1935. Kenga

No. 38173.
SUBJECT CO533/460

Hanswire on Bronomic Bosition.

(1) Economic Development Rominere - Report

(4) Investigation by special Commissioner

Previous

23131/34. 15201/12/35 Zaac. (2, Saule Mac Capit)

Subsequent

1936 file

15 wife

Financial Copy of Report of the to conomic Development Committee Timancial (Original on 15 201/12/55 Kion.)

SESTROYED UNDER STATUTE

Chy of Sossimal haher No 16/1935.

(Original on 15201/10/15 Rin).

3 havens Byene Gorf (Humal) 119 Turnishes a report of the debate in the Ly Council on the libert of the Kien one Bevelopment Catter thete State that the Convention of Associations , Euspean Elected Numbers have requested that a Commonwe be affected survestigate the financial horton ,

H Suit Byene (Pap) (chy). Hove details of the country Ablilial crisis of requests that a Commissioner may be appointed to report on the formal portion or on a hospille reorganisation of the administrative of atter with the week to effecting economics , wereasing officiency.

The appointment of a Commissioner would be (a) intrinsically use (a); (b) politically valuable.

(a) The governmental machinery of Kenya has been thoroughly overhauled during the last few years by (1) Government itself in connection with each year's estimates. (2) The Expenditure Advisory Committee in 1933. (3) The Select Committee on Economy in 1934-35. It is improbable that an outside Commissioner devoid of the special knowledge available to each of these reviewing bodies could add, in the necessary limited time allotted to him, any contribution of value.

As regards the other suggestical in No.4, the time factor is of first importance. The main structure of the budget must be settled before the end of 1935. If Sir Alan Pim flew over to Nairobi next week, he would have barely two months in which to collect the material and formulate his advice.

(b) All the omens point to a firstclass political thunderstorm in Kenya teacup. Perusal of the enclosed Nairobi Mansard reveals the bitterness to recent argument of the European press Their state of mind is not likely to be improved when they know the Secretary of State's decisions on the wiew of the defence forces; the prospect of Closer Union and the terms of the Highlands Order-in-Council. Sir James Byrne's position during the coming winter shows every sign of becoming almost impossible, and it is imperative to give him every assistance in rebutting the charge so frequently made that he is content to sit by and draw his salary, doing nothing to help the Colony.

As a political gesture the early announcement that the Secretary of State is sending out an independent Commissioner will be of considerable value.

? Telegraph as in drafts herewith. Then recirculate for further equity into the possibility of engaging Sir Alax Plm; (We have already sounded him unofficially, and he has promised to let us know within 48 hours whether he would take on the job (if offered) and the formulation of exact terms of reference.

Arust 1

I discussed this with Mr. Freeston and I agree with him. I do not think that the appointment of a special Commissioner will be snything whatever but a waste of money. As regards taration generally it is interesting to ricord that Lord howne visited Kenya in 1932 and came to the general conclusion that the white population of Kenya was very lightly taxed. This conclusion is advertised for the purpose of attracting settlers by the Kenya Agent, who gets advertisements put in the papers to the effect that taxation is light. However, this is all beside the mark. They have get one of their radiculous political eries in Kenya and I agree that for the sake of window-dressing Kenya must how pay the expense of a Special Commissioner to visit them. Sir alan Pim would be an excellent choice, but I have one small doubt which is that the Unofficials may regard him as too closely associated by this time with the Golonial Office. He has carried out investigations in Zanziber, British Honduras, Cyprus and Bechuanaland, and it may be held that he is too closely in touch with the unclean thing.

I should like to call attention to the end of paragraph 5 of the Governor's desputen from which it appears that the unofficial members had the brazen impudence to suggest that the name of the Commissioner should be referred in advance for approval to the European elected members.

In one way it is a pity to take them too seriously, and a pity to yield in any way to their idiotic demands, but the position of the Governor, as Mr.Freeston points out, will become very difficult and anything that can be done to pour oil on the works

ought

ought at least to be tried. | Sir Alan Pim is at any rate prepared to nibble at it and will let us know, but if he does not accept it will be somewhat difficult to find anybody really Sir Malcolm Hailey would be a very good choice but he is unfortunately tied up with the great African investigation for Chatham House. Mr. Freeston Has suggested the name of Sir Has Smith, who also might do, but the drawback to him is that so far as I can make but he would not be qualified to give an opinion on administrative questions. (It must be remembered in this connection that a lot of the administrative expense in Kenya is due to the fact that, to please the Unofficials, white personnel are employed in posts which in other countries would be filled by black, but the Kenya settler would never stand having to buy his stamps from a black postmaster.

I do not delay this to make further comment. I could comment at great length but it would be unnecessary and/serve no useful purpose. I think the telegrams as drafted may go.

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3	Tec la 259 26 GV. 25/18/34
6	To Rov 26.9.35
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	between between Bantelord questionnaic togethe with revised questionnaic of Lunches his his his mint of monetizations is Konga
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	apres with fees allnes suggested . Listenstino in (3) are roled .
	and the same of th

No.14 is obsolete; No.17 is very satisfactory.

No.15. (a) Terms of reference.

On the telephone last night I explained to Sir
Alan Pim the difficulties in accepting Sir
Joseph Byrne's formulation (page 5 of No.4) of
the "taxation" term. To use the phrase "pending
a general review of taxation both native and
non-native in the E.African Territories" might
be held to commit the Secretary of State to
instituting such a general review, which is not
his present intentian. Sir Alan took the
point and accepted my suggestion that his
difficulty might be met by inserting "immediate"
before "modification" in the second draft term
enclosed in No.12.

(b) Mr.Milligan was associated with

Fir Alan Pim in his South African Protectorate

Inquiries, and, if Sir Joseph Byrne agrees,

there is much to be said for accepting Sir Alan's

suggestion that he should not as adviser on

appropriate subjects to the Commissioner for

Kenys. Sir Cooll Bottomley has accertained

from the Empire Cotton Growing Association that

they have no objection (we must let them know

what is finally arranged) and Mr.Milligan

himself is willing. The suggested terms are

£3 per diem for each day actually spent in

advising the Commissioner instead of pursuing

his cotton enquiries.

Draft telegram to Governor herewith.
No.16. Sir A.Pim's firstly and
secondly are covered in my air mail note to

Mr. Wade

Mr. wade of yesterday (No. 12). The thirdly and fourthly are being dealt with separately. As regards his fifthly, the Crown agents have booked his seat on the aeroplane of October the 23rd and have arranged for his heavy begans to go on the "Llandovery Castle" this week if he can get it to the docks in time.

When the telegram has gone re-circulate quickly for consideration of the appointment of a Secretary.

The oder of associating by million is a good or

as he is obviously disinterested in Kenya politics

WILL 1 10 35.

of Tel ha 268 to gov legton confours }-1/19/31

Sin A Pin looked in this afternoon. I shared him is a so

As regards through in 16 we have arranged meeting on 14 Oct with The Stables et 12. 6 5 To Stables at 500 for 1 wrote so had might to The Sandford.

I have the CA by your to book a return parmy by I howays Sin A Pinis will sent in an account of hogy my how he was to CA to

Peox Boyen

0.750

1. Jeffins Wait You spoke to me about he question of Astrusta 2/10 stonce pleviding hi Alan Pin with a secretary from C.J. Nominal he or appay to accompany him to therefore thought wife ing 61 14 years if he want request to leglar I are let all of 20 Governo Byine Tel 231 las _____ 5 October Fast Aprile Miners are ruled and an Fumber ours on Su A. Pino terms freference Apricano, anches and on have could not reach a state shal so objection is retor to 9/2 9/1/2/20 assisting LATER Morton in them of he was 1. Fort strommeration suggested. On when Ailes later of I have by most natural After speak t S. 95. I have sont the per on meet well arrivate of is not a lo 8 × 8 m (2+0) 2 47 1 18 : 30 have find class while bein an paper and in her file he has secretared but us saying this 5 ps much prefix the regard weeken of the second term to the original one and accept Tuesday or establishment expension Next & him Iw. pred 1. A.L kin Klowide also of Rushing of Mother of Grans he former might to low experience of I have I dry has with EA Pui whe He Tentere) his hot 10 0 him not and he than imper all of which officers 1. Have her sufferling A. Ell of Saylor but he is maily to and Plane 1 (4) of Nº 15; Nº 17; and Nº 20. Th. night and take kindly to the numer charle Iteratived from the Conf Reports on his PF. seems which A has been in to A. Rim to presty his secretaries. an admirable chance. On his chance hick by how may be unable to cecan wend appose we highet he to Pal is he deft beneath. 22 To Sar Ceylon Tel N. 182 laast - 4/10/35 Storpres agaran Jalos

23A To O.A.S. Palestine Tel 277 Conference - 3" Oction. 24 Su A. Sm (5.0) 4 Oct-35 Considers that Sei at Byines wording well have to be accepted. States olat it will be necessary for him & visit T. 7 & byande & that he would like to descrive the Sudam system with somerne in the 7.0. 25 To Soveror Tol 244 Dreft Press announcement. 26 To SnA Som (24 anound) 5% o October 35 5 October 15 o October 15 29 10 8 9 Myan _ como 5 October 5 28 Su A Sim (50) _ Nekes ananzemento for descriptions of requisits various patrio or reports 4 October 55 29.76 Su A. P_ (40) _____ sound. 4 October ss 30. To 5 - A. Pom - (Framo & Lapone) yn October 35 DESTROYED UNDER STATUTE DESTROYED UNDER STABLE that it is impossible to share tooks services. DESTROYED UNDER Station for The Times of 8° October 35 Ragsbonot Pf of 33. D. in reply to a telephon anything House when 1/6 14 425 from 1.0. (Th. Silver) (I have opin to REO E CALL 15 16, 201 + 28 Sin C. Bottomby. Race beate 200 2 29 The talkyon sour the sife, this Mitmant I see and 10 1 NO3. Tenomic Ale afternoon, a will call in The Strikele Court

27 is definedly effective; recine in a day a lin of he have foundly writer In the E.C.C.C.) S.fs. with to see Sin A. Pin again; have suggested to the latter (with The Buyd's concumum) to 12 non a Truston next Afficial 34 Jo 1.0. (on 25 A) 4/10/35 Copy of 27, 30 and 34 ald. go to lym Kany. Borman LF. Strending to An and man 35 To Kenya 834 (~/es 27, 30+34) A/1 120 et is

Si A. Pin) on Tronday next. His right to

Thord 9/10 Sinchatrony Sin A. Pin had a long talk on Coloned Service matter with Sing. Tombuyan De film . The Achieve this morning.
Afterwards I had a few work with him on Roan Chyproson . that matter It's in to see 8 RS. at 32. pm. or Thomas Oct 25 He asked white the KUR could be required on outside his leave of reference I said that I thought it could our shall ; and I asked him (infrespor of castain discussions with Col Hutter of the hild yesterday) Whither he comes have to have locas expected on I ofer surlary excluded the replies - you to fromed are offered letter frot necessary for feetherston growing - ruling or there two + pouts. We must came the Growing with un; so, as - four stap. ? as in I h Stude - FA agest : For as would the is at any . The things imprised well like to ase the K. A. R. out down and have uged that it be replaced by a sort of police. So try may argue that a promising field for economy is being barre. to the number . That

might be problemally importance. But so will be anything clase. It is just as well to Keep defence out of it and if he engineed into the K.A.R. vote he would also have a series the Defence Fires or the R.N.Y.R.

The Kill R. is a supposed conseen and I don't think economies in solven would be sucked for or could be much in total to better the surefficiely would aim at the would be to get rates gettined by reducing the by contributions to remewalo the. In by contenting the loans.

As the KAR. The said on 9.10.35's

when hope that I have that

they a fundament of the consideration of the consid

wis. 910 00.

This shall be so.

ataa

fam.

36 to Borner tel 200 lof - 4 - 904 5

34. 5. Milligan 5" Det Dec 35
State that he will assist Sn A Por 3 whoke that the borts olive of the cost obmile be refunded to E. C. G. B. 4 requests that the Capitalion may be approached on the matter.

38. Su A Pomi 10" October 35.
Acknowledges receipt of terms of reference on No 30.

D. h. on 37

Copy of she hast to he Known And LF who so - capies in Right

Multi

125 Another of To E.C.G.C. (CAT 27 + 37) Bya. 15-10/85 walnut of acting puring hope 1:09), you Brown Tat. No. 243. Cong. - 14.10-25

Comen in programe de (36).

SERTROYED UNDER STATUTE

I have told Sir Alan Pim informally of the upshot of Nos. 36 and 40, and I have promised an official letter confirming the modification in his terms of reference. The question arises whether this modification need be given the same degree of publicity as was accorded to the original terms. I am inclined to think that the situation will be met if a copy is sent to the Governor in an oran despatch with the suggestion that he should give it such

local publicity as he may think proper. Mr. Ridgway should also see.

Papers were sent on yesterday regarding the War Office interest in protecting the expenditure on defence from Sir Alan Pim's

There is no new for any 'publicity', certainly not have, and I should deprecate too much in Kenya. The unofficials already argue that all 'defence expenditive' should be have H.H. G. while they go 'Scott' pee, so it might be inadvisedly to make too much of it.

So to Prestois proposal is fully arriquet. The Corner can day as much in as little as he likes . Nothing need be issued here (It will some beell from things anythern)

mi Boyd. to view of & g. leasters maying found mint, to May be able to thems their bother wes 16.10 m

41 Su alar Fre - 19. X 35 42. To Si J. Ayme (PP) (4 mon) 4. 10. 15

43. To Si J. Dyn (ere) 8: 10:35

44. W. O. (175 m.) M) - so sum 95 10 . 35 Comment inguiting short of Sin A Pine to Mongal + The Home cofice The Home 15. Si C. Beltanty 18 Si) Dolly

> The Govern of Kings his was telegraphs his agreement with 8. 15" " suggetion that I denn' should be exclude from Sin Alan Pinis sinney; and Sie Man in Beny so informal Draft humath Sharp

45. To Tray Sul J. G. Dill (W.O) (44 mm) - 1810 35

46. Empire Cotton Growing Coup! - 16:10-15 moderatio the concerns truck in which it to handfood that Kong hall he arked trammage that the Corp " shall be regard certain Expense menor by O' Milligan logother with a driver representing a fee as the note of \$100 - a month.

Sl. West 21/19 att. (At a meeting between S. of s a Si A. Pur. today it was agreed that Sin Atan's Report words In rendered to Soft ; but that

then would be no drying to Sin Men's The Hord do closing the content to home before. Sin C. Bottonly beary the colony, if Si). Byon. Pl. see the attached note from should and for such advance inform.

Si Plan and aspend to must.

The IEAB. I the Roadin Sie Alen Pin. (1) an is regent condition with duff of Today's Air small. The reform to the Committee of Chamber of Communa (E Asertin) after his return a hefor fruith seguing Association with the forms in (4) of his Report. This was consumped the first undom, and p. 5 of the becard en down . - 0 on 38217 L'with Through the automation of The 1 my - my - at (orland) B. 2/10 48 6/2 6/ -- 16.6. on uy. 1 mg was 1965 SI TO Si A. Pin . -By and 49 To Kenju, 861 Corles 27,37,38,38) A/1, Engure regeding Situmon of Paper

19:10:25 Torut East apreau Bona gads that the Execution Council way well in A Pen on his return from Kenya and getich vide draft. before his Report is finely drawn up. acion of on Yhou are my much of 21 0 to and fine Les note in apage 111117 ? An is a.l. alf. I not that copy in his wit by Im & Blang 5 2 mm & by must Assemble Good LF in what limate of the of the said 24.24. 16 may 10. 206. 28 mg 5 54 13 Jo J. S. a Board (52 mine) 26/10/15 DESTROYED UNDER STATUTE 5/4 May Back J. E. Dill (W.O) ation take regarding fis N. Print isit to ways. 3 7 Zo Kenya , 879 (w/241) All 29 001 1935 To Kenya, 883 (-10, 52+53) A/1 30 MT 1936 To Sov. Ceylon No. 697 6.11.35

38177/25 Mr. Trender 22/10 Mr. Hand Mr. Sir C. Parkinson. Sir G. Tomlinson. Sir C. Bottomley. 27 10 Sir J. Shuckburgh. Permt. U.S. of S. Parly. U.S. of S. Secretary of State DRAFT. Si Ala Pan Kali Me Con As you no doubt. Artilley Dansin Hotel gather from the sixs. Victoria St. Su! commente quiting externo it is the definite intention that you Report should be rendered to him and not it the horour and we had light that the world be infound FURTHER ACTION. from the following of the office Colomb appin letter to you of By y a y O tale.)
grade the relement b magraph:

The & fe is gratified to beauthout you will undulate this enging, and is pleased & afferent of an Communioner for the purpose He will look forward a receiving your Report in dan course." A copy of the letter have been sent to the Roman If you feel that there is my some for doubt on the front, but would support that you talk it out with Si Just Bym in Navel Hy mening . Re will no doubt teleph to the s. fifty categorial ruling.

TELEPHONE 6922 RIDGWAY. HEADINGTON HILL. 21-10-31 May Fruston I have jud looked tough the report of the menting of the loven los of less action formable will to former if my appropried The market sound the prestor of thethe The sport for to be med to the former on & Kantay I had it day Vale of more to I favour His alled to al der I manted hay to the new to a h & I haven of Part Les In I have a telle making that post steam

BY AIR MAIL.

DUPLICATE.

Seylon, 5th October, 1935.

(879/s

Las Lun SIR,

The 4th October, 1835, on the abject of the appointment of the Authorities, to serve as secretary to his alan sin during his investigations in Rough, I have the honour to inform you that Mr. Mirt will all labe Colombs the Mannahal Mannahar Mannaha, as

is well mited by superiones and ability for the appointment. Desides experience and ability for the appointment. Desides experience of warious outstation districts in the Island, he has served for short periods as Anniatust Chief Secretary and as Sequetary to the Minister for Labour, Industry and Commerce, and for the hast two years has been attached to the Retablishments deviator of the Treatury share he has, in addition, served as Secretary

\$n

to the Select Committee on the Selectes and Control Commission Report and to the Headman's Commission.

5. It is noted that the Severnor of Emya will settle the necessary dimension arrangements direct with this Severnount.

I have the honour to be, Sir,

Your most chedient, humble seryout,

Ja Tywell,

Officer Administering the Government.

Show 1 25 Audin 17/14/25.

LK/DH.

EMPIRE COTTON GROWING CORPORATION.

INCORPORATED BY ROYAL CHARTER.

VICTORIA 2811.
TRIEGRAPHIC ADDRESS.
"EMCOTTON, PARL, LONDON."
CABLES.

Kings Buildings,

Doan Stanley Street, Millbank

in any further letters on this subject, please quote K. 1.

London, S.W.1

16th October 1935.

Str.

I have to acknowledge with thanks the receipt of your letter of sctober 15th on the subject of Mr. S. Milligan's visit to Kenya, and the proposal that he should advise Sir Alan Fim on agricultural questions. As regards the payment to Mr. Milligan for his services, I should explain that Mr. Willigan retired from the Corporation's service early this year, but kindly accorded to their request that he should may a short visit to Kenya in order to advise them and the local government on the possibilities of cotton development.

The Corporation naturally undertook that Mr. Milligan should be put to me expense, and as regards a fee, he suggested a sum at the rate of 2100 a month which he would be willing to accept in view of his long association with the Corporation, although I may say that this is in no way comparable to the salary of which he was in receipt while in the Corporation's service.

I note from Mr. Milligan's letter that he is agreeable that the same terms should apply also to the period spent by him on his work in connection with the Mission, and I therefore write say that it is understood that, as a result of Sir James Ourrie's conversation with Mr. Flood, the Secretary of State will request the Governor of Kenya to arrange that the Corporation shall be repaid (a) any expenses which Mr. Milligan

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may incur during the period in which his time is devoted to advising the Commission, over and above the time occupied in carrying out his work for the Corporation in the Colony, and (b) a sum representing a fee at the rate of £100 a month in respect of the same period.

I trust that this proposal will commend itself to the Governor, and I am instructed to add that the Corporation are glad that the fact that Mr. Milligan is about to visit the Colony for them has enabled him to place his services at the disposal of the Government on these terms.

I have the honour to be,

Sir,

Your obedient Servant,

L 4 Killi Secretary

The Under Secretary of State, Colonial Office, Downing Street, 5.W.1.

#5 C. O. Mr. Juste 14/10 HE RO- July Mr. Howard 1460 Mr. Hord 15.10 Mr. Parkinson. Sir G. Tomlinson X Sir C. Bottomley. |5.18 Sir J. Shuckburgh Permt. U.S. of S. Ath bethy, 1935 Parly. U.S. of S. Secretary of State. Dea General DRAFT. That for for you letter to you let y May-yes. J. C. Dill Ch. cnc. Dso. of Dital resulted me, my had M.07 aheady telegraphic to Krongto supply that Dopme shall be exclude from Sin Han Pin survey his conclusion the new cultid be no ned Aufre, E FURTHER ACTION. brief Son Alamant and he or regarded to ensure him that the state of - 14 Pitagen

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SECRET

My dear majes

9 October, 1935.

I see in Colonial Office telegram No.C.O.502(35) dated 27th September, 1935, that Sir Alfan Pin has been appointed as Special Commissioner to examine into the cost of Government, and to advise in regard to the 1936 Sudget in tenya Oblony. I as writing to you with regard to his visit, as I am very apprehensive as to his possible attitude towards the Defence Porces in view of his recent recommendations as Defence questions in Essaibar and Sritiah Honduras which were, I believe, the subject of some discussion by the O.D.C.

I understand that this satter has been discussed between Colonel Sutton and your department; and that the suggestion was made that my views in writing would be welcomed. Otherwise, I should have had some doubt as to whether it would be appropriate for me to send them.

Another reason I am writing to you is that I feel that Sir Allan Pis may, during his stay in Mairobi, become subject to considerable pressure from the Unofficial Opposition on this subject.

Bir John Maffey, G.G.M.G., K.C.B., K.C.V.O., C.S.I., G.I.E., Colonial Office, Domaing Street,

I/

I understand that there is a good deal of loose and ill-informed criticism of the supenditure on defence in Kenya; and, therefore, I think it is very advisable that Sir Allan Pim should be fully briefed on this question before he leaves this country.

If I may, I should like to suggest that he should be told that no reductions or measures affecting the afficiency of the defence forces could be considered and that if he receives any suggestions to this effect he should make it clear that an increase rather than a decrease is more probable in future.

Jour Lineary

PRIVATE AND PERSONAL

8th October, 1935.

Dear Sir Joseph.

Thank you very much for your Frivate and Personal letter, enclosing the dopy of the memorandum sent to you by Mr. Shans-ud-Deen. I have read it with very great interest, and am glad that the Indians are not a present adding to your difficulties. The memorandum is a very nelpful document. Incidentally, I was pleased to see in it come expression of appreciation of your own heroic efforts to get the administration on to sound financial lines during your term as sovernor.

I was interested, too, in reading your comments on events in your letter. I expect that you are right in saying that there is not yest such substance in the settlers present agitation as there was in their earlier one in 1922/23. If this is so, we ought to be able to calm them down by meeting as far as we can their legitimate grievences. In this we shall have to get the

help of the Treasury, and we are in touch with them now. In the meantime the announcement of Pim's appointment to-day will, I hope, have a good effect in the Colony. It has been sell received in the Press here, and I enclose a copy of the leading article in "The Times" which will interest you.

I agree entirely with the sentence in which
you wrote - "So far as I am concerned, I am not going
to be intimized - the Government will carry on quietly
doing its very best for the country as a whole".

With kind regards,

Yours very sincerely,

walish wall wall

PRIVATE AND PERSONAL.

4th October, 1935.

Dear hi Joseph

Thank you very much for your Private and

4) Personal letter of the 15th of September. It was good of you to let me have the information about the situation which met you on your return to Sairobi, and about developments since.

I have read very carefully the enclosures which you sent, and made ayasif as familiar as I can from these with the grievances of the settlers. With regard to some of them, of course, there is nothing that e can do, but with regard to others I hope that we shall me able to take some action which will help the mettlers. Already I have agreed to your suggestion about a Commissioner being sent to Kenya to examine the general financial question, and as very glad that Sir Alan Pia has agreed to accept the post. As I say, on some other matters also I hope that we can take useful action. We are in touch with the Treasury, for instance, about

extending the resources of the Land Bank. No doubt we shall meet with criticism there, but we shall do out best to et a concession.

I must say that I thought that the set lens'
treatment of your speech to them at the time of the opening
of the Convention of Associations was extremely unfair.

If I may may so, I thought that your speech was not only
sound, but also conciliatory and expressive of a real anxiety
to do anything that was practical to help them. You are,
of course, quite used to their fits of unreason and temper.

This was certainly an example of such a state of mind.

I think that the best thing that I can do from this end to help you is to try to break down the idea that we in the Colonial Office are indifferent and apathetic about the settlers' troubles. I realise how extremely difficult, if not impossible, it will be to get rid of that idea which seems to be firstly rooted in their minds. But out prompt action in agreeing to the appointment of a Commissioner, and in securing Fin in particular for the post, may help.

speech more or less addressed to the Kenya settlers, expressing the appreciation of people in this country for their work as pioneers in Lenya and a real sympathy with them on account of the extregadinary difficulties which the world-wide economic depression has now brought youn them. Then I would with some care make remarks on at any rate all their major grievences, explaining in the cases where we cannot meet them our reasons for this, and make as much as possible of the cases where we can go some way towards meeting them, As far as possible the speech would be positive rather than negative, and by a cereful examination of the verious matters which they have reised, perhaps I could sudged in indicating that in the Colonial Office we are r ally studying every point with care and a desire to help. Naturally I would not overdo this; one has got to be firm as well as sympathetic. wonder whether you think that a speech on these lines would be useful. As far as I can see, the first suitable occasion

for it would be on the 5th of December, shen I am to be the guest at lunch of the East Africa Group of the Over-Seas League. That is rather a long time sheed, but, on the other hand, we might have got smething favourable from the Treasury by then on the Land Bank question, and possibly on the railway question, so that the positive si e of the speech would be more in evidence. I understand that the B.A.C. may find it possible to include a relay of my remarks in their hast African programme on the same evening. I should like an early expression of your views onthis suggestion, as the B.D.C. programmes are, as you know, arrenged many weeks in advance.

If you yourself can think of any ways is which I can help from this one, please let me know. Between us we have got to do our best to cake opinion in Aenya somewhat before they go off the deep end when the ext announcement of policy upsets them. With regard to ine Orders in Coulcil arising out of the Morris Carter Report, the position is the same as it was when we had a talk just before you in England. I propose to let the Cabinet know the genere

decisions much I came to at that time, to see whether my colleagues are in agreement with them.

With kind regards and all good wishes.

Freeston. 16 10.35.

Sir G. Tomlinson Sir C. Battomley. 16

Sar J. Shuckburgh

Permit U.S. of S

Party. U.S. of S.

C Secretary of State 17.10.35

DRAFT.

38173/35.

Downing Street.

am etc. to refer to

the letter from this Office of the 7th of ectober and to subsequent semi-official discussion at the Colonial Office in the course of which you enquired whether the terms of reference of your mission to Kenya should be interpreted to include an examination of the finances of the Kenys and Uganda Railways and Harbours Administration.

B. I am now to inform you that, after telegraphic corresponder with the Governor of the .olony, Mr. MacDonald desires that you

should regard not only the finances

FURTHER ACTION.

Mr. frester in/ Mr. Hard 14 y Kenya Sir C. Parkinson. Sir G. Temlinson Sir C. Bettomley. Sir J. Sauchburgh. Permt. U.S. of S. Parly. U.S. of S. Secretary of State. DRAFT. رشلت المدينيين The Secretary regard to the footherm Empire Collen grown 1 Th & Willym K any land to thomas to m wie The Thilliam the subject of his removemention white entirone FURTHER ACTION no Alow to the Financial LF aday also. engin whith the Tallingon', letter

Ar Six of Organ in which E the Empire Cotton Growing Corp ?. If so, the s. Is. with request the lyone of Kany to and for the subsequent credit to the Coup: of these founds in respect of made day on which The Million , tim is death to alien the Commission with the the point of his enjuis.

EMPIRE COTTON GROWING CORPORATION.

INCORPORATED BY ROYAL CHARTER.

TELEPHONE:
VICTORIA 2811,
TELEGRAPHIC ASCURBA:
EMCOTTON, PARI, LONDOR:
CABLES:
"EMCOTTON, LONDON."

Kings Buildings,

Doan Stanley Street, Millbank

in any further letters on this subject, please quote K. 1.

London, S.W.1.

8th October 1935.

Sir.

No 27

I have to thank you for your letter of October 5th under the above reference, and to say that I shall be pleased to assist Sir Alan Pim in his Enquiry, so far as the agricultural and associated scientific services are concerned.

As regards remuneration, I am to be in receipt of a monthly salary plus expenses from the Empire Cotton Growing Corporation for the time spent out of this country. The government's share of costs would therefore require to be in the Form of a refund to that body for time spent on Sir Alan Fim's Communicate.

Would you kindly communicate with the Empire Cotton Growing Corporation as regards this.

I am, Sir

Your obedient Servant

I william

The Under Secretary of State, Colonial Office, S.W.L.

. 32 36 38170/05 Mr. Freston 9/10 Kenya loded sent Hard 9.10 10 pm. Sir C. Parkinson. 1/10/25. Sir G. Tomlinson. anso 40 Somen. Sir C. Bottomley. 9.10 Sir J. Shuckburgh. Permt. U.S. of S. Parly. U.S. of S. Secretary of State. No 282 cmg. Thy to 274 DRAFT. TA. Vim engine whether he may Gro Hanh regard friends of Keny-Ugande Ranhon as outside his terms of reference to 1 inform him that Rading and also expudding an defence should be excluded from the survey SECER

Mr. Grossmith. 4/10
Mr. Grossmith. 4/10
Mr. Grossmith. 5/16
Mr. Grossmith. 5/16
Mr. Grossmith. 5/16
Mr. Grossmith. 5/16
Sir C. Pashinson.
Sir C. Pashinson.
Sir G. Tomlinson.
Sir G. Bellemiey.
Sir J. Sauchburgh
Permit. U.S. of S.
Parly, U.S. of S.

Secretary of State. 7 OCTOBER, 1935.

SIR ALAN PIN, K.C.I.E., K.B.E., C.S.I.
Ridgway,
Headington Hill,
ONFORD.

DRAFT.

Ferran Defended.

FURTHER ACTION.



bre resent informal consequences

to fenya as seemed Commissioner to

sequire into the cost of government

and the system of taxation in the

headed to be a secured to be a sequired to the cost of government

colony, the formal terms of

reference see the mission are set out

the companying a measurement.

DOWNING STREET,

Is gratified to learn that you are brig

and

Commissioner for the purpose and will be which the same you know the same of the purpose.

It is agreed that you should

receive a fee of £500 to cover the entire period

of the enquiry including the preparation of the

Report, together with subsistence allowance of weak.

passage by air, and transport while travalling in

the Colons, will be provided by the Kanya Ant.

It is understood that you will

be prepared to travel to keeps by the aeroplane

due to leave this country on the 23rd of October, and 86

The Crewn Agents for the Colonies have the total to

arrange your passage accordingly.

The Secretary of State has

agreed that Mr. S. Milligan, who is visiting Kenya

at the invitation of the Governor and at the

request of the Empire Cotton Growing Corporation,

should be associated with your mission as Adviser in

respect of agricultural and Associated Joientific

pervices, and relater to being ment to be waitigen

C. O.

Mr.

Mr.

Sir C. Parkinson. Sir G. Tomlinson.

Sir C. Bottomley.

Permt. U.S. of S.

Parly, U.S. of S.

Secretary of State.

DRAFT.

to-day inviting him to undertake this duty at an inclusive remuneration of £5 per diem for each day which he spends in assisting you.

Lam, etc.,

Les agent to seeme of Special to the Communication of the Communication of the Company and seemed on him and for the Harting to seemed t

FURTHER ACTION.

(Signed) J. E. W. PLOOP

28

Downing Street, 7th October, 1935.

Dear Sir Alun.

In raply to your note received this mornings-

- (1) Jeffries will be glad to discuss Colonial Service conditions with you at 11 a.m. on sednesday next, October 9th. I have been unable to get held of Major Vischer (Education) today, but I am pretty sure that he will be available to see you some time on sednesday afternoon; perhaps there will also be time for us to talk about Loan Conversion.
- (2) I had a reply this morning from Sandford (Legistant Transurer, Kenya). He is coming up to town from Yorkshire on Thursday this week and his address for that evening will be

G.H.Sandford, Heq., O.B.S., 6, The Waldrons, Croydon.

From Friday onwards he proposes to stay at

Prestwood

Prestwood Park Hotel, Wear Great Missenden, Bucks.

and should therefore be within easy range of Oxford.

(3) Sir Donald Generon'd present address'is Albemarks Court, Albemarks Street,

(8) The reports etc. for ethat you asked are being ported to you under experate cover.

Tours sincerely,

10

15 I more been this Viste his a Committee south at 3-0 pm to U chanter !

28 RIDGWAY 37 OXFORD. 5-10-35 or entry May thank for you like the report I am very they to hear atout Polley as I wan liting freezed to long him. I shall he fait to a & comportion about the bay scale & passen youth discours him this matter and spirit find which I shall like I decembe park a year & dill of the term on which It have Couding Mill defint of the Kings dation Comme Paper of 100 land 1912 (2) day 1917 land 1984; a court was land 374 + (1) & apart of

the longs Lard got Commission 1927 ? Substrate I would also so Fisher of the hader color line My jib law to be empleasedly new to what had . pegne sid on exploited not a jet for a has I hank you shall be many Kays . PS. Ja has I wife and hand from It lays and hearner (hayon :). Life for the Market of

Mr. Junta 5

Mr. Hord 5 Sir C. Parkinson

Sir G. Tomlinson

Sir C. Bottomley.

Sir J. Sauchburgh

Permt. W.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.

S. MILLIGAN, ESQ. .

The Oak Cottage

FURTHER ACTION.

Amend & No 37

DOWNING STREET,

OCTOBER. 1935.

I am etc., to inform you

that Sir Alan Pim K.C.I.E., K.B.E.,

C.S.I., is shortly undertaking a

mission to Kenya to enquire is

into the whole field of governmental

expenditure with particular

reference to the cost of the

administrative and technical

services; and to report

his judgment the total of this

expenditure can be legitimately

reduced, whether by reorganisation

ly other means without detriment to

efficiency.

efficiency.

2

Sir Alan lim has suggested that it

would be of great help if you could be associated

with him as Adviser in respect of agricultural

and Associated guientific pervices: 16

The Secretary of State has been

informed by the Bapire Cotton Growing Corporation

of your forthcoming visit to Kenya, and he would walk

set grateful if you could see your may to

undertaken the duty suggested by Sir Alan

ما حالمه

with your investigations into

actton production in the Colony. It is proposed

that you should receive an inclusive remuneration

of £3 per diem for each day which you spend en

advising Sir Alan Pim instead of on your cotton

enqueries. It is undentice from the EC. E. Co. that they be

The Secretary of State will

glad to learn at your earliest convenience will annule this these terms are acceptable to you.

L am, etc.,

Bigned) J. E. W. PLOO!

5th October, 1935.

Dear Sir Alan,

Thank you for your note of yesterday. I snolose a copy of what will be published in the press both in London and Mairobi next Tuesday morning; and you will very shortly receive a formal letter from the Colonial Office appointing you as Commissioner.

Government are sending a very capable Secretary to arrive at Mombasa on October the 23rd. His name is G.H.Hartwell; his paper record here (which we can show you when next you call) is admirable and the Coylon Covernment tell us that he has had the experience required and is in every may suitable.

Sir John Maffey will be glad to see you on Monday October 14th at 4 o'clock and will then no doubt be prepared to talk about the Sudan.

Yours sincerely,

100

For Publication on morning of Ther av, toper oth.

The Secretary of the first the Colonies has appointed Sir Alan W. Pim, R.C.I.L., K.B.E., C.S.I., late of the Indian Civil Service, to visit Kenya as Commissioner with the following terms of reference:

- (1) To enquire into the whole field of Governmental expenditure in Kenya, with particular reference to the cost of the Administrative and Technical Services; and to report whether, in his judgment, the total of this expenditure can be legitimately reduced, whether by re-organisation or other means, without detriment to efficiency.
- (2) To examine into the present position of Kenya Government finance having regard to the revenue and expenditure of the present and recent years and the prospective revenue and expenditure for 1936; and to advise whether any, and if so what, modifications in the existing system of taxation in Kenya should be effected consistently with preserving the financial stability of the Government.

Sir Alan Pim has in recent years been entrusted with financial enquiries on behalf of Government in British Honduras, Zanzibar, Basutoland, Swaziland and the Bechuanaland Protectorate.

Arrangements have been made by the courtesy of the Empire Cotton Growing Corporation for Mr. S. Milligan, C.M.G. formerly Agricultural Adviser to the Government of India, to be associated with the Commissioner as Adviser in respect

respect of agricultural and associated scientific
Services, and Mr. C.H. Hartwell, of the Ceylon Civil
Service, will act as Secretary to the Commission. It is
anticipated that Sir Alan Pim and Mr. Milligan will leave
England by air on the 23rd of October.

Colonial Office, 7th October, 1935. THIRDRAM from the Secretary of State for the Colonies to the Governor of Kenya.

(Sent 7.0 p.m., 5th October, 1935.)

No. 274. Confidential.

My telegram 273 Confidential. Following is being communicated to press for publication on morning of Tuesday October 5th begins:

The Secretary of State for the Colonies has appointed Sir Alan W. Pim, K.C.L.d., K.B.R., C.S.I., late of the Indian Civil Service, to visit Kenya as domnissioner with the following terms of reference:

- (1) To enquire into the whole field of Governmental expenditure in Kenya, with particular reference to the cost of the Aministrative and Technical Services; and to report whether, he his judgment, the total of this expenditure can be lasted attal attal reduced, whether by re-organization of other means, without detriment to affiniancy.
- Government finance having regard to the revenue and expenditure of the present and resent years and the present and revenue and expenditure for 1935; and to advise whether any, and if so what, modifications in the existing system of taxation in Kenya should be affected consistently with preserving the financial stability of the Government.

Sir Alan Pin has in recent years been entrasted with financial enquiries on behalf of Government in British Honduras, Zanzibar, Basatoland, Swaziland and the Bechuansland Protectorate.

Afrengements have been made by the courtesy of the mapire Cotton Growing Corporation for Mr. S. Milligan, C.M.G., formerly Agricultural Advisor to the Government of India; to be associated with the Commissioner as Advisor in respect of

agricultural and associated scientific Services, and
Mr. C.H.Hartwell, of the Ceylon Civil Service, will act as
Secretary to the Commission. It is anticipated that
Sir Alan Pim and Mr. Milligan will leave England by air on the
23rd of October. Ends. You will no doubt arrange for
simultaneous publication in the Colony.

4-10-35 Was Franton I think that he frost Byrow's working will han to be displied and so bout to think of a satisfiely all another I undustains it so meany that landered, Practice nate & hardens would be included also appearents Took I Sulpapeles which as also not Courseling & wide sigh , think that I may from to by that visite & hirespeaker in Tayongida , Ganda the laster proceeding because the story from Mayor heter carding. han it has yet and the former of a backen de or to high I sight to set to has a last well sine on How or of war of his file to I'm open I Zin L was have hite. has an raw make in it upole dail I have the to leave high with po the Sa in from .

The special reason for marky Garde Janguny ike is to got a total ide of their destried administrations & more coperally their method of Michy land of way nation of sourchain

16 0 1 36 D 23" Mr. Loga 3/10/55 OM. Iffre 3 Mr. 2004 3.10 m williams 3.60. alone No 277 Confidential Si C Bottemley. Si Alan Pin is to Sar J Shubburgh. Parent. U.S. of S production mission of Party, U.S. of S. Secretary of State to pure & owner DRAFT (conf code) Coloren Aus and Jix markis in 6 cort 1 Shiphen A 15 Lynden domin is the life , and oyalin brother in Kings o H is Namedi due to once there on 29 Octory and has ested URTHER ACTION. a living with no Common with End Minin get permany , familier with Colored God meeting o

of an officer from Cey can is king investigated o of failing him world you be prepared to whose Foot for his purpose and amed he litting to accept occurrent on Polistice pay plus travelling expuses and subscribture allerance which toplin with proson cultibulian into be paid by kenya o Summer to prosper for early sophy while Should state earliest por his date of het's sure of House of he can be grand, and 9 4 is decided to offer him apparionent 10 would peoplety be best for him to travel by an continues to land topland by give 23 dette

Mr. Justin ex 10.

Mr. Devin A

Mr. Parkinson.

Sir G. Tomlinson

r C. Bottomley.

J. Shuckbarent Sir J. Shuckburgh. Conf. Nº- 273. My th. 263 Conf Permt. U.S. of S Parly. U.S. of S. Secretary of State. para. ((a). Grown has of Ceylon him agus to month DRAFT. Tel. Gov. Handi CH HARTWELL Who will arrive Montres Od. 23 9 and report to Cd- Sec zla Naughi Please sille financial war growth will lyou Caylor a understanding recur that you got a responsible for full cost: SECER.

Coded of the 35 38.77/5 Kenys To potala Mr. freder 4/10 Mr. Ben 4/10 Sir G. Tomlinson. Sir G. Bottomley. Sir J. Shuckburgh. Permt. U.S. of S. Nº 182. Conf. Egratifully Parly, U.S. of S. Secretary of State. acuft suggestion made in DRAFT. T.J. you let 213 Conf. Fern to report to Col. Sec. Gov. Colombo Nauch I am again - les Goo Keny - L man sath financial arrangements does reme. 5 tell inth you Sin & Pur SELER

9

Telegram from the Officer Administering the Government of Ceylen to the Secretary of State for the Colonies Dated 4th October 1935. Redeived at 9.42 am.4th October, 1935

No. 19 No. 213 Confidential. Your telegram No. 181. Can second

C.H. HARTWELL who has the experience required and is in every

way suitable. Parson named can catch stemmer arriving Hombassa

24th October. Please telegraph reply

3817

265

1

38172/25 Mr. Further Wo f. Kenny Sir C. Parkinson. Sir G. Tomlinson. Sir C. Bottomley. Sir J. Shuckburgh Permt. U.S. of S. Parly. U.S. of S. Secretary of State. Sin Man Pin Kest Men CIE In white you with Ridging recent this morning - we Handinglin Itali soft of you qualianous and Oxford suggestion to Wale, the Colonel Secretary by the are mand of Dungly Od Pilling is, I am afraid out of action for the moment; After april to Vickelpan he had a very service attack of presimen FURTHER ACTION. few weeks ago and he cd. by much my coping 1 . 8 I halim , for down to בכן ופרסב Nated to recuperate. As myands you polent propose for mudfun the long scale

in pans 63 and 68-76 76 1 the committee's Report 1950, of which you have a cofy. I am getting copies the suberquent county. Blow the ready to send to you of S. M. passacreaments) ~ thus 1 . 8 m 3076 1 37 Kanyrecommendations . It the meanting I enclose (though they are layer obelite) copie of the Bus, Marit - 7 dy yard Refine refine to -Proteste on for 14 of the Expundation Admin Committee , Refer will faithfur be glad of in opposition of telling and the - series greeting with the Clared Office Paship who you a Ot 142, we could away a time for you to sak sac Bh Graye Tombur on Jeffus. (Signed) L B. FRELSTON

38,12/Km2. 3-10-35 I hope that I will be promet to send my questioning by hinder an most aly my superties for a program of word . I'm experted to get the fram at my ret darled as me as prouble Willy have all when it as I had sender work do for my in M. Variance Many Karde for the proper In amont A Thin 18. Her the Form my winderston of proposed for all Gallaing the long trate of they for declared of place of all process on the mostly on the former rules of house of the so of red proper I shall

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

Dated 3rd October 1935. Received at 12.34 pm.3rd October 1935.

Having conculted WADE and WALSH my views are as follows:

- (a) I agree /(1) is satisfactory
- (b) As regards (2). Budget will have to be presented some time in November that is to say before PIM will have had time to

make detailed examination. I propose therefore to introduce previsioned budget maintaining existing taxation but subject to adjustment later in the light of PIN's recommendations. You will recollect that similar procedure was adopted in connection with the 1935 budget. In view of the above I recommend that after the word 1936, remainder of paragraph should read as follows -

" and to advise whether any and if so what modification(s) in existing system of taxation in Kenya should be effected consistent with preserving financial stability of the Government"

You will note the specific reference to Kenya which will limit investigation to this colony. I see no objection to MILLIGAN assisting PIN at resumeration suggested during the period of his visit as Cotton Adviser.

9

39177/35.

TELEGRAM from the Secretary of State for the Colonies to the Officer Administering the Government of Ceylon.

Sent 9.0 p.m. 1st October, 1935.

No.181 Confidential.

I have agreed to appoint Sir Alan Pim to visit
Kenys and conduct enquiry into cost of administration and
system of taxation. Pim due to arrive Mombasa 29th October
and anticipate mission may occupy between three and six months.
He has asked for a Secretary, with no connexion with East
Africa, yet generally familiar with Colonial Government
eachinery. I should be greatly obliged if you would consider
possibility of seconding suitable officer at Kenya expense
for this purpose: i.e. a member of Ceylon Civil Service of
6 to 10 years service with some experience of Treasury or
establishment work. Glad of very early reply; and, if
officer can be spared, date of earliest possible arrival at
Mombasa.

C. O.

Mr. Freeston. \

Mr. Hand 1.10.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson

Sir C. Bottomley.

Sir J. Shuckburgh .

TELEGRAM .

Party. U.S. of S.

Secretary of State

Anwerd & No. 268 Confidential.

Your telegram No. 228 Confidential.

Pollowing terms of reference have been

October, 1935

agreed to by Pim.

COVERNOR,

NAIHOBI.

DRAFT.

(1) To enquire into the whole field of Governmental expenditure in Kenya with particular reference to the cost of the Edministrative and technical services; and to report whether in his judgment the total of this expenditure can be legitimately reduced whether by

etriment to efficiency.

(2) To examine into the present position of Kenya Government finance, having regard to the revenue and expenditure of the present and redent years and the prospective revenue and expenditure for 1936; and to advise whether any, and if

FURTHER ACTION.

hame to m

tem of taxation can be effected in the budget or 1936 consistently with the necessity for reserving the financial stability of Government.

Please telegraph your comments as soon as possible.

Pim has suggested that it would be of

great help if Milligan (see Bottomley's letter to
wade of 24th July) could be associated with him
as adviser in respect of agricultural and associated
scientific services. Empire Cotton Growing
associated neve no objection and if you conour
torapese that Milligan should be invited to
undertake this duty at an inclusive remuneration
of £3 per diem for each day spent on advising
Pim instead of on his cotton enquiries. Telegraph
your views.

کے ہے مالکہ اسالہ مسلہ

(3 - 285) 8

Mr. Flent 110

Mr. Parkinson. Sir G. Tomlinson.

Sir C. Bottomley 1.10 dies

Sir J. Shuckburgh.

Parly. U.S. of S.

Secretary of State.

DRAFT.

FURTHER ACTION.

tam not some white the second term fully interpret you wisher and what he glas to during with Pin also alternative working you me duguet hearing in might (a) that love polation feating should not be refused to be that do not the format at this stage t administration a yound review of lavation in East Africa.

Oner-tromping the Light

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

Dated 28th September, 1935. Received at 12.17 pm.28th Sept.

No.228 Confidential. Your telegram No 263 condidential. I entirely agree with your views in (a) and (b) of (1). As regards (2) I agree with the fees and allowances suggested.

The instructions contained in (5) are noted.

Ridgway,

Headington Hill,

OXFORD.

28th September, 1935.

Dear Mr. Freeston,

I enclose a revised questionnaire and also return the Essutoland original.

Even as modified I am afraid that a good deal of work is involved though much of it would not actually fall on the Secretariat but on heads of departments and district difficers. Mr.Pilling has had a saddiperience of me already. They will hardly bless me but it saves everyone's time in the end. I cummot expect that the statements will all be ready by the time I arrive and a good deal of the information is as you say already available.

Secondly as regards by programme. I propose to commente by spending a week or ten days at Nairobi so as to meet people and get a general idea of things from the headquarters with a view by informal talks. I should then like to tour to soon an extent as is necessary to see the soft the activities on the riels of the tents such as agricultural wides, and educational and of the work done by district afficers.

For the latter a comprehensive tour such as I have done elsewhere would be impossible and unnecessary but I should like to

visit a sufficient number of typical districts illustrating the different types of work falling on district officers attending to the different physical characteristics of different areas and the varying types of population white and black.

It might be possible for a few district officers of adjacent districts to come in to the headquarters visited by me if that did not involve much time and expense. Also there would be an opportunity for informal talks with local associations or individuals, but there would not be too many of those or there would be no time for anything else.

On returning to Nairobi I would take up the various departments and meetings could be arranged and any associations or other bodies or persons whenthe Governor thinks that I should meet.

By that time they will I hope be able to put down their proposals in writing care being taken that the proposals are within the terms of reference. I would fix a date for written proposals after talking things over in Nairobi. This is of course only provisional and I shall be mainly guided by the views of Sir Joseph as to the best way of getting at the necessary facts both at headquarters and in the distnicts.

If you could kindly inform him of the line I propose to take he might tell me what seem best when I strive. If you prove it I could write to him direct.

Money before leaving there are various people with whom I should take to discuss different points. The most seportant is the late assistant Treasurer who is going to Janganyika. Can you kindly put me in touch with him as if possible I went to get

him as if possible I want to get him here to talk over things generally. I shall also want to see Stockdale, Stanton medical and some educational men; are they likely to be available during the week from October 14th?

I may probably be away from the 4th or 5th to the 11th.

Fourthly can you kindly send me any papers which I should see if possible before leaving. Also one or two books on Kenya giving the sert of information which may be useful. There was I think a useful book by Church (though I am not sure of the name) dealing largely with the economics side of the Colony but it may be cut of date.

Fifthly as regards baggage to be sent shead can you kindly let me know when I should send it this week and by what date it should be sent. Perhaps the Crown Agents could do this. I don't suppose that it would be necessary for me to take any, camp kit flashag, mosquito curtains etc., though I could do so.

I hope that there will be no difficulty about getting a place on the 25rd.

will the Crown Agents send me details about times etc. When I case home by air it was a case of train from Brindisi to Faris but I suppose they do it by airplans now though I saw no notice of the charge.

If you can make any further suggestions as to people whom I should see before leaving or anything slae to be done I shall be much obliged,

Yours sincerely,

(Signed) A W. PIM.

The terms proposed are I think quite fair. I do not know what the charges

charges are likely to be in Nairobi but they are hardly likel to be on the Johannesburg scale of about £2. I should have to take a sitting room of some kind and if there are complications may perhaps be allowed to raise the question again.

It is requested that information may kindly be prepared on the following matters.

- (1) A note on the system of Government and the administrative Organisation including any important constitutional or maninistrative changes since the constation of the Colony.
- (2) A statement showing the estimated and actual revenue and expenditure for the last tem years under the various heads of the satisates with revised estimates for the current financial year and preliminary estimates for next year.
- (a) A note on each of the min departments provided for in the budget setting out its history of development its present strength and notice of organization, the truncies of work uncertains by it and any proposals for effecting economies in its verting as for example by consideration with other branches or other services.
- (6) A statement showing the expenditure on present
- (0) in 1000, (d) in 1920 and (a) present date.
- (*) A statement showing the number of superior of services in each department for the same years as in (4).
- (6) A statler statement for the subordinate staffs in the verious departments with any houseness notes as to recial composition and other important questions of classification.
- (7) A statement showing the total cost of afficers both superior and supordinate at typical salary points as the result of "concealed enclusaris" including for instance house allowance or a valuation of free boundary sedical attendance, possions or gratuities, local logs charges, educational or leave allocators.

- (8) A note on the classes of officers entitled to pensions or gratuities, and on the pension system in force.
- (9) A statement showing the expenditure on pensions and gratuities for the years 1913 to the present date and a further s' tement showing the estimated increases during the next ten years under both heads.
- (10) A note on the system of taxation. This should include a description of the methods of collection, and an account of any important changes in the taxes or in the method of collection.
- (11) A note on the indebtedness of the Colony incl. are present and prospective liabilities.
- (12) Any information available with regard to wages and sost of living showing the changes which have occurred during the last ten years or any other period considered suitable.
- (13) A statement indicating the responsibilities and work of District Officers. The form of the statement may be such as is considered best fittled for the purpose but prima facie it might include the area population (white and coloured), subtivated area, and number of livestock, the taxes collected and number of taxpayers, the number of civil and criminal cases distinguishing in criminal cases between serious and petty cases and between those tried summarily and those requiring the full procedure and those in which there is an enquiry preliminary to trial in another court.

Notes may be added showing roughly the proportion of the Officer's time taken up by the main classes of work including the amount of work done outside his office and more especially the extent of touring in his district and the purposes for which his tour is intended.

(14) A short note on the economic history of the Colony showing the products on which it has relied at various stages. Also a statement of quantities and values of imports and exports since 1905 show separately the Allin exports and the most important classes of imports.

It is requested that information may kind, we go ared on the following marters.

- (1) A note on the system of sovernment and the Administrative organisation is a large and important constitutional or administrative subsects alone the foundation of the Science.
- (i.) A statement in win, the retinate, and actual revenue and expension. For the last ten years inder the various nears of the ret sat a rith revised estimates for the surrent financial year and preliminary estimates for next year.
- (3) A note on r ch of the main detartments provided for in the budget setting out its history of development, its present strength and mithod of organisation, the branches of work undertaken by 1' and my proposals for effecting economics, or its working as for example by consideration with other branches or other services.
- (4) a statement answing the expendature of present empluments in (a) a normal pre-war year.
- (c) in 1926. (d) in 1902 and (e) present rate.
- (a) A statement's with the number of superior officers in the same starts of for the same years as in (4).
- racial composition which has a special to the classification.

- (9) A statement showing the expenditure on pensions and gratuities for the years 1913 to the present date and a further statement bnowing the estimated increases during the next ten years under both heads.
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(14) A short note on the economic history of the Colony showing the products on which it has relied at various stages. Also a statement of quantities and values of imports and exports since 1905 show separately the main exports and the most important classes of imports.

(See in find of) for proof 9- 15 him the tracker. I alla a uniard purhamen also itans the Best land signal has an mode ped I am apaid that a just deal of word in invited that send of it would as usually fall on the krysteried but on head of defeatured. dating office Me They said hardy blow on head of adjusting one adjusting the me I and I record infect the A statement we us he ready of the line I wise to got deal of the in procedure is is for , as about waitable . hearty in hade my pre seeme " fisher is received in pending a black or has days at Nauth is a he meal keeps I go a goosed ide of though from I radge when first I not by in possed lable " Mals then ish is in to Il fill of the departments red as you there is head ? identical and of A and son is much officer

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James der day

The terms prepried are I think quite for I to not have the though one lately to him the Indianately but they are hardly lately to him the Indianately have a trade I thinked to preprietly have in Tade a trade of about 2 I thinked to go the or cought time as trades from he protected a protect to some the quarter again.

It is requested that information may readly to 69 prepared on the playing matter. is a role on the spline of foresmont. The Administration by games when induding any unprant considerational or educario habis changes since the foundation of the body (2) a Solomest stearing the orlinated sadas revane & aparature for the last la your mades I news brade of the ordershis with rovised estimates for the assent primaid year & peliminary colimates for new your. (3) a use a case of the main department friended In in the budget tilling out its history I devel process I be from shigh a mother of regunding to handle of work underlater by it and my proposals for affecting removes in its working a procumple by tronsecution not the header or the baines. (4) a statement showing the aspendelow on personal matinization (a) a normal prime you (b) in 1921 (A) in 1928, (M) in 1932 and (c) Missent date. (3) a dataset diving to north of sprin flow in each defeation for the low grass on in (4). The terms departments into my meaning made in laid comprises or the imprehent questions of classe peaking (7) 4 Salman sharing to that and of officers It begins & totalinet of spiral salary fruits as the west of inquality conduments with they In water a know allows on a rationing from laring moderal otherstone, born a matilia lical from charges other continued to least allestoners (8) a st on the classe of star white to Jonam or protection v on the firesion spring

9/ a storat howy to separation or pure ? gratuities for the year 1713 to the present date and a per her statement thewing the esternated increases done to real ion year under both words. (10) is ret on the system of issalin he shold inded a description of the worthest of Mideon and con account of any important change in it is no in to milled of (11) i rd on the indestidence of the whory including pound . . people habitus. lay information essentiate not used a sour . ist I livery thering I hope which han recould duing I led to your is my this part contact (3) a Nalmon indication to responsibilities I wish of Whatid Officers to four of it statut my he puch as is considered had folled for the are perfection what almost attended area, and number of brooked . A toos collected & number of histogram; the remote of and I constant lances distriputing in amind an liber source i felly Case med believe the tied durantely a Americaning It fell pradou i have in which their is an impring prehaving to thist is with our The my helded shaing rolly to proposer of I spare line lader up by I man doser of and intelling the arrand of with day relied In the ma appointly the what of many in for dedict . I Justine for which his ins (14) A rist on the commic holy of the blory having the present m which it was noticed and normal stages. Also a statement of gundelin s relieu of imports suporte sure 1905 show sperall, the main capits of the med confertant classe of suport

COPY.

RIDGWAY.

MEADINGTON HILL,

28.9.35.

Dear Mr. Freeston,

Many thanks for your letter. I much appreciate the kind message of the Secretary of State. I hope that I may be able to give some little help to Sir Jeseph Byrne though the fiercer lions may still be lying in his path.

As regards the terms of reference the first had to be wide and I see no objection to it.

I am nowever doubtful about the second as so far as I recollect, Sir Joseph Byrne made a clear distinction between the general examination of the system of taxation which would require a much longer time and a Committee of another kind and the limited question of income tax or graded poli tax with which I was to deal. May I suggest some modification so as to show that my job is a limited one though that would not necessarily preclude me from touching on some other taxes if necessary. The relations between general taxes and local rates may for example | come up. Part of the work will be the examination of the technical services probably more especially of the agricultural and associated scientific services. It would be of great heip if Milligan could be associated with me as adviser in respect of those services. He will be in Kenya in any case and if he agrees the extra expense would be only a small honerarium and possibly some travelling expenses If it was not considered possible to give more than one nonorarium he could have part of mine. I do not know

whether

whether he could undertake it though I have taken the liberty of writing to ask him. Even if he agrees he may refuse an honorarium as he is always unwilling to accept one for extra work. I very much hope that the Secretary of State and Sir Jose i Byrne will accept this proposal if Milligan is able to undertake the work which would not materially extend the period of his tour. He would probably have to consult the Empire Cotton Growing Corporation.

I am writing separately about the questionnaire and other matters.

Yours sincerely, Sgd.) S.W. Pim.

Sertyped of 28-9-35 ha the Freshon Many Kanks for you take I much appricate the hind morning of history of distinction of distinct high high high high him him him him my out he by my in her puth. as your the Jame of reference the find had to h wide I to a puter to it I am known buttle while the known as to for and realled, he fought Byen made a dies that he holden A gand arm makin of the polon of tander which Sold regard a most loger has and a locarithe of miles laid and A limited question of income Jon or graded fit to bed that I wan to deal May I begand in midification as in to the that my job is a hould on they that would not manual for last in

from touching on how they leave if necessary the idahires Whow governd lexes I head returney for example some up. lad of the work will be the assuration of the lasting Janas probably more expecially of the grindling there the Such fi laines I would by put his of maken last he socials with a as always to respect the Species. He said him large in any law vig to great It was affine world to only a sould horosamen I part for heily afres I I is it couldn't find & me men how me homeram to wall have find of the I do not know whether he wall undertake it hough I have John the litting of writing to use him him if he spice to my spen in horsein as he is along windly to the to ale work, I my much up had the darlog of that , in post Byen int was the property selfis all to anderstand it work which said some and materials What the first of his low, He wants probets have to could the looper land from befraise I all theby topustily what It questioners I the

TELEGRAM from the Governor of Kenya to the Secretary of A

Dated 27th September, 1935. Received 3.9 p.m., 27th September.

Private and Personal.

Your telegram No.260 and my telegram No.226
Confidential. Lord Francis Scott suggests, failing Pim,
that Reid (Commissioner Seychelles) might be suitable. I
have no personal knowledge of him.

C. Q.

Mr. Frenta 27/9

Mr

M_T

Sir C. Parkinson.

Sir G. Tomlinson

Sir C. Bottomley.

Sir J. Shuckburgh

Permit, U.S. of S

Secretary of State Oblive

DRAFT. TELEGRAM. (Con Low

GOVERNOR.

NAIROBI.

NO.

COUNTRAL

38:77 / 35

Code Sent

Amed & No 17

No. 263. Confidential

Your telegram 259 confider.

tial.

Secretary

(1) Pim is ready to accept

appointment on two conditions:

(a) that he is provided with a

(b) That local political considerations are excluded from the scope of his enquiry.

As repards (a) you will no doubt agree that it would be impolitic to associate with him anyone from the Colonial Office or from another East African Territory, and I suggest that the Governor of Colon should be invited to second a suitable officer for a period of exceeding

FURTHER ACTION.

six months. This would be acceptable to Pim; please telegraph whether you agree.

- (b) I share Pim's view that the function of independent Commission must be strictly confined to financial and administrative aspects of problems without regard either to present political situation in Colony or to political consequences of advice tendered. Terms of reference are now being drafted and will be telegraphed to you for any comment when I have ascertained that they are acceptable to Pim.
- (2) He is prepared to preceed air, leaving London 23rd October. offer him fee of £500 plus free transport and subsistence allowance at 30/+ per diem on land. Do you agree!
- Foregoing should be kept strictly confidential until all details are finally settled

can arrange for simultaneous announcement with of Commission and terms of reference

to be made in Nairebi and London.

27th September, 1935.

76

Answers & Notes

ia?

Dear Sir Alan,

The Secretary of State was much gratified to learn that you have found it possible to undertake the mission to Kenya; and his satisfaction will, I as sure, be shared by Sir James Byrne, to whom a followers is going to-night. It is proposed that no public amountement should be made, either in Nairobi or in London, until we have settled the terms of reference and arranged for a Secretary to macon pany yes.

I enclose a rough draft of your terms
of reference; will you be good enough to let me
have your community and amendments, so that we
may submit the terms to the Secretary of State
for approval early mext week? I have deliberately

(one

SIR ALAN PIN, R.C.I.E., C.S.I.,

made the first term wide, because the Jumofficial members of Council are constantly suggesting that expenditure could be out down by tampering with lean services and pension charges, and your views on the legitimacy of such scommiss would no doubt be of great value and manisteness.

You will also find enclosed your Sasutoland questionnaire; time has not permitted of my hawing a copy made so perhaps you will kindly return it later on. May I venture to hope that something rather less clahorate will meet your purpose in the case of Kenya because (a) a great deal of the information asked for is already available though perhaps in slightly different form: (b) the Secretariat in Nairobi is terribly short staffed at present, three of its best men having been recently prompted to other Colonies, and though mo-one doubts their willingness there are limits to what is physically possible in the time available.

I understood on the telephone that a fee of \$500 would be acceptable to you together with free transport and a subsistence allowance at 30%—a day (the usual Celonial figure); and that you will be prepared to leave London by air on October 23rd. If you will kindly confirm this we can embody the particulars in the fermal letter addressed to you in due course.

Yours sincerely,

Suprested Terms of Reference.

- (1) To empire into the whole field of Governmental expenditure in Kenya with particular reference to the cost of the administrative and technical excelor; and to report shother in his judgment the total of this expenditure can be lacitionally reduced whether by reorganisation or other many eithest detriesent to efficiency.
- (2) To committee the present position of Kenya Government finance, having regard to the Economic and expenditure of the present and recent years and the prospective section and aspenditure for 1985; and to advise whether any, and if he what modification in the existing system of taxables can be effected in the budget for 1986 consistently with the messarity for presetting the financial stability of locarment.

86

Telegram from the Governor of Kemya to the Secretary of State for the Colomies.

Dated 27th September, 1935. Received 10.24.am. 27th September.

No. 226. Confidential.



Your telegram No. 260 Confidential.

Following has been sent to the Press before your second telegram arrived and appeared in today's paper(s) begins,

"His Excellency the Governor has received the following telegram from the Secretary of State for the Colonies:"From your telegram No. 259 beginning" you may announce "
and ending at " these tasks " ends.

COPY FOR REGISTRATION

27SEP 1935

C. O. REGY

Nob

PARAPHRASE TELEGRAM from the Governor of Kenya to the

Secretary of State for the Colonies.

Dated 26th September. Received 3.35 p.m. 26th September, 1935.

PRIVATE AND PERSONAL.

Many thanks for your telegram of the 25th September private and personal. Commissioner's advice on budgetary position will be invaluable and his appointment will greatly ease the present senseless political agitation but I agree that Commissioner may not be able to do (so) much of material value in the way of economies. If Sir Alan Pim cannot come, I can only suggest Sir George Schuster as an elternative.

BYRNE.

81

38173/35.

Paraphrase of private and personal telegram from the Secretary of State to the Governor of Kenya.

Despatched 9.30 p.m. 25.9.35.

As you will see from my telegram No. 259 of today I have agreed to appoint a Commissioner though I regard this step rather as a political gesture than as likely to contribute anything of great material value in solving the Colony's real problems.

I fully recognise the difficulties set out in your private and personal letter to me of September 15th and I can assure you of my ready support.

Sir Alan Pim is being sent and I hope that he, will be able to suggest something which will help us. If he cannot accept have you any alternative

suggestion

suggestion to make? The important point is to secure a Commissioner who has the confidence of the unofficials.

Mr. Freeston, 25

ME.

Sir C. Parkinson.

Sir G. Tomlinson

Sir C. Bottomley.

Sir J. Shuchburgh

Permt. U.S. of S. 23 7

Parly. U.S. of S.

Secretary of State. 25 4

DRAFT. TELEGRAN.

GOVERNOR.

NATROBI.

CONSTRUCTOR

2 After comm

Body of 25/1×/55

No. 2.5 Conf. Your despatch 15th September confidential. You may announce that I have agreed to appointment of special commissioner to examine into cost of Government and to advise in regard to 1936 budget, and that every effort is being made to secure early visit by a person suitably qualified for these tasks. Will Elegapt funds, giving name of person suitable and seats prime terms of reference when settles

PRIVATE AND PERSONAL

15th September, 1935.

Dear Mr. Macdonald.

Then I arrived in the Colony last week I was faced by one of those hysterical political crises which too frequently this Colony seems fated to endure. The storm, which had been browing for some months, burst with tropical violence at a meeting of the Convention of Associations (a body you have doubtless heard a good deal about) fixed - it is generally admitted - to follow closely on my return.

The violence of the storm was due in the main to the machinations of extremist politicians, particularly Major Carendinh-Bentinok, Mr. Wright and Major Riddell, who have recently toured the Settled areas making inflammatory specches. Their task was rendered the easier for many of the farmers — poor fellows — were already in an irritable mood and pretty desperate owing to the recent fall in the price of maize and the low realisation on last year's coffee crep. Their future is not too hopeful unless there is soon an appreciable rise in the price of primary products.

another contributory factor to the vielence of the storm has been the attitude of the "East African Standard". This paper, since the death of Er. Rudolf Mayer, has been largely under the control of Mr. Claude Anderson (his stepson) - a mere doctrinairs if a sincere one, who appears to have come under the influence of the mischievous and elequent Major Grogan.

and finally, the clusive Freddie Guest has once again appeared on the scene to pour oil on troubled waters with one hand and to stir them up with the other.

The Convention....

will see

The Convention which met on 10th instant was attended by most of the wild men and, I am glad to say, not a few of the more sensible, who really had no alternative but to do so. The former made it clear from the start that they were out for a row, and I hope you will be able to find time to read through the enclosed cuttings for it is very important to us that you should appreciate the nature of the present tension.

You will see from my letter to the Chairman and from the replies I gave to the questions put by the Deputation from the Convention (which was accompanied by most of the Elected Numbers of Council) that I endeavoured to be consiliatory throughout, but I could not promise the impossible.

Unreasonable as the attitude of these extremists is, I nevertheless believe that it is highly important to take steps to seem the situation in any ways that are practicable. The request for a special Commissioner, independent of the Colonial Office, to be sent out to see whether reorganisation is desirable, appears to me to be one that might be granted. I doubt whether much will some of it, but your agreement to such an investigation would at least have an excellent psychological effect.

Actually our most pressing problem is that of taxation and the very first task of the Commissioner should be to examine this. There will, I anticipate, be a first-class row at the Budget Session early in November, owing to the senseless clamour of all Elected Members for the withdrawal of the "Alternative Taxes". I am convinced that a majority of the people would seem! Income Tax and that they would infinitely prefar it to the present inequitable makes and unaccentific system, but he free expression of public feeling in this matter is to be expected as the leading newspaper (the only daily that counts at all) is bitterly heatile to Income Tax. I have tried, us you

the

will see from my letter to the Convention, to raise the issue again, but without success.

Now, as I see it, the Covernment should make up its mind as to the proper course to be adopted and then act on it regardless of noise. I realise that it is now too late to introduce a new basis of taxation for 1936, but you will have have discontent among, at least, the Colony's officials, if something in the nature of Income Tax coupled with the restoration of the levy on salaries is not promised for 1937.

Provided the actual enquiry is started before the Budget session opens, and leaving out the controversy as to whether the new taxes introduced in 1933 were "alternative" or "emergency and temperary", we shall have a perfectly good argument for the retention of these taxes until the Commissigner's report has been furnished and considered. I therefore most earnestly ask you to help me out of the present difficulty by selecting a man of standing, possessing the necessary qualifications and unconnected with the Colonial Office, to come out by air if possible (I) to advise you whether, pending a meneral review of taxation, both native and non-native, in the Mast African Territories, any immediate steps should be taken to stabilise the Colony's financial position, regard being had to the facts that (a) your predecessor accepted the assurance of the flected Hembers that they would agree to the alternative taxation suggested by themselves if an Income Tax were not imposed, and that accordingly the Income Tax Bill was withdrawn after Second Reading and Committee stage; and (b) the levy on official aglaries has been restored in Uganda, Sansibar and the Kenys and Egenda Railways and Harbours Administration and will, hear, shortly be as restored in Tanganyika. (II) To examine

the administrative system in Kenya and to report whether by reorganisation or otherwise economies can be effected and efficiency be increased.

The name of Sir Alan Pim has been suggested by the Unofficials but I fancy there are other equally good men who would be willing to undertake this interesting task which we realise will justify a substantial fee. After you have read the Press cuttings you will realise that action, if it is to be of any use, must be prempt, and that the ammountment of the proposed action should be made at once. I am very sorry to worry you so soon after my return.

An efficial Confidential despatch covering much the same ground leaves by the same Air Mail as this.

Yours very sincerely.

(Sad.) J. A. BYRNE

THE RIGHT HONOURABLE MALCOLM MACDOMALD, P.C., M.P., SECUTIAN OF STATE FOR THE COLONIES, COLONIES, DOWNING STREET, S. J. T.

ON BOX.

KENYA

(No 2)

No.

CONFIDENTIAL



GOVERNMENT HOUSE

KENYA

RECEIVED September, 1935. 2 3 SEP1936

C. O. REGY I have the honour to refer to my despatch No. 56

sidals of the 25th of January, 1935, on the subject of the Report can of the Economic Development Committee, and to your despatch (4 Noi) No. 555 of the 30th of July, 1935, on the subject of the soods. Estimates of this Colony for the year 1935. The Report of the Economic Development Committee has been carefully considered in Executive Council, and the views of this Government on the recommendations therein are contained in Seasional Paper No. 1 of 1935, copies of which were forwarded

under cover of the Acting Colonial Secretary's Note number D/Leg.Co.26/3/6/26 of the 4th of July, 1935. 15 201/13/55-

The Report and the Sessional Paper were debated during the recent Session of Legislative Council, when the following motion was proposed by the Member far Nairobi North:

"This Council, having considered the Re ort of the Economic Development Committee and Sessional Paper No. 18 of 1935, is of opinion that the measures proposed in ne way rectify the existing situation. This Council further considers that the gravity of the position disclosed by the above mentioned Report calls for the immediate introduction by Covernment of far reaching remediate introduction by Covernment of far reaching remedial measures, and that Covernment, having seen fit definitely to negative in advance the method of relief subsequently suggested in the Minority Report, and to do so in spite of the Terms of Reference rovided and whilst the Committee was sitting, should inform the Colony of the reasons for such refusal, and should further inform the Colony what adequate steps it proposes to take to alleviate the critical conditions affecting the farming community.

I enclose an uncorrected proof of the debate (vide paras.

428 - 644) from which you will observe that the mover did
not consider it desirable to submit the motion to a
division, as he felt that it would merely be negatived.
But the main argument running through the debate was that
it was necessary to take some's ps to alleviate the diatress in which the farming community find themselves,
owing to the fact, brought out in the Report of the Econemic Development Committee, that the return to the farmer,
based on world prices, is not sufficient, in many cases,
to cover the cest of production.

3. During the same Session of the Legislative Council, the following motion was also proposed by the Lember for Nairobi North:-

"That in the spinion of this Council the reintroduction of the 'Bill to make provision for
'the levy of a Mon-Native Poll Tax' for 1936 is
no longer necessary and the revenue which wight
accrue therefrom should therefore not be taken
"into account in framing the 1936 Estimates.

This Council further considers that the
'Bill to provide for the licensing of certain
'professions, businesses, trades, arts, callings
'am industries' should be so mented as to afford
"substantial relief to the councils community".

and was lest, although all the European and Indian Elected Members voted for it.

In the course of the detectes on both these Motions, the view was expressed that Government expenditure must be reduced, and the relief thus estained passed on to the producer through a reduction in taxation. This, in the opinion of the Unefficial Members, was one of the ways - if not the chief way - in which Government could assist producers of all races to meet the difficulties with thich they are at present confronted.

It is, however, very much simpler to say that the cost of Government must be drastically reduced than to indicate precisely how a drastic reduction can be effected. You are aware than an Expenditure Advisory Committee was appointed in 1932 and that, after careful consideration by your predecessor and by this Government, the majority of the reductions recommended were effected, and, indeed, that, as shown in paragraph 8 of the Report of the Select Committee on Economy, net reducible expenditure has progressively decreased from £2,062,583 in 1930 to £1,635,212 in 1934. feel that the limit of reduction has been reached, and that no further reductions of any magnitude could be made in the present Government expenditure without serious damage to the Colony.

I expressed this view in para raph o of my despatch No. 662 (Reserved) of the 27th of December, 1934, and that my contention was correct is now being borne out in the examination of the Report of the Select Committee on Economy. The recommendations in that Report, which, on the face of them, are calculated to lead to an immediate reduction in expenditure of the order of £133,000, are at present being examined in detail by my Executive Council and, in accordance with paragraph 3 of your despatch No. 565 of the 30th of July, I small address you fully when that examination has been completed. But it is already evident that a number of the major recommendations in the Report are entirely impracticable and others entirely unacceptable. For example, the recommendations contained in the Chapter on *Rinancial Relations with the Railway" run counter to a resmonte which this Covernment has made with the Railway Administration, after full consideration of the facts, while the recommend-

ation that £15,000 should be saved by the abolition of

District

District Councils has proved entirely unacceptable in that its acceptance would be tentamount to a constitutional change and cause the abolition of institutions which have proved very valuable in more directions than one.

5. There remains, however, the possibility of effecting a reduction in expenditure by some drastic reorganisation of the machinery of Government, either on the lines indicated in Chapter IX of the Report of the Select Committee on Economy or otherwise. As to whether any economy can be effected by such measures, I am naturally unable to express a view; nor, indeed, do I consider that it would be proper for me to express an opinion as to whether any such reorganisation was desirable, for the authors of that Chapter of the Report plainly contemplate a departure from the system of Crown Colony Government.

The natter was discussed at the meeting of the Convention of Associations on the 11th instant, when the following Resolution was passed unanimously:-

This Convention wholeheartedly supports in principle the recommendations made by the select Committee or Economy, and trusts that Government will see fit to implement the majority of these so that they may be incorporated in the 1936 Estimates. In particular Convention urges that a reorganisation of the machinery of Government on the lines proposed in Chapter IX of the Report should be undertaken without delay, and that an impartial Commissioner, approved by European Uncofficials of Legislative Council, be appointed to give effect to this recommendation forthwith.

On the same afternoon I received a deputation consisting of a number of representatives of the convention and of the European Elected Embers, and I undertook to recommend the appointment of a Commissioner to your favourable consideration. I made it clear to the deputation, however, that I could not agree that the name of the Commissioner should be referred....

referred in advance to the European Elected Members for their approval.

- 6. I am of the opinion that the appointment of an independent Commissioner, with suitable qualifications and experience, would be of benefit to the Colony in two ways:-
- (a) It would either prove or disprove, once and for all, the allegation that the overhead expenditure of this Government is excessive; and
- (b) It would definitely prove to the unofficial population that this Covernment was not afraid of its structure receiving the fullest examination.

I believe, therefore, that such appointment would do much to mitigate the political difficulties with which we have to contend and I trust that you will see your way to giving effect to my recommendation. I may saw that the name of Sir Alan Pin has been suggested as one which would meet with general acceptance, and I should welcome his services if they could be made available. Should this not prove possible, no doubt the services of some other animant person with financial and administrative experience can be obtained. I should inform you, however, that in my opinion it is desirable that, for political reasons, the person appointed abould have no direct connection with the followial Offices.

7. Thile the main object of the appointment of a Commissioner would be to examine the cost of Government it would be of considerable help to me if he were instructed, in the first place, to examine and report on a matter which is the subject of much controversy at the moment and on which an independent opinion would tend to recove friction and political excitement when the Budget is introduced. I refer to the controversy about the retention of removal of

the taxes....

the taxes agreed to by your predecessor as alternative to

If it be necessary, as I am sure it will be, to retain the revenue acquired through these taxes possibly the time has now arrived when the Government should openly declare its intention to introduce Income Tax in respect of 1937 and, when introduced, to withdraw the alternatives, but for budgetary reasons maintaining them, in the meantime.

- I would point out that a decision of this nature is particularly important in view of the fact that the levy on efficial salaries has been removed by the Kenya and Uganda Englishes Administration and by the Governments of Uganda and Canzibar: it is also, I understand, likely to be removed in Tanganyika Territory. To ask the Kenya Official alone to bear this burden which I am of spinion could be rendered unnecessary by the introduction of an adequate Income Tax, is likely to cause justifiable discontent among the officials of this Oclony which I am anxious to avoid.
- 9. But for the urgency of the matter I should have preferred to wait until a general review of taxation, native and non-mative, direct and indirect, is made, but this will prove to be a very lengthy undertaking, as the other Territories will be involved, whereas the Kenya problem is one which must be solved without further delay.
- 10. For the reasons stated in the preceding paragraphs I should be grateful should you approve of my recommendation if a competent Commissioner could be selected and sent out as soon as possible.

I have the honour to be, Sir, Your most obedient, humble servant

GOVERNOR