Moyne's Mission

Lord Moyne has accepted the invitation of the Secretary of State for the Colonies to visit Kenya as Financial Commissioner to inquire into matters raised in the report of the Joint Select Committee on Closer Union in East Africa.

The inquiry will concern the contribution made to taxation, both direct and indirect, by the different racial communities railway freights and import duties, the amount of money expended to the interests of each community (in particular on natives and non-natives) and the degree and manner in which financial responsibility should be conferred on the Native Council.

Lord Moyne was formerly Mr. Walter Guinness, M.P. for Bury St. Edmunds, and filled various offices in Conservative Governments, including that of Minister of Agriculture. He is a brother of the Earl of Iveagh. He will leave by air on February 24.

171748 Coded blank 4743

C.O.

Mr. [unclear] 1/1
Mr. [unclear] 1/1
Mr.

7.0P
1230
10/4

O.D.
12 MAR
14

Mr. Tomlinson
Sir C. Bottomley, T.P.
Sir J. Stuckburgh
Sir G. Grindall

Permt. U.S. of S. *[Signature]*
Permt. U.S. of S. 12.3c
Secretary of State.

57)

No. 24 My let. 21. To avoid
delay please appoint some officer
in advance of Financial Commission's
arrival & arrange for him to
meet various interests whose views
should be before him. Press notice
is suggested inviting communication
to be addressed to officer appointed
SECCER

DRAFT. T. d. [unclear]
K. [unclear]
Lyon Nauri

Who can

Copy to [unclear] 1/1

3 [unclear]

10, GROSVENOR PLACE,
S. W. 1.

January 29th, 1932.

Dear Sir Samuel,

43a
Many thanks for your letter of yesterday sending me copies of telegrams exchanged with Sir Joseph Byrnes. I expect we shall find the Avenue Hotel quite all right. If however it turns out too uncomfortable, after our arrival we could always adopt the Governor's alternative of a small furnished house.

In order to save any delay in starting the Enquiry it might be well to suggest to Sir Joseph that though Major Posbroke Hobbes is coming out as Secretary for the Enquiry it would be helpful if he could detail someone in the Government service in Nairobi to make arrangements in advance for me to meet the various interests who may wish to express their views. Someone on the spot could approach those who ought to be heard and perhaps it might also be well to put a notice in the East African newspapers that any communications in connection with this Enquiry should be sent to the official responsible for the arrangements.

Yours sincerely,

Mogge

44-39

C. O.

Mr. Preston 2/1

Mr. Allen 2/1

Mr.

Mr. Tomlinson

Sir G. Bottomley 28.1 f.

Sir J. Shuckburgh

Sir G. Grindle

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State

17:74 B.

18 25
27

Downing St.

29 January 1932.

DRAFT. Carson

RE. LOR. LORD MOYNE.

Copy to Lord (56)

My Lord,

I am directed by Sir Philip Cunliffe-Lister to refer to his recent discussions with you, as a result of which you have accepted his invitation to visit Kenya in the capacity of Financial Commissioner ~~and to conduct~~

~~the enquiries suggested by the Joint Select Committee on Clearing Union in East Africa in para. 10 of their Report.~~

2. The terms of reference ~~concerning~~

enquiry will be as follows:-

(1) To enquire into the matters specified in para. 10 (i) of the Report of the Joint Select Committee on

For Action required (P.S. & A. help E. for.)

Also have already been made 26 as to 1/2/32

Closer Union in East Africa viz:

- (a) the contribution made to taxation, both direct and indirect, by the different racial communities;
- (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;
- (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and
- (d) the degree and manner in which financial responsibility should be conferred on the native councils.

2) so far as may be necessary for the purposes of the above inquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and

(3) to make a report.



3. It is understood that you ~~are~~ ^{advising} prepared to travel to the Colony by the air mail leaving on February 24th, and that you will be accompanied by Major A.W. Fosbrooke-Hobbes, whom you have selected as your secretary. The Crown Agents for the Colonies ^{has} been instructed to arrange for your passages by air from London to Nairobi at the expense of Kenya Govt. funds.

4. You will be entitled to receive subsistence allowances from Kenya funds at the following rates:-

- For each night spent on the journey by air mail 5s.
- For each night spent in Kenya £2. 10s.

~~and, in addition, an~~ outfit allowance of £50 will be paid to you ~~in respect of the production of vouchers showing expenditure of not less than that amount~~

*This is a question form
but might perhaps be
numbered 1172*

(Signed) W. C. BOTTOMLEY

C. O.

Mr. ALLEN 25 22

Mr.

Mr.

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shackleton

Sir G. Orde

Parlt. U.S. of S.

Parlt. U.S. of S.

Secretary of State

DRAFT.

MAJOR A. F. FOSBROKE-HOBBS.

24 Old Queen St

S.W.1

Hand 50

Copy to Gen. (56)

I have asked CA to
look for answer
24 July

12/17/4/16.
Kenya

47 43
M
P

DOWNING STREET,

28 January, 1932.

3rd
Sir.

I am etc. to inform you
that the Right Honourable Lord
Mayne has accepted an invitation
from the Secretary of State to
proceed to Kenya to conduct a
financial enquiry in that Colony
and desires that you should accom-
pany him as Secretary. It is
understood that you are willing to
act in that capacity.

2. While so employed you
will receive from Kenya funds:

(a) An allowance at the rate
of £600 a year.

(b) Subsistence allowance
at the rate of 35/- a day while
in East Africa and... night

night

night for the period of the journeys to
and from the Colony. An outfit allowance
of £30 will be paid to you subject to the
production of the vouchers showing expenditure
of not less than that amount. You would also

be furnished with free transport to and from

Kenya in East Africa

Kenya

2. The Secretary of State is also
willing to consider a reasonable contribution
from Colonial funds towards the cost of
premiums in respect of insurance against the
risks of travel by air to and from East Africa.

3.

Lord Moyne proposes to leave for East Africa
by the air mail of the 24th February; but the
period for which your services would be required
in East Africa and subsequently in this country
in connection with the preparation of his report
cannot be determined at present.

4. In order to afford you an opportunity
of carrying out preliminary work it is proposed that
your appointment should take effect from the 17th
February from which date inclusive you will receive

the

the allowance referred to in paragraph 2 (a) above.

5. I am to enquire whether you are prepared to accept these terms.

I am, etc.

(Signed) H. T. ALLEN

41
49

28th January, 1932.

My dear Walter,

I was so pleased to learn that the medical specialist had passed you fit for your mission to Kenya. I thought I should let you know that a telegram has now been sent to Byrne, notifying him that you have been invited to proceed to the Colony as Financial Commissioner, and that you propose to leave by the air mail of 24th of February. I have told him that you are taking your own Secretary, but that you will probably require the services of a stenographer from time to time.

It occurs to me that I have not yet given you the full terms of reference of your enquiry. They are as follows:-

- (1) to enquire into the matters specified in paragraph 105(1) of the Report of the Joint Select Committee

on

- 2 -
on Closer Union in East Africa viz:

- (a) the contribution made to taxation, both direct and indirect, by the different racial communities;
 - (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;
 - (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and
 - (d) the degree and manner in which financial responsibility should be conferred on the native councils.
- (2) so far as may be necessary for the purposes of the above enquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and
- (3) to make a report.

Byrne has been told that he make an announcement to this effect, and we propose to issue a statement to the press today for publication tomorrow.

Yours etc.

(SD) P. CONRIFFE-LISTER

on Closer Union in East Africa viz:

- (a) the contribution made to taxation, both direct and indirect, by the different racial communities;
 - (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;
 - (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and
 - (d) the degree and manner in which financial responsibility should be conferred on the native councils.
- (2) so far as may be necessary for the purposes of the above enquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and
- (3) to make a report.

Byrne has been told that he make an announcement to this effect, and we propose to issue a statement to the press today for publication tomorrow.

Yours etc.

(SD) P. CONCLIVE-LISTER

Press Notice.

The Secretary of State for the Colonies has invited the Right Honourable Lord Moyne to visit Kenya as Financial Commissioner with the following terms of reference.

(1) to enquire into the matters specified in paragraph 105 (1) of the Report of the Joint Select Committee on Closer Union in East Africa viz:

- (a) the contribution made to taxation, both direct and indirect, by the different racial communities;
- (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;
- (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and
- (d) the degree and manner in which financial responsibility should be conferred on the native council.

(2) so far as may be necessary for the

purpose

1944 & Joint EA Comm. No 70a 18057/42 Kenya - 8 MAR 1932

The Joint 29/1/32

KENYA FINANCES

LORD MOYNE'S MISSION OF INQUIRY

The Secretary of State for the Colonies has invited Lord Moyne (formerly Mr. Walter Guinness) to visit Kenya as Financial Commissioner with the following terms of reference:—

(1) To inquire into the matters specified in paragraph 105 (1) of the Report of the Joint Select Committee on Closer Union in East Africa, viz:—

(a) The contribution made to taxation both direct and indirect, by the different racial communities; (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them; (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and (d) the degree and manner in which financial responsibility should be conferred on the native council.

(2) So far as may be necessary for the purpose of the above inquiry, to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and (3) to make a report.

Lord Moyne has accepted the invitation, and proposes to leave for Kenya by air mail on February 24.

purposes of the above enquiry to consider the general financial and economic situation of the Colony and Protectorate of Kenya; and

(3) to make a report. /

Lord Moyne has accepted the invitation, and proposes to leave for Kenya by air mail on the 24th February.

Mr. Allen

You asked me to look into the question of what provision should be made to protect the dependents of a person temporarily employed by the Kenya Government, who is required to travel on duty by an air route, in the event of any disaster.

1. The Kenya Draft Regulations for officers travelling by air do not cover this case.
2. General Department have no precedent and no observations; Mr. Lloyd is content that the present case should be dealt with on its own merits.
3. The Air Ministry Regulations for "Compensation for civilian officials killed or injured whilst flying in connection with their official duties" (Air Ministry Weekly Orders, No. 657) provide in effect for amendments in the direction of generosity to the ordinary superannuation and Treasury Warrant arrangements, and seem quite inappropriate.
4. I have ascertained from Imperial Airways that they have a standing arrangement with the Ocean Accident and Guarantee Company for covering their passengers. The rates for a single journey from London to Nairobi were given me over the telephone as follows:-

- A premium of £3. 12s. provides, in the event of death or loss of two limbs £1,000.
- Loss of one limb or eye £500.
- Temporary total disablement £5 per week for 52 weeks.
- Temporary partial disablement £1. 10s. per week for 52 weeks.

It seems the present case could be most appropriately dealt with by the payment by the Kenya Government of the necessary premium at the same time

that the passage is paid for. The only question remaining is the amount for which the passenger should be insured, and I suggest that this can

a |

only be determined after conversation with him. Much must depend on whether his existing insurance policies become invalid if he travels by air.

B |

C. Martin
27

A. I have suggested to your doctor that he should consider the point

B. I mentioned this also

C. Martin

Mr. Allen

You asked me to look into the question of what provision should be made to protect the dependents of a person temporarily employed by the Kenya Government, who is required to travel on duty by an air route, in the event of any disaster.

1. The Kenya Draft Regulations for officers travelling by air do not cover this case.

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A premium of £3. 12s. provides, in the event of death or loss of two limbs £1,000.

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Temporary total disablement £5 per week for 52 weeks.

Temporary partial disablement £1. 10s. per week for 52 weeks.

It seems the present case could be most appropriately dealt with by the payment by the Kenya Government of the necessary premium at the same time

that the passage is paid for. The only question remaining is the amount for which the passenger should be insured, and I suggest that this can only be determined after conversation with him.

A |

Much must depend on whether his existing

B |

insurance policies become invalid if he travels by air.

C. Martin

27

A. I have suggested to Major Stokes that he should consider the trunk

B. I mentioned this also

11/11/44

G. O.

Mr.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

X Sir C. Bottemley. 27/1/32

Sir J. Shackburgh.

+ ~~Form U.S. & S.~~ *File above*

Party, U.S. of S.

Secretary of State.

29.1.32

DRAFT.

tel. to Conf. Code

GOVERNOR.

NAIROBI.

(*Review*)

Copy of Conf. 2/2/32

and to him that have pointed out that meetings in open

Room 19

38 53

Coded & sent 7-0 p.m.

27/1/32
28 JAN 1932
9.2m.

Personal. January 29th

Official telegram is being sent regarding mission of Lord Moyne for enquiry recommended in paragraph 105(1) of Report of Joint Select Committee.

Moyne is anxious to avoid any suggestion of undue official influence and for that reason he would prefer not to accept any official hospitality as regards place of residence in Nairobi, and He has been informed that apart from official residences most comfortable places would be Muthiga or Torre Hotel, Club, but this is open to possible objection on the ground that Club is more proper white traditional meeting place of settlers who hold best position in the country and its selection might be open to objection on grounds of influence.

~~...any place...~~
residence where he and his Secretary
would be sure of complete comfort
without any possibility of undue
inconvenience of any kind?

I should like to have
your views as to
whether you think
Taxis Hotel would
be best
Wilson

Wilson

C. O.

Mr. J. H. Allen 3/1

Mr.

Mr.

Mr. Parkinson

Mr. Tomkinson

Sir C. Ballowley

Sir J. Shuckburgh

Perms. U.S. of S.

Parly. U.S. of S.

Secretary of State.

C.O.
R 12 MAR
D 14

2/17/41 B
Kenya

Coded & sent
8-30 p.m.
27/1/32

No 21

I have invited Lord Moyne

(Right Honourable Walter Guinness) to
proceed to Kenya as Financial Commission

with following terms of reference quote

(1) to enquire into the

matters specified in paragraph 105(1) of
the Report of the Joint Select Committee
on Closer Union in East Africa viz.

(please insert here (a) to (d) of that
paragraph);

(2) so far as may be necessary

for the purpose of the above enquiry
to consider the general financial and
economic situation of the Colony and
Protectorate of Kenya; and

(3) to make a report. Unquoted.

He proposes to leave by air mail 24th

February.

DRAFT. *See cases:*
1. minutes

NAIROBI.

GOVERNOR.

N.B. This is to be
telegraphed as it
stands.

(Alternative draft
after discussion with
Sir Chatterley)

~~Not marked off~~

~~Room 19~~

February. He will bring his own Secretary but
will probably require services of stenographer from
time to time. *You may publish*

I had already prepared a note (see No. 3/ in the file) as to the terms of reference.

General Transport Finance, i.e. enquiries recommended in paragraph 46 of the Joint Committee's Report are to be dealt with separately.

** Relating to the local economic conditions*

The enquiries recommended in paragraph 105(1) of the Report would seem to involve consideration of the general economic (as well as the general financial) position of the Colony - as the Governor assumes in his recent telegram of the 19th of January - but not necessarily economic policy, e.g. agricultural policy, which the Governor wished to be examined by the Commissioner for whom he originally asked. Financial policy, to which he also referred originally does, however, seem to be involved by ~~the~~, e.g. reference to "import duties with a view to discovering the extent to which each community benefits or suffers by them."

The exact phraseology was "The enquiries (i.e. para. 105(1)) will presumably necessarily cover general economic position of the Colony and of transport finance."

The following terms of reference have been drafted for consideration:

"To enquire generally into the financial and economic situation of the ^{of} ~~sub~~ Colony of Kenya, with particular reference to the matters specified in paragraph 105(1) of the Report of the Joint Select Committee on Closer Union, ^{in East Africa} ~~and~~ -

- (a) the contribution made to taxation, both direct and indirect by the different racial communities;
- (b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;

(c)

A. B. Alternative has been drafted after discussion with Sir C. Bottenley

- (c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and
- (d) the degree and manner in which financial responsibility should be conferred on the native councils, and to make ^{a report} recommendations.

Mr Allen
27/4/57

*The Treasury would
rate £210.0 for
this an office is
Hobbs to travel
with a driver
a rate higher than
by approach rate
is allowed. £8.4
his driver also £200.0
his journey might
be £20.0*

*See note 5
in Division
attached*

Major Hobbs said that he was anxious to have this official communication as soon as possible with regard to his proposed appointment as Secretary to Lord Moyne, in order that the arrangements for his appointment from his present duties might be completed. He said that he would like to be free from his present duties for at least one week prior to departure from Kenya in order to carry out preliminary work. He also mentioned the question of subsistence allowance. He said that he could not mention any specific amount at the moment. He said that while he had no desire to make any profit out of the trip, he was anxious to be safeguarded against loss as he would not expect to be able to recover any additional expense.

He also mentioned the point that as he would have to put up with the same rates as Lord Moyne he would be involved in a rate of expenditure higher than that which he would normally incur on his own account. He also said that he had been instructed in a method by Mr. ... to raise the question of insurance against ... during the air trips.

As regards the period of secondment, Major Hobbs Hobbs agreed that that would have to be left over and that this was understood. It was understood that it was necessary in view of the gross liabilities of the Conservative Research Department in respect of its ... Major Hobbs as the form in which the offer of appointment should be made to him. Whether direct or through the Conservative Research Department and he said that a direct offer would be sufficient and that it would not even be necessary to put

put in, subject to the concurrence of the Conservative Research Department, as the whole matter had been squared up.

As regards salary he told me that he thought if an increase (possibly from £600 to £700) were granted by the Conservative Research Department it would date from the 1st January, 1932.

As regards the payment of his salary and subsistence allowance, he thought he would like his salary to be paid to him here, provided that subsistence allowance could be obtained locally. I said I saw no difficulty about this, but suggested that he might definitely state his wishes in his reply.

J. H. Allen

26/1/32

C. O.

Mr.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Battersby 251.

Sir J. Shackburgh.

Permt U.S. of S. (2/14/20)

Parly. U.S. of S.

Secretary of State.

Not sent

DRAFT TELEGRAM.

GOVERNOR,

NAIROBI.

Personal.

I propose to select Right Honourable Walter Guinness (Lord Moyne) as Commissioner to conduct enquiry under paragraph 105 (1) of Joint Committee's report, ~~possibly with an expanded reference.~~ Official telegram will be sent as soon as possible. He proposes to leave London by air mail 24th February, and to get through as much work as possible before Governors' Conference begins, including visit to Uganda as Governors will not be available later. Telegraph whether date proposed will be convenient, and especially whether you consider that it allows sufficient time for various persons

concerned to be ready.

~~During stay at Nairobi~~

Guinness considers it essential,
in order to avoid suspicion as to
his independence that he should
have unofficial, place of residence.

He would prefer club to hotel, and

Muthaiga to Nairobi Club. Presume

~~you can have this arranged.~~ He

will bring his own secretary, ~~and~~

~~is~~ likely to require stenographer

but *we probably want*
when required.

WOMAN 2282

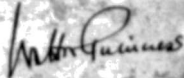
59
7/21

10 GROSVENOR PLACE,
S.W.1
January 25th, 1932.

Dear Sir Cecil,

I have just seen a friend who was lately out in Kenya and who went as a guest to both the Mythaga and Nairobi Clubs. He tells me that though the Nairobi Club would be quite all right, we should certainly be more comfortable at the Mythaga Club. It seems to me that the representatives of the Indians and Arabs and also of the African natives would hardly realise where we are staying provided we held our meetings on some neutral ground such as a room in the Government Offices and that it would surprise no one for visitors to be put up at whatever is the more comfortable Club. I would therefore suggest that Sir Joseph Byrne be asked whether he sees any objection to our staying at the Mythaga Club. If he does not, I could easily ask Lord Francis Scott to propose us both as Honorary Members unless Sir Joseph Byrne is kind enough to suggest doing so himself.

Yours sincerely,



3.15 for

Jan. 26th

I want to see London &
 Bostwick in the
 tomorrow 26th

33 60

10 GROSVENOR PLACE
S. W. 1.

January 20th, 1932.

My dear Philip,

I am now in a position to accept your invitation to go to Kenya for the Enquiry of which you spoke. Further consideration confirms my view that it will help to disarm hostility if the Enquiry takes place under conditions which do not suggest too much official influence. I have therefore sounded Fosbrooke Hobbes and find that he would be very glad to go as Secretary. I gather that he is hardly in a position to undertake this work without some remuneration. I assume there would be no difficulty about his travelling and living expenses but I don't know what you could do for him in the way of pay for the two or three months during which the Conservative Research Department would have to second him.

I find that it would be most convenient to me to start at an early date, preferably by the flying service which leaves London on February 24th and reaches Nairobi on Wednesday, March 2nd. I am told by an old resident in Kenya that the rains begin by the end of March and that travel then for a month or two becomes very difficult.

I suppose you will publish terms of reference for this Enquiry so that those who have views to express may have time to prepare them.

I should very much like to begin digesting the information already in the possession of the Colonial Office bearing on the subjects to be examined. If in principle you agree to the suggestions I have made, perhaps I could go and discuss further details with someone at the Colonial Office able to put me on to the right track. I shall be in London next Monday, Tuesday and Wednesday and then again from the 2nd February onwards.

Yours ever

Walter Guinness.

3.15 pm
Tues. 26th

I want to see Lady
Robinson in the
morning 26th

33 60

10 GROSVENOR PLACE
S. W. 1.

January 20th, 1932.

My dear Philip,

I am now in a position to accept your invitation to go to Kenya for the Enquiry of which you spoke. Further consideration confirms my view that it will help to disarm hostility if the Enquiry takes place under conditions which do not suggest too much official influence. I have therefore sounded Forbroke Hobbes and find that he would be very glad to go as Secretary. I gather that he is hardly in a position to undertake this work without some remuneration. I assume there would be no difficulty about his travelling and living expenses but I don't know what you could do for him in the way of pay for the two or three months during which the Conservative Research Department would have to second him.

I find that it would be most convenient to me to start at an early date, preferably by the flying service which leaves London on February 24th and reaches Nairobi on Wednesday, March 2nd. I am told by an old resident in Kenya that the rains begin by the end of March and that travel then for a month or two becomes very difficult.

I suppose you will publish terms of reference for this Enquiry so that those who have views to express may have time to prepare them.

I should very much like to begin digesting the information already in the possession of the Colonial Office bearing on the subjects to be examined. If in principle you agree to the suggestions I have made, perhaps I could go and discuss further details with someone at the Colonial Office able to put me on to the right track. I shall be in London next Monday, Tuesday and Wednesday and then again from the 2nd February onwards.

Yours ever

Walter Guinness.

Hide-headers

3261

SPECIFIC FINANCIAL QUESTIONS.

Colony

17189/31

- (1) Widows' Hut Tax.

Postponed for consideration of recommendation of Joint Select Committee for investigation of taxation.

17189/31

- (2) Minimum Taxation Age.

Non-native 18. Native 16. Also postponed as above.

18006/31

d
17004/31

- (3) Roads Expenditure in settled and native areas.

Governor to be informed that the matter falls within scope of Financial Commissioner, whose attention should be drawn to the correspondence.

17066/31

- (4) (a) Relationship between Expenditure from Central and Native Funds and (b) Balances of Local Native Councils

Position as under (3) above.

17066/31

- (5) Financial Statement required annually under paragraph 14 of the Native Policy Memorandum, 1930.

The Memorandum required detailed statement annually as total revenue from direct taxation of natives, total amount expended locally and in central administration on service directly benefiting the native population.

It is suggested that this matter should also be considered by the Finance Commissioner.

17037/31

- (6) Wines and Spirits Tax for Education.

It is proposed to ask the Governor to bring this matter to the notice of the Finance Commissioner.

Transport.

Transport.

(7) Rating.

The Joint Select Committee recommended that the whole question of rating in Kenya, Uganda and the Tanganyika Territory should be considered by the Adviser on Transport; but incidence of railway freights in the various communities in Kenya is one the Committee wishes included in the Kenya taxation investigation.

(8) Branch Line Accounting.

1725/31
The assessment of revenue for branch line purposes is the outstanding point at present (though the whole matter may of course come under review) and the existing system has been agreed to for 1931 and 1932, further consideration being deferred pending appointment of a Finance Commissioner.

(9) Road and Rail Competition.

In notifying non disallowance of the Carriage of Goods by Motor (Control) Ordinance, the Secretary of State noted that the measure was purely experimental and expressed the view that policy will require further consideration in connexion with whole question of railway rates.

Proposed Financial Enquiry in Kenya

The main recommendation of the Joint Committee is that contained in paragraph 105(1), which is as follows:-

Taxation, land and other questions.

"The Committee have had much contradictory evidence as to the incidence of taxation, and as to the respective shares of that taxation borne by the African, the Indian and the European communities. They are unable to express any clear view as to how in fact taxation is divided between the various races, and they consider that an enquiry into the incidence of taxation under existing circumstances should be held at an early date. Such an enquiry, clearly, cannot be conducted by themselves. The Committee consider that there is sufficient evidence of its need to justify them in recommending that one should be held by an independent authority and without delay. It should include a careful and detailed examination of the financial situation with respect to:-

(a) the contribution made to taxation, both direct and indirect, by the different racial communities.

(b) railway freights and import duties, with a view to discovering the extent to which each community benefits or suffers by them;

(c) the amount of money expended in the interests of each community, in particular on natives and non-natives; and

(d) the degree and manner in which financial responsibility should be conferred on the native councils."

* Native Council

Para 103

In paragraph 103 the Committee say that they attach special importance in the case of Kenya to the handing over at the earliest practicable moment new functions in proportion to the advance in interest and in capacity made by any particular council. They also look on the question of financial responsibility as one of the highest importance, and suggest that the enquiry into taxation should deal with this matter also. They go on to refer to the suggestion in paragraph 87 that the Chief Native Commissioner should also be charged with the preparation of an annual estimate of the financial requirements of his administration, and should have allocated to it such funds as the Governor thinks necessary and desirable. They further recommend that "out of this revenue a sum should be allocated to the native councils for specified purposes, such as the payment of salaries of its local officers, maintenance and construction of roads, education, etc." They do not specifically suggest that these matters should be included in the enquiry of the Financial Commissioner, but they are certainly relevant and it would seem hardly possible to exclude them.

It will be seen that these recommendations relate to Colony matters, although the recommendation in paragraph 105 does extend to the question of railway freights.

The Committee have elsewhere in their report suggested enquiries regarding railway rates, and the relevant paragraph - No. 46 - is reproduced below for convenience of reference:-

"In the course of the evidence submitted to the Committee on the existing administration and co-ordination of transport services a good many witnesses

Enquiry into railway rates.

witnesses raised questions as to railway rates. The Committee are not satisfied that the present rates are in all cases fair as between different commodities, different territories, or different communities. Further, it would appear that the net losses in operating some of the existing branch lines call for a searching investigation as affecting these questions, and still more the question of any further construction. It has not been possible for the Committee to investigate these matters thoroughly; but they are of opinion that a prima facie case has been made out for a fresh impartial enquiry on the spot into these questions of railway rates and railway finance throughout East Africa, and for a report thereon to be prepared for the Governors' Conference. Such an enquiry, which might be one of the first tasks of the Adviser on Transport, must be of a comprehensive nature, and should take into account the interests of the different classes of users of the transport systems throughout the area, with a view to maintaining a fairly-adjusted balance between different classes of producers, traders and consumers in all three territories."

These matters were touched upon in the Secretary of State's confidential despatch of the 22nd December, 1931, regarding the Joint Committee's report generally. As regards the taxation enquiry recommended in paragraph 105(i), that despatch said:-

"I concur in the view of the Committee as to the need for an enquiry by an independent authority, and I agree that such an enquiry should include the question of the financial responsibility of the

the Local Native Councils referred to in paragraph 103. The question of the selection of a suitable person to undertake the enquiry is already engaging my attention. I have already suggested in paragraph 7 above that it may be desirable to link this enquiry with the investigations proposed in paragraph 46 of the Committee's report."

Paragraph 7 of the despatch which is referred to in the above extract related to the recommendation for an enquiry into railway rates made in paragraph 46 of the report, and was worded as follows:-

"In this paragraph the Committee suggest an enquiry into railway rates, and that this should be one of the first tasks of the Adviser on Transport when appointed, but it is a matter for consideration whether it could not be combined with the investigations recommended by the Committee in paragraph 105(i) which relate to the incidence of railway rates within Kenya itself. In that case the cost of the enquiries would not fall on Kenya alone."

As regards the recommendations of the Committee in paragraph 87 of their report, the Secretary of State's despatch said:-

"I am also in sympathy with the view that in purely native affairs the Chief Native Commissioner should frame his own financial proposals for the Governor's consideration and should have the control of the funds voted for this purpose, and that the responsibility in connection with the finances of the local Native Councils should rest with him."

The following facts are also relevant to consideration of the scope of the proposed enquiry.

No 1 on 17/7/1931

Sir Edward Grigg as High Commissioner for Transport had applied for the advice of a financial expert, and in April 1931, Sir Joseph Byrne represented that it was expected that there would be early demands in the Legislative Council for the appointment of a local economic committee of enquiry which should be in continuous session and make interim reports to the Government on the lines of the enquiry of 1922, special emphasis probably being laid on railway finance and rating policy; The precedent of 1922 being ² unhappy omen ~~to~~ Sir J. Byrne, as a countermeasure, suggested securing at an early date an authority on economy and finance and, ~~with~~ ^{with} the approval of the Secretary of State, he applied formally for the appointment of a special Commissioner to examine the financial and economic position with special reference to agricultural and fiscal policy, including the railway finance and policy.

Considerable difficulties were experienced in securing the services of a Commissioner, and before an appointment could be made Sir Joseph Byrne came to the conclusion that circumstances had changed somewhat and that it would be better to postpone any such appointment for a time.

No 13 on 17/7/1931

Davidson's letter

No 15 on 17/7/1931

Handwritten notes at bottom left

When, however, the report of the Joint Committee was published he asked ^{some officials} that the recommendation in paragraph 105 (1), in favour of an enquiry into taxation, should be carried out as soon as possible.

It will be seen that the enquiries proposed fall into three broad heads.

A. Agricultural and financial policy in the Colony.

B. Railway Finance and Policy.

C. The Incidence of Taxation in the Colony under existing circumstances and its distribution between the various communities, coupled with the distribution of expenditure between natives and non-natives, and the question of financial responsibility of the native councils.

A. and C. can clearly be combined, but it is a matter for consideration whether the Commissioner selected for this purpose should also undertake the enquiries into B. - Railway Finance and Policy - or whether those questions should, as suggested by the Joint Committee in paragraph 46 of their report, be one of the first tasks of the proposed Adviser on Transport, if and when appointed. As regards the recommendation for the creation of this post, the Secretary of State wrote as follows:-

"This proposal is one which commends itself to me and I suggest that the recommendation should be placed on the agenda of the next Conference."

(The Conference being the Governors' Conference which it is proposed should be held not later than March next)

Apart from these general questions there are certain matters of detail which have to be borne in mind, some of which are of particular importance politically, involving as they do discrimination between natives and non-natives. These matters are merely mentioned here without going into them.

COLONY.

- (1) Widows Hut ~~and~~ Tax.
- (2) Age for Taxation.
- (3) Roads expenditure in native and settled areas.
- (4) Surplus Balances of Local Native Councils.

69

(5) Wines and Spirits Consumption Tax (now embodied in the Customs Tariff) in its relation to education expenditure.

(6) Financial Statement required under paragraph 14 of the Native Policy Memorandum, 1930.

TRANSPORT.

(1) Rating, with particular reference to the low export rates.

(2) Branch Line Accounting.

The following general considerations arise:-

The Joint Committee in recommending an enquiry into the incidence of taxation between the various communities in Kenya bring in railway freights as a factor.

The railway enquiry recommended by the Committee has a much broader basis as it relates to all three Territories and deals with the question of fairness of the rates not only between communities, but also between commodities and Territories, and, further, with the effects of these questions on existing branch lines and future construction.

As indicated in the system on which the Kenya and Uganda Railways and Harbours are administered it will not be out of place to quote here ^{the relevant} sections of the local Ordinances.

"13. The Services shall be administered on business principles, due regard being had to agricultural and industrial development in Kenya and Uganda by means of cheap transport. So far as may be, subject to such provisions as may be considered necessary to meet contingencies, the

total

70

total earnings of the Services shall not be more than sufficient to meet:-

- (a) The necessary outlays for working and maintenance;
- (b) Contributions to reserve funds for renewals, betterments, stores and other purposes proper to the Services;
- (c) Interest and sinking fund charges due on capital not being capital contributed out of railway or harbour revenue;
- (d) Such costs, compensation or damages as may be awarded against the High Commissioner.

The qualification of the reference in the above Section to business principles by the condition that due regard should be had to agricultural and industrial development in Kenya and Uganda by means of cheap transport, covers the existing unremunerative export rates such as maize in Kenya and, though less important in its financial effects, cotton seed in Uganda; and in this connection it is pertinent to reproduce the following paragraph ^(2a) from the report of the Joint Committee:

"The Committee would observe in this connection that while any discrimination, by means of subsidies or other privileges, customs duties, railway rates, or otherwise, designed to favour unduly any one community is of necessity open to serious criticism, at the same time it is most important to give adequate security to those Europeans and other non-natives who have settled in the country, and who have made a permanent home there, often under very difficult and

and trying conditions."

Difficulty in finding combined in a single individual the requisite practical experience of both the Government and transport finance has seemed to point to the desirability of separating the two enquiries as contemplated by the Joint Committee. That is to say, a Government Commissioner for the Kenya enquiry and a Transport Commissioner (whether the Adviser on Transport or someone else) for the Railway, etc., problems of the three Territories. From the practical point of view it would seem that the latter should precede the former sufficiently in order to enable the results to be at the disposal of the Kenya Commissioner in connection with his consideration of the problem of railway freights as part of the question of incidence of public charges between the various communities in Kenya. Such an arrangement appears however hardly practical politics as it seems that the appointment of a Kenya Commissioner will be made before any decision is reached as regards the creation of a post of an Adviser on Transport which is to be considered in the first instance by the forthcoming Governors' Conference. Here may be noted the possibility, if it be a possibility, of securing the services of Mr. Roger Gibb as part-time Adviser on transport, or securing his services for the definite purpose of the Transport enquiry in the first instance.

The Secretary of State's despatch relating to the report of the Joint Committee has left open the question whether both the Government and Transport enquiry

enquiry should be carried out by one individual,
if so, unless that individual is a transport expert
he would presumably require the assistance of an
expert railway accountant such as Mr. Jenkin, whom
~~Mr.~~ O'Donnell wished to take with him if he had
been charged with this commission.

Straw
13/1/32

*Copy this, with the papers, given to
 Lord Lugard today 10/11/31 31A^B*

Schedule of papers collected for the use of the
 Financial Commissioner, Kenya.

1. Report of the East African Commission, 1924,
 (Cmd.2387).
2. Report of the Closer Union Commission, 1929,
 (Cmd.2324)
3. Report of the Joint Select Committee on Closer
 Union in East Africa, 1929-30, with Minutes of
 Evidence and Appendices.
4. Memorandum on Native Policy in East Africa, 1930,
 (Cmd.3873).
5. Report by Mr. F.A. Stockdale, Agricultural Adviser
 on his visit to East Africa, etc., 1930-31.
 (pages 41-60, as to Kenya).
6. Annual Report on the Colony and Protectorate
 of Kenya for the year 1929.
7. Parts I and II of the Report of the General
 Manager of the Kenya-Uganda Railways and Harbours
 for the year 1930.
8. Report of the Treasurer of Kenya for the year 1930
 of Kenya.
9. Estimates for the year 1932
 (a) Memorandum on the draft estimates.
 (b) Report of the Joint Select Committee.
10. Estimates of the Kenya and Uganda Railways and
 Harbours for the year 1932.
11. Memorandum on taxation in Kenya.
12. Memorandum on Railway Rates Policy.

Correspondence.

13. Despatch from the Governor of Kenya, 11th September
 1930 - see pages 147B of the Joint Colonial No. 47.
- x 14. Memorandum on the incidence of taxation in Kenya
 handed into the Joint Select Committee by the
 Kenya settlers' delegates.
- x 15. (a) Despatch from the Secretary of State No. 44
 19th June, 1931.
 (b) do do do Governor of Kenya No. 307,
 29th June, 1931.
 (c) do do do Governor of Kenya, No. 35a,
 26th June, 1931, with a memorandum on
 proportion of taxation in the Colony.

x This memorandum and correspondence will be found printed as appendices 25
 and 26 to the Report of the Joint Select Committee on Closer Union in
 East Africa.

29c

8th January, 1932.

My dear Walter,

Many thanks for your letter which I have just received. The last thing in the world I should ask you to do would be anything which would make you run any risk of getting malaria again, or any other tropical disease. But I wonder, before you take a final decision, whether your doctor could have some consultation with the Government doctors who know the whole of the district well. It so happens that this year ago we sent out a special malaria mission to Kenya, headed by Colonel James of the Ministry of Health. I gather that the reputation of the country for malaria was greatly exaggerated by certain happenings about four years ago, and that as a matter of fact the risk of malaria here is quite small, moreover, the area in which you would particularly operate is the highlands, in which special measures for the control of malaria have been taken recently. As you are

29656

10 GROSVENOR PLACE
S.W.1.

January 8th, 1931.

My dear Philip,

Though I had practically decided last night to accept your invitation to go to East Africa I thought I had better delay answering until I could consult my doctor. I have had a good many different African infections at various times, ending up with very bad subtertian malaria in Abyssinia. He has for the last couple of years been working to get rid of various internal legacies and he has just telephoned to me that from enquiries he has made he does not advise me at present to go out to Kenya.

I think it is therefore wiser not to accept the job which you kindly suggested. Perhaps later on if any other work turns up which I could usefully perform, you will give me another chance.

I am so sorry,

*Yours sincerely
H. H. H.*

Walter Guinness
29a
7th January, 1932.

I have had a talk with Wilson. It would be quite all right if you left in either March or April. He does not think the interest in the company at Mombasa need be any bar.

As regards the precedent of the comparative taxation of Englishmen and natives, he agrees that the case is unique, and that there is no real parallel. Knowing East Africa well, he is very keen that you should go, and he says that to send an ex-Governor would be quite fatal. What is wanted is a sound man of independent judgment and of a status whose advent they will regard as a compliment. Wilson was enthusiastically in favour of your going, when I suggested it to him, for he thinks that, though it might be possible to find a man who could give a fair judgment on the specific problems (though he can't think of anybody who would do that as well as you would) it would certainly not be possible to find anyone who would

would be in good with the Governor and the settler as yourself.

I do very much hope that you will be able to do the job.

Yours sincerely

(SD) P. CUNLIFFE-LISTER

18th January, 1933.

Dear Sir Phillip

Very many thanks for your letter of the 14th, returning the various papers in connection with East Africa. I am sorry you were bothered for them, but the Department apparently wanted them back, as they had no copies left.

I have been intending to write to you to say that after I saw you last, I told Sir Phillip Cunliffe-Lister what you had told me as regards not being able in any case to go out to East Africa before next Autumn, even if you could then. Sir Phillip told me that in the circumstances he was afraid that it would not be possible to get you ^{to do the job} as however much he would like to have had you, it was necessary to do something at once to carry out the recommendations of the Joint Committee. I believe he told you this himself, and that was why I was in no hurry to write.

Yours faithfully
Row. L. ...

C. O.

December, 1931.

Mr.
Mr.

Mr. Tomlinson
Sir C. Dutton

Sir J. Stuckburgh
Sir G. Girdle
Parlt. U.S. of S.
Parlt. U.S. of S.
Secretary of State

Dear Sir Felix

2.19.31
Seen by B.G.P.
9 minutes
B.H.

DRAFT.

SIR FELIX POLE.

With reference to ~~our~~ previous
~~correspondence~~, and ~~to~~ our discussion
yesterday, in connection with the proposed
enquiry into the financial position of
Kenya, including that of the railway, I
am anxious, before I discuss the matter
further with my ~~new~~ Secretary of State,
to ascertain whether the idea of ~~undertaking~~

undoubtedly ~~and~~ this enquiry ^{yourself} would appeal to you.

As I have already told you,
we have been looking for someone of the
highest standing whose business
qualifications, reputation and personal
qualities will ~~be~~ such ~~as~~ as to

~~obtain the necessary information that may be
sent to the Sec. of State and
passed to the official community in
the local Government of Kenya
to secure such as may be recommended
suitable advice which you
and which may be unobjectionable to others~~

*in view of his experience ~~and~~
could not find time ~~to~~ ^{as usual with}
confidence by all concerned.*

The Governor has modified his request for an enquiry in view of the fact that the Joint Committee on East Africa has recommended a somewhat similar enquiry, but actually I think the enquiry will amount to almost the same thing; and the only difference will be that whoever is selected will be sent out on the recommendation of the Joint Committee and not on that of the Governor.

I cannot of course commit my Secretary of State in any way, but I would like before discussing the matter further with him to be in a position to give him some idea as to whether there would be any chance of our being able to get you to undertake the mission.

I think, assuming it is decided to proceed in the matter, that the enquiry could not be delayed beyond the early part of next year.

Wm. S. Murray
(Sg.) S. S. Murray

C. O.

17174/B/31.

Kenya

Room 30
26 81

Mr. Allen. 19/10

Mr.

For Sir S. Wilson's sig.

Mr.

Mr. Tomlinson.

Sir C. Bottomley. 15.10

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

14/10/31

28

DOWNING STREET,

20 October, 1931.

C. D.
R. 9007
D. 19

DRAFT. Cas:

4. minutes

SIR FELIX POLE.

10/27

Look with papers
(No 25)

When I saw you on the 13th October I promised to look into the possibility of letting you have some papers which would give you an idea of the problems with which the proposed Financial Commissioner to Kenya would have to deal.

now I am sending you a batch of papers which are thought to be suitable for the purpose. They are rather voluminous but it seems desirable to include some *transcripts of the* of general interest, and the last two memoranda on the list namely, those on taxation in Kenya and on railway rates policy will probably give you the

best

best idea of some of the more
important points which call
for consideration. We have no
spare copies of the memorandum
on railway rates policy, in fact, the
copy I am sending you is one which ^{it} has been
necessary to borrow for the purpose
and I should be glad if it could
be returned to me at your early
convenience. There is no hurry
about the return of the other papers.

.....
Yours sincerely

P. H. WILSON.

Kenya

List of Papers.

2 (1930), 3, 4, 5. 4 Ca 148 records.

copy to file 9 P. 6

1. ✓ Report of the East Africa Commission.
2. ✓ Annual Report on the Colony and Protectorate of Kenya for the year 1929.
3. ✓ Report (Parts I and II) of the General Manager of the Kenya and Uganda Railways and Harbours for the year 1930.
4. ✓ Despatch from the Governor of Kenya 11th September, 1930 - pages 1-78 of the print Colonial No. 57.
5. ✓ Report by Mr. P.A. Stockdale, Agricultural Adviser to the Secretary of State, pages 41-60 relate to Kenya.
6. Correspondence:-
 - Despatch from the Secretary of State No. 404 of the 12th June, 1931.
 - Despatch from the Governor of Kenya No. 360 of the 29th June, 1931.
 - Despatch from the Governor of Kenya No. 351 of the 26th June, 1931, with a memorandum on proportionate taxation in the Colony.
7. ✓ Memorandum on taxation in Kenya.
8. ✓ Memorandum on Railway Rates Policy.

23

G. O.

SUGGESTED LETTER FROM THE SECRETARY OF STATE TO SIR FELIX POLE.

Mr.

Mr.

Mr.

Mr. Tomkinson.

Sir C. Robinson.

Sir J. Shackleton.

Sir G. Grindall.

Parliamentary Secretary.

Parly. U.S. of S.

Secretary of State.

October, 1931.

My dear Pole

BBB 2/10/31

We have been considering the selection of a Financial Commissioner whom I could send out to Kenya to advise on various matters. The events leading up to this were that the Governor of Kenya was pressed by the Unofficial element there earlier in the year to set up a local Economic Committee of Enquiry, which would be in continuous session and deal, inter alia, with railway finances and rating policy and also with the question of the terms of service of officials, making a series of interim Reports to the Government. It was anticipated that the existence of such a Committee would lead to the re-examination of the whole of the present agricultural and fiscal policy of Kenya.

DRAFT.

SIR FELIX POLE.

PUBLIC RECORD OFFICE, LONDON

Kenya in accordance with which the present system of railway and harbours has been built up.

Neither the Governor nor my predecessor here were at all attracted by the proposals, as probably it would have meant that the unofficial Committee would get complete control of the finances of the Colony into their hands. In order to get out of the difficulty, the Governor suggested that we should get an outside authority of the highest standing to go out to the Colony and investigate the whole financial position, including that of the railway. It was also thought that the enquiries of such a Commissioner, though primarily directed to Kenya, would throw great light on the economic relationship between that Colony and the neighbouring territories.

As you know, this latter question has been very much in the lime-light lately, and is one of the matters that has been before the Joint Committee of the two Houses of Parliament.

The

The Governor of Kenya has all along pointed out that it is essential that the person selected to undertake such an enquiry should have unassailable qualifications, and should, by his reputation and personal qualities, carry so sufficient weight to over-ride any objections raised by the unofficial community to measures which he might recommend and which might be unpalatable to them. Moreover, the Governor points out that it is more than likely that the Unofficials will ask for some of their representatives to be associated with the Commissioner in his enquiries, and Sir Joseph Byrne thinks it is most important that he should be of such a standing that he can refuse their assistance. In fact the Governor has gone so far as to say that if we are driven to fall back on selecting an ex-Civil Servant, or someone like that, he would rather have no one at all.



The Governor of Kenya has all along pointed out that it is essential that the person selected to undertake such an enquiry should have unassailable qualifications, and should, by his reputation and personal qualities, carry sufficient weight to over-ride any objections raised by the unofficial community to measures which he might recommend and which might be unpalatable to them. Moreover, the Governor points out that it is more than likely that the Unofficials will ask for some of their representatives to be associated with the Commissioner in his enquiries and Sir Joseph Byrne thinks it is most important that he should be of such a standing that he can refuse their assistance. In fact the Governor has gone so far as to say that if we are driven to fall back on selecting an ex-Civil Servant, or someone like that, he would rather have no one at all.

I was wondering whether there would be any possible chance of getting you to undertake a mission of this kind, and that is why I am writing to you on the off-chance of our being able to get you. I say "off-chance" because I know what a busy man you are, and that you would probably not like to be out of England for so long, but I am most anxious to get somebody like yourself, as the Governor has laid the greatest stress on our getting someone who is well known and will carry sufficient guns to tackle the Kenya settler.

If there is any chance of your being able to consider the proposal, perhaps we could have a talk about it some time in the next week or ten days?

John Smith

I was wondering whether there would be any possible chance of getting you to undertake a mission of this kind, and that is why I am writing to you on the off-chance of our being able to get you. I say "off-chance" because I know what a busy man you are, and that you would probably not like to be out of England for so long, but I am most anxious to get somebody like yourself, as the Governor has laid the greatest stress on our getting someone who is well known and will carry sufficient guns, to tackle the Kenya settler.

If there is any chance of your being able to consider the proposal, perhaps we could have a talk about it some time in the next week or ten days?

W. G. ...

C. O.

Mr. Eastwood 14/9
 Mr. Freeston 15
 Mr. Allen 16/9
 Mr. Tomlinson.

* Sir C. Bottomley 16/9 *fs*

Sir J. Shackburgh

Sir G. Grindle.

Parnt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

18th September, 1931.

For Sir John Shackburgh's signature.



My dear Sir,

Wilson had, I believe,

a further talk with you before he went on leave about the selection of a Special Commissioner to go out to Kenya and advise on the finances of the Colony and of the Kenya and Uganda Railways and harbours. On your suggestion he wrote to Sir Josiah Stamp, and I enclose a copy of his letter and Sir Josiah Stamp's reply, which Wilson has sent on to me asking me to deal with it.

With the exception of Sir Arthur Calter, who has already been approached and, we know, is not available, doubt is felt here whether

DRAFT.

SIR WARREN FISHER, G.C.B.,

G.C.V.O.

~~To Sir J. Stamp 28 Aug.~~

~~Fr. Sir J. Stamp 1st Sept.~~

any

C.D.
R 17 SEP
D 1931

C. O.

- Mr. Eastwood 14/9
- Mr. Freeston 15
- Mr. Allen 16/9
- Mr. Tomlinson
- * Sir C. Bottomley 16/9
- Sir J. Shuckburgh
- Sir G. Grindie
- Parlt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

For Sir John Shuckburgh's signature.

Downing Street,

18th September, 1931.

DRAFT.

SIR WARREN FISHER, G.C.B.
G.C.V.O.

My dear Sir,

Wilson had, I believe, a further talk with you before he went on leave about the selection of a Special Commissioner to go out to Kenya and advise on the finances of the Colony and of the Kenya and Uganda Railways and Harbours. On your suggestion he wrote to Sir Josiah Stamp, and I enclose a copy of his letter and Sir Josiah Stamp's reply, which Wilson has sent on to me asking me to deal with it.

With the exception of Sir Arthur Salter, who has already been approached and, we know, is not available, doubt is felt here whether

~~RECEIVED 28 SEP 1931~~
~~SECRETARY OF STATE~~

any of those mentioned by Sir J.

Stamp really fit in with the Governor's requirements, since for one thing the "reputation" element seems absent.

However, you are no doubt in a much better position to judge and I should be very grateful if you would kindly let me know what you think about them.

As I am sure you realize, personality and an ability to get on with people, are peculiarly important in this case.

Yours sincerely,

(ed) J. C. Shuckburgh.

P.S. Watson will be back on Monday, the 21st Sept.

(J. C. S.)

EUSTON STATION,
LONDON, N.W.1.

FROM
SIR JOSIAH STAMP.

1st September, 1934.

Big J. Campbell
Please see my
acknowledgment. 20
deal with this
8/9 87

Dear Sir Samuel:

No 19

In reply to your letter of the 28th ultimo,
I have been trying to think of somebody suitable to
meet your requirements. Of course, it is very difficult
to find a name that is big enough to do what you want
and at the same time is free and not too expensive.

8 SEP 1934

I think, if you could get him to go, the best possible
person you could have would be Sir Arthur Salter, and he
is now relatively free. Then there is Sir Ernest Clark,
K.C.B., now with the Underground, who is a past master at
this kind of thing and has had great experience. Also
there is Dr. W.H. Coates, of Imperial Chemicals, but it
is very doubtful whether he could spare the time. There
is also Sir Andrew McFadyen, late of the Reparation
Commission, Paris, but he is now employed in the City
and it might be a little difficult for him to leave. As
regards the last three names, so much depends on the
length of the absence.

I had been
told him. It
wasn't suitable
any more
8/9
I'm told
that he is too
slow and
himself
would not
compensate
the way
any 8/9

I might give you one or two Railway names,
but they would not be those of well known men, neither

Big J. Campbell knows him, I think. I
believe Sir G. Fisher told me on some
occasion that he would on the "head on" line
but may be wrong. 8/9

- 2 -

would they have a knowledge of general public finance and taxation. What do you say to this?

In the Academic field, with knowledge of public finance, you now have free and with nothing to do, (U) Lees-Smith and Hugh Dalton - I have no doubt either of them would make a pretty good job of it despite their lack of practical experience. I should also have very great confidence in the work of an ex Revenue Official - Mr. F. Hole, who is known to me personally, but is not, of course, publicly known; Mr. A. Hook (recently retired from the Inland Revenue Department) is a man of tremendous ability.

I refrain from giving further official names because of what you say about the bureaucrats.

Yours sincerely,



Brig. Gen. Sir Samuel H. Hoare, M.C., M.C.B.,
Permanent Under Secretary,
Colonial Office,
Downing Street, S.W.1.

198

to 20

26th August, 1951.

Dear Sir Josiah

I have for some time been in communication with Warren Fisher and others as regards the selection of a Financial Commissioner whom the Secretary of State could send out to Kenya, and Warren Fisher has now suggested to me that I should ask your advice.

The events leading up to the proposal to send out such a Commissioner are as follows:-

The Governor of Kenya was pressed some time ago to set up a local Economic Committee of Enquiry, which would be in continuous session and deal, inter alia, with railway finances and rating policy and also with the question of the terms of service of officials, making a series of interim Reports to the Government. It was anticipated that the existence of such a Committee would lead to the re-examination of the whole of the present

agricultural

SIR JOSIAH STAMP, C.B.E., &c.

Copy to: 22/8/51. 18 SEP 1951

agricultural and fiscal policy of Kenya in accordance with which the present system of railway and harbours has been built up.

Neither the Governor nor the Secretary of State were at all attracted by the proposal, as it would probably have meant that the unofficial Committee would get complete control of the finances of the Colony into their hands. In order to get out of the difficulty, the Governor suggested that we should get an outside authority of the highest standing to go out to the Colony and investigate the whole financial position, including that of the railway. It was also anticipated that the enquiries of such a Commissioner, though primarily directed to Kenya, would throw great light on the economic relationship between that Colony and the neighbouring territories.

The Governor of Kenya has all along pointed out that it is essential that the person selected to undertake such an enquiry should have unassailable qualifications

91

qualifications, and should, by his reputation and personal qualities, carry sufficient weight to over-ride any objections raised by the unofficial community to measures which he might recommend and which might be unpalatable to them. Moreover, the Governor points out that it is more than likely that the Unofficials will ask for some of their representatives to be associated with the Commissioner in his enquiries, and Sir Joseph Byrne thinks it is most important that he should be of such a standing that he can refuse their assistance.

We have all along taken the view here that it is out of the question our being able to get any really big financial man to enquire into the finances of a Colony like Kenya, whose total ^{local} annual expenditure is only in the neighbourhood of two, or two and a half million, and even if we could, I don't think Kenya would be justified in paying

paying the large fee which an enquiry by such a man would entail. On the other hand, the white settlers in Kenya suffer from a very distorted view of their own importance, and think that, as in the case of Australia, we should be able to get somebody of the Otto Niemeyer type to go out and advise them.

As the late Secretary of State did not take this view, I suggested to Byrne, the Governor, that he should agree to our inviting Sir Samuel O'Donnell (late of the Indian Civil Service), who has just carried out an enquiry into the finances of Palestine, to undertake a similar mission to Kenya. The Governor would not, however, agree to our inviting O'Donnell, and the Colonial Secretary of Kenya, who has just come home, came to see me the day before yesterday in order to explain to me their views on the matter. The Colonial Secretary says that the Governor would rather not have anyone at all than a retired

retired official (especially one with an Indian training), as the white settlers would at once say that we had sent out a bureaucrat with hide-bound ideas, and it was more than likely that he would be completely boycotted by all the Unofficial side.

I have consulted various people in the last two months as regards the selection of a suitable man, but without result. Mr. Thomas, who has now taken over the Colonial Office from Lord Passfield, instructed me to have another talk with Warren Fisher, and he, Warren Fisher, has suggested my bothering you and asking you if you can help by any suggestion.

I am sorry to bother you while you are away. Had you been here I would have come to see you instead of asking you to read a long screed such as this.

Yours sincerely
(Ed) S. Mearns

C. O.

18A
94

Mr. Allen 28/8

Mr.

Mr.

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shuckburgh

Sir G. Grindle

X ~~Mr. ... of S.~~

Party U.S. of S.

Secretary of State

For Sir S. Wilson's signature

Downing Street,

28th August, 1931

28/8/31

Sir O'Donnell,

DRAFT.

SIR SAM O'DONNELL,

K.C.S.I., K.C.I.E.

(21 Elm Park Gardens,
S.W.10)

I understand that a few days ago you enquired as to the position with regard to the question of sending a Financial Commissioner to Kenya, and that you were anxious to know whether there was any prospect of your being wanted for the work, as you had other possibilities in view and would have to make an early decision. Nothing has yet been settled as regards Kenya - the whole question is one of considerable difficulty and complexity - and I am quite unable to say when anything definite will be decided. As therefore it is impossible to hold out any prospect of an invitation to visit

Kenya

Kenya, I think I ought to let you know
the position at once, in order that
you may feel yourself entirely free
to accept any other work that may offer.

I only hope that the uncertainty
which has prevailed since your talk
with Campbell has not put you to any
inconvenience already.

Yours sincerely
(Sd) S. M. Wilson

PERSONAL & CONFIDENTIAL.

BY AIR MAIL.

18⁹⁵
GOVERNMENT HOUSE,

NAIROBI,

KENYA.

10th August, 1951.

NA 16
No. 13
My dear Wilson,

This is to confirm my telegram of the 4th August relating to your personal letter of the 17th July.

I particularly want you to hear my views through Moore before any further action is taken. If the situation is not carefully handled I foresee serious trouble.

The Railway Council meets at the end of September after our Budget has been disposed of. The rating question will then come to a head as Kenya and Uganda hold different views and the report of the Council will be submitted to me as High Commissioner. Now I maintain that the vital question should not be adjudicated on by the Governor of Kenya. Highly complicated railway costing figures are involved which require expert examination by a completely independent authority. I do not know what the ultimate decision will be but assume for a moment that it were to the effect that the railway must raise its freight on grain to a non losing level and that should Governments wish to help the growth of non-economic crops then the subsidy or help should be borne by the Colony concerned. Assume further that the financial position in this Colony will not permit of such subsidy, then the probable result will be that the majority of Maize farmers will go under. This will knock the bottom out of....

of White Settlement and the whole of our financial structure will have to be completely overhauled. This may be a pessimistic view but it is always well to be prepared for the worst.

Therefore in my judgment it is essential that we should get out a suitable economic expert, one with a reputation that will command confidence from all parties. I fail to see why the Treasury should hamper you in your choice for, as I said before, the issue is a very vital one.

I am now at Mombasa and visit Lamu tomorrow as there are many important matters connected with the Northern Frontier Province which require attention. Legislative Council meets for the Budget Session on the 18th and when I get them safely into Select Committee I want to dash up to Lake Rudolf to see for myself the localities now the subject of controversy with Abyssinia.

My wife joins me in sending you and Lady Wilson our very best regards.

Yours ever,



Brig. Gen. Sir S. Wilson, G.C.M.G., etc.
The Colonial Office.
London, S.W.1.

ELECTED MEMBERS REPLY TO GOVERNOR'S SPEECH.

Opposition to Appointment of Economic Expert.

UNLESS ASSISTED LOCALLY.

Official Attitude to Finance One of "too great complacency."

The Elected Members of the Kenya Legislative Council advised Government recently that they desired to debate the Governor's opening speech. The opportunity was not forthcoming.

Consequently a statement has been issued. It adversely criticises the Government proposal that the Colonial Office should send out an expert to report on the economic and financial situation.

The Elected Members declare that if Government insists on the appointment, the expert must be appointed by the Kenya Government and report to the Legislative Council and that a representative local Commission be set up to assist in the enquiry.

After opposing the expenditure of new loan money on prison and hospital projects, and disagreeing with the continued construction of the Central Offices, the Elected Members state that in their view the Governor's speech and the attitude of Government during recent debates displays "too great complacency" in regard to the financial position.

No Opportunity for Debate.

Having been unable to debate in Council the opening address made by His Excellency the Governor on June 2, the European Elected members of the Kenya Legislature have issued the following statement on the speech:—

It had been the intention of Elected Members on the motion for the adjournment, to debate His Excellency's opening speech, and Government, through the Colonial Secretary, was advised of this intention but owing to the abrupt termination of the Session, before the business for which it had been called together was concluded, the opportunity was lost.

Among other contentions:—

(1) Elected Members cannot regard the proposal that the Secretary of State should send out a Special Commissioner as meeting its purpose for which an Economic and Finance Commission has been urged upon Government. A substantial majority are of the opinion that such an appointment would not possibly be of any great assistance in devising measures to meet our immediate economic problems and all are agreed that it should be impossible for him, how-

expenditure is appropriate when employment is specially sought and when the circulation of money is most needed. His Excellency clearly intimated that fresh loans would not be regarded with favour by the Secretary of State in the present circumstances; hence the necessity of conserving for possible emergencies such loan balances as are still available.

Financial Policy.

(2) The impression left upon the Elected Members both by His Excellency's opening speech and by the general attitude of Government to the various problems debated is that too great complacency prevails as to the steps already taken to increase revenue and decrease expenditure being adequate to the needs of the situation.

A deputation of Elected Members waited upon His Excellency on Saturday June 20 to urge on him the desirability of calling Legislative Council together next month so that these and other outstanding matters might be dealt with, and the August Session left free to concentrate on the 1932

~~PERSONAL AND CONFIDENTIAL~~

17th July, 1931.

My dear Sir,

Handwritten: Bank of Kenya

I am writing this in a great hurry, as I hear the Air Mail goes out this afternoon, to explain to you the position as regards the selection of a Commissioner to examine the financial and economic position in Kenya, with special reference to the agricultural and fiscal policy etc. In your telegram of the 9th of June, you refer to the vital importance of obtaining an acknowledged authority on economics and finance and said that it was essential that a man of the type of Niemeyer or Josiah Stamp, or somebody of a similar standing and reputation should be invited to go. I discussed this with the Treasury and other authorities connected with finance here, and everyone was agreed that it was quite out of the question that we should get anyone of the type of Otto Niemeyer or

SIR JOSEPH BIRNIE, K.C.M.G., F.R.S.E., C.B.

Josiah

Josiah Stamp, and even if we could the cost would be prohibitive. In fact, the Treasury say they would do everything in their power to oppose either Hiesayer or Josiah Stamp going, even if we were able to get them, which they do not think for a moment would be the case.

In all the circumstances the Secretary of State decided that he would not even sound either of the men in question. Since then I have tried in every direction to hear of somebody who might be suitable, and I have consulted Warren Fisher, Hopkins, Blackett, and various other people, and no one can suggest any really big man who would be available.

Malcolm Ramsay, who has recently retired from the post of Controller and Auditor General, was suggested, and the Secretary of State instructed me to sound him. I am sorry to say that after considering the matter he has now written to say that it would not be possible

for

for him to go out to Kenya at the present time, as, in order to do the job properly, it would mean his being away probably for four or five months.

Lord Passfield has accordingly instructed me to write to you and explain the situation, and to say that we take the view that you should probably not do better than to accept O'Donnell. I fully understand your point of view, knowing the Kenya settler as I do, and I quite appreciate how you feel about it, as I can just hear them saying "Who is O'Donnell? We have never heard of him". At the same time I don't really know who to suggest. I only wish we could find some suitable person. The Secretary of State would have liked to send Campbell himself, but he also is not anxious to undertake the task.

Will you telegraph to me on receipt of this saying what you would like us to do, and whether you are prepared to reconsider the question of inviting O'Donnell, and generally what you would like us to do?

O'Donnell

O'Donnell has just completed his Report on his visit to Palestine, and everyone, including the Treasury, seem very pleased with what he has done. In this connection I think that if you were to decide to invite O'Donnell, we would suggest his being accompanied by a Treasury man, as was the case with the Palestine Mission. I do not make this suggestion because I don't think O'Donnell could do it alone, but I think the result would be better, in so far as the question would be examined by two people with different experience and types of mind.

I am very sorry there has been such a delay in getting anything done, but I can assure you that it is not for the want of trying. It is most extraordinarily difficult to find any ^{financial} big/people who are ready to undertake missions overseas, and when they are willing to do so they want exorbitant remuneration, as in the case of the mission of

Hilton

young to Iraq, which only took him about five or six weeks.

As I am writing, I must thank you for your letter of the 7th of May. I can well understand your feeling about Kenya and that it is a "Hell of a place where a sense of Humour is essential". I am quite sure, however, that you will pull through all right.

I see you are already crossing swords with our friend "D", but I think, as we said before you went out, that we were sure to be the case. You are quite right when you say that his interpretation of co-operation means accepting his own view.

I hope your wife is very well. Please give her and the girl our very kindest regards, and with the same to yourself.

Yours ever
(44) L. H. Jackson

PRIVATE AND PERSONAL

Write to Mr.

102

1st July, 1951.

By Mr. Ransay

The Governor of Kenya is being pressed by the Unofficial Members of the Legislative Council to set up a local Economic Committee of Enquiry, which would be in continuous session and deal *inter alia*, with railway finances and rating policy and also with the question of the terms of service of officials, making a series of interim Reports to the Government. It is ~~also~~ anticipated that the existence of such a Committee might lead to a re-examination of the whole of the present agricultural and fiscal policy of Kenya in accordance with which the present system of railway and harbours has been built up.

Neither the Governor nor the Colonial Office are at all attracted by this proposal, as it would probably mean that the unofficial Committee would get the whole control of the finances of the Colony into their hands. The Governor has suggested that, in order to avoid meeting this demand of the Unofficials, we should obtain an outside authority

SIR MALCOLM RANSAY, K.C.B.

10

authority of the highest standing to go out to the Colony and investigate the whole financial position, including that of the railway. It is also anticipated that the enquiries of such a Commissioner, though primarily directed to Kenya, would throw valuable light on the economic relationship between that Colony and the neighbouring territories. It is, of course, essential that the person selected to undertake this enquiry should have unassailable qualifications and should, by his reputation and personal qualities, carry sufficient weight to override any objections raised by the unofficial community to measures which he might recommend and which might be unpalatable to them.

Lord Passfield has therefore instructed me to find out from you whether you would undertake the mission? I do hope you will regard the suggestion favourably: if so we can discuss the details.

104

I am sorry to see that I won't have
your assistance any more in tackling the Public
Accounts Committee.

Yours sincerely,
(Sgd) D. G. Wilson

ORIGINAL decode

of a telegram from the Governor of Kenya

Dated 9th June, 1923 received in the Colonial Office at 5.10. p.m. on 9. 6. 31.
Dumfries

Decoded
by M.A.W.
Deciphered

Private and Personal. Your telegram of 3rd June Private and Personal. While appreciating O'Donnell's qualifications he would not appear to be of calibre I had in mind when originating this proposal, while his Civil Service record combined with Indian experience would ~~not~~ however unjustifiably unquestionably create strongest local prejudice against him. I therefore consider that he should be definitely ruled out.

In my letter to Bottomley of 1st May I stressed vital importance of obtaining acknowledged authority on economic and finance, and I am more than ever of the opinion, if local acquiescence in a one man enquiry is to be secured, it is essential that a man of type of Niemeyer should be secured. I would again urge that Niemeyer should if possible be ^{secured} ~~selected~~ as I have good reason to believe that his appointment would be generally acceptable. I consider this of such importance that I would agree to postponing his arrival till late in the year in order to secure him. Failing him I would suggest Sir Josiah Stamp or someone of similar standing and reputation.

Handwritten notes and signatures at the bottom right of the page.

In any further communication on this subject, please quote
No. **A3302/3302/45**
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W.1.

17174
106
J. L. G.

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under-Secretary of State for
the Colonies and, by direction of the Secretary of State,
transmits herewith copy of the under-mentioned telegram which has
been despatched on behalf of the Colonial Office

The cost of this telegram will be charged by the Post Office direct
to the Colonial Office

Foreign Office,
29 May 1931.

RECEIVED
30 MAY 1931
COL OFFICE

Reference to previous correspondence

No. 1 J.O. letter A 3302/3302/45 of 26 May
Description of Enclosure.

Name and Date.

Subject.

From
Acting Consul General
San Francisco

Message for Sir A. Carter

COPY

(A 3302/3302/46)

NO DISTRIBUTION.

Code telegram to His Majesty's Consul General
(San Francisco).

Foreign Office. 14th May, 1931. 6.15 p.m.

No. 12. (R).

Following from Sir John Campbell for Sir Arthur
Salter arriving San Francisco 20th May on
"Chichibumaru".

Begins:-

Private and Personal.

Governor of Kenya will probably ask for an
independent expert to visit Kenya and enquire into
and report on financial and economic position of
colony with special reference to agricultural and
fiscal policy including railway finance and policy.
Would you be prepared after your return to this
country to visit Kenya and undertake enquiry if the
Governor makes this request. Terms would be arranged
later. Please treat for the present as strictly
confidential. Cable reply.

Ends.

C.O.

Cable sent
8.0/31
3/6/31

10
108

C O
R 4-JUN
D 5

1774 / B / 31 / Kenya

Mr.

Mr.

Recd 1.6.31

post added to

Mr. J. Campbell

2/6/31

Recd 3.6.31

Mr. J. Campbell 3.6.31

2nd Campbell 3.6.31

Sir C. Bottomley 2.6.31

Sir J. Shuckburgh.

Sir G. Grindle.

+ Perm. U.S. of S.

1.5.2.6.31.

+ Parly. U.S. of S.

Secretary of State

that in 1/31

Private expressed

my conf. file: No 177

I am sorry that

Salter cannot

undertake enquiry

but I believe

that O'Donnell

would be very

suitable selection.

He is well known

to Campbell

who can recommend

DRAFT.

Procur

Uairore

3/6
[Copy
herein]

him with exp. ^{in high}
 He is able head working and
 level headed and gets
 on well with people
 & he has had wide
 executive & secretariat
 experience. ^{in India}
 He is choice as he has
 assisted in
 for many years auditor
 of Bengal & N.W.
 railway ~~in~~ one of
 the leading & most
 successful Indian
 railways & further
 advice should be particularly
 valuable in connection
 with railway finance.

C. O.

9.10

Mr. Allen 1/6 X.17174(B)/31 Kenya.

Mr. Johnson 1.6.31

Mr. Campbell 2.6.31

Mr. ...

Sir C. Bottomley 2.6.31

Sir J. Shuckburgh.

Sir G. Grindle.

Permd. U.S. of S.

Parly. U.S. of S. T. 2.6.31.

Secretary of State.

R 4 JUN 1931

Confidential.

sent to R.S.

No. 177.

Your telegram No. 169.

Coded & sent
 8.0 p.m.
 3/6/31
 L. 2.

for conson v. minutes.

DRAFT Telegram.

Governor Macfrost.

I have it in mind to
 invite Sir Samuel O'Donnell,
 formerly Senior Member Executive Council
 United Provinces India and at present
 chairman of Commission appointed to
 examine and report on revenue expan-
 ture and general organization of
 Palestine administration. He has been
 sounded informally and I understand
 that he is not unwilling to consider
 proposition if allowed assistant/
 selected by himself but he could not
 in any case leave England where he has
 just arrived from Palestine before
 early in November and he would wish an
 assurance that he would not be too
 strictly limited as regards time in
 Kenya.

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

Dated 27 May 1931. Received 4.23 p.m. 27 May 1931.

NC 5

No.169. Confidential Referring to Bottomley's Private and Personal ^{21st} ~~28th~~ May After consulting Executive Council I now officially apply for special Commissioner to visit Kenya to examine financial and economic position with special reference to agricultural and fiscal policy including railway finance and policy and I propose to make announcement in Legislative Council accordingly. I regard it as urgent that whoever is selected should arrive as early as possible as his recommendations even of an interim character may affect 1932 budget.

Quod del. 3/6/31 (9)

In any further communication on this subject, please quote

No. *A3302/3302/45*

and address—*not to any person by name*, but to—
The Under-Secretary of State, Foreign Office, London, S.W. 1.

1774/B/31

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the Under Secretary of State for the Colonies*
and, by direction of the Secretary of State,
transmits herewith copy *1* of the under-mentioned paper.

Foreign Office,

May 26 1931

RECEIVED
27 MAY 1931
F. OFFICE

Reference to previous correspondence

Description of Enclosure.

Name and Date.

Subject.

*Hon Consul General
San Francisco no 12
May 22.*

message for Sir A. Salter.

Similar letter sent to —

CO. Ref 17174/31 Keny 117

NO DISTRIBUTION.

Decade. Acting British Consul General (San Francisco).
May 22nd 1931.

D. 11.30 a.m. May 22nd 1931.

R. 9.00 a.m. May 23rd 1931.

No.13. (R).

NO. H
Your telegram No.13.

Following for Sir A. Walter from Sir John Campbell

Begin:-

Greatly appreciate offer but I am obliged to
decline, impossible to undertake any new job in the
near future.

Ends.

MAY 25 1931
RECEIVED
Q RE

Copy on
17174/A/31. Kya.

Copy

1135

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

(Sent 6.15 p.m., 21st May, 1931.)

Important.
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
application 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 to recommend.

As to Committee on Public Services I am sorry
that Tomlinson cannot visit East Africa in near future.
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

the Colonial Office. It is of course for you to select a Chairman in Kenya but perhaps I might suggest Rushton.

As to assistance to agricultural industry I am 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 view that it would be unjustifiable. Official reply to your telegram No.158 is being sent separately. As to agricultural loan position of Secretary of State 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 are an obvious and plausible expedient when things go badly and overriding necessities of practical finance are most effective counter to constant pressure in this direction: (iii) maximum protection against such pressure is afforded if subsidies are not even considered unless they can be paid from current revenue or accumulated balances: (iv) if subsidies are granted from loan funds this safeguard is largely swept away: (v) so long as 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 ephemeral structure without real assets corresponding

corresponding to them. Productivity of the country not increased nor its taxable capacity expanded. Subsidies based on loans would hinder adjustments which situation demands and which constitute only permanent solutions: (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 granting of subsidies; such action could be unfavourably regarded in City and.

17174/31 Kenya.

4-21

C. O.

Mr. Buchanan 13/5

Mr. Pakenham 13.5.31

X Mr. Sir J. Campbell 14/5/31

X Sir C. Bottomley 16/5/31

Sir J. Shackburgh

Sir G. Grindall

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

May 14. 1931
6.15pm

Mr. John Campbell

Following from ~~letter~~ ^{letter} of Sir Arthur
L. Satter arriving San Francisco 20th May
Private of course

re Chickibumara begins Governor of
will probably ask for an
Kenya ~~has~~ ^{has} ~~been~~ ^{been} ~~appointed~~ ^{appointed} of an
independent expert to ^{visit Kenya and} ~~inquire~~ ^{inquire} into and
report on ^{financial and economic} ~~general~~ ^{financial} ~~policy~~ ^{policy} of colony

with special reference to agricultural and ^{any} ~~other~~ ^{other} ~~aspects~~ ^{aspects} of
fiscal policy including ~~revenue~~ ^{revenue} ~~and~~ ^{and} ~~other~~ ^{other} ~~matters~~ ^{matters} ^{of} ~~the~~ ^{the} ~~colony~~ ^{colony}.
Would you be prepared

after your return to his country to visit Kenya
if the Governor makes this request
and undertake inquiry ~~and~~ ^{and} ~~report~~ ^{report} there to
me.

to be arranged later. Please ~~reply~~ ^{reply} ~~to~~ ^{to} ~~me~~ ^{me} ~~as~~ ^{as} ~~soon~~ ^{soon} ~~as~~ ^{as} ~~possible~~ ^{possible} ~~as~~ ^{as} ~~strictly~~ ^{strictly} ~~confidential~~ ^{confidential}

R
DRAFT. ^{letter} ~~letter~~ ¹² ~~12~~

Breastfrail
San Francisco

change to C.O.
direct

F.O. will send this
telegram. It should
go to room 22 F.O.

C. O.

Mr.

Mr.

Mr.

Mr. E. Bottomley

Sir J. Shackleton

Sir G. Ginnell

Permit to

Party, U.S. of S.

Secretary of State

R 25APR 17
9 28

code of 25 APR
9 15 PM
24 4 31
HAW

~~Permit to~~

24 April

Prints and personal
following from Welles

DRAFT.

Excuse

Dear Sir

Rec'd draft
see letter
24/4

begins

Your telegram of 22nd

April you may be assured
that we are
very
grateful

Secretary of
State will be willing to

agree to terms of a
special Commission of
fact not only being

obtained for the full
enquiry which we have in
mind and for any

summarization of
taking this course of and

When you find
desirable to do so

steps will be taken

C. O.

Mr.
Mr.
Mr.

A. K. Bottomley, 24/4

Sir J. Shackburgh

Sir G. Grindall

Perth, U.S. of N.

Secretary of State

R 25 APR 117
D 26
could 250
9 15/100
26 4 31
700

~~Perth, U.S. of N.~~

W. J. [unclear]

26th April

Private and personal
Following from [unclear]

DRAFT.

Examiner

Revised

Dec of State to
see later

A.K.

begins

Your telegram of 22nd

April you may be assured
when so able
that we are [unclear]

Secretary of
State will be willing to

agree to [unclear] of a
special Commission of

joint rate ability being
obtained for the full

enquiry which you have in
mind and you may

reassure intention of
taking this course of and

when you [unclear] of
discussable
necessary to do so

State will [unclear]

approach suitable man
provisionally to be way
with available for a few

See minute

months @ Pittsburgh will be
Kilmer on clay & but it would not be
desirable to mention any name at present
In regard Services

hope that report of Annual
Office Committee will be in
the hands of the Secretary of
State in six weeks.

to and

SECEK

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

Dated 22nd April, 1931.

(Received Colonial Office 1.20 p.m. 22nd April, 1931)

Private and Personal. Following for Wilson begins.

24 April 31

tax.

land

It is clear from recent election addresses and resolutions of the last Convention of Associations that determined efforts will be made as soon as the Council meets to secure appointment of a local economic Committee of enquiry which would be in continuous session and make interim reports to the Government on the lines of Bowring Committee of 1922. It has been specially stressed that its scope should include Railway Finance and rating policy and unless I have some definite pronouncement to make on proposed terms of Services Commission there is little doubt that pressure will be brought to bring this matter also under review.

If world price of agricultural products is likely to be stabilised at about pre-war level it may well necessitate re-examination of present agricultural and fiscal policies of Kenya in accordance with which a highly organised and expensive system of transportation and harbour service has been built up. In such an event the capacity of the country to carry present scale of administrative costs would necessarily come under review. The Secretary of State has specifically instructed me to enquire into and report upon present incidence of native taxation while Grigg

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24th April '31
td.
Ans

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as High Commissioner has on more than one occasion stressed the desirability of a visit by an independent financial expert to report on our present Railway Financial Policy, an enquiry which the present financial position of the Railway due in part to heavy excess of low-rated exports over high-rated imports would render particularly opportune. From my brief experience here I consider problem of finance and taxation aggravated, as it is, by urgent demand for further agricultural credit by the European community at a time when no Government funds are available unless recourse be had to loan, is not susceptible to piecemeal treatment but should be examined as a whole by a highly competent and impartial authority with qualifications that would command general respect. I am aware that you have found difficulty in obtaining such a man with purely Railway experience but if for wider enquiry I have indicated someone of standing of Niemeyer or Clay could be obtained, I would press for such appointment. Though his investigations would be primarily directed to Kenya I have no doubt that they would throw valuable light on our economic relationship with neighbouring territories. You may see practical difficulties in selection of suitable man or political difficulties in sending him out at the present time. For this reason I should be glad of your very early advice as to practicability of my suggestion as it must vitally affect local action I decide to take.

Ends.