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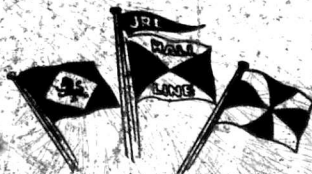
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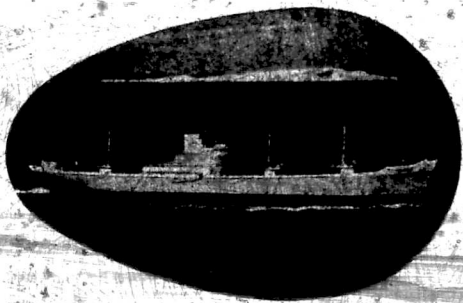
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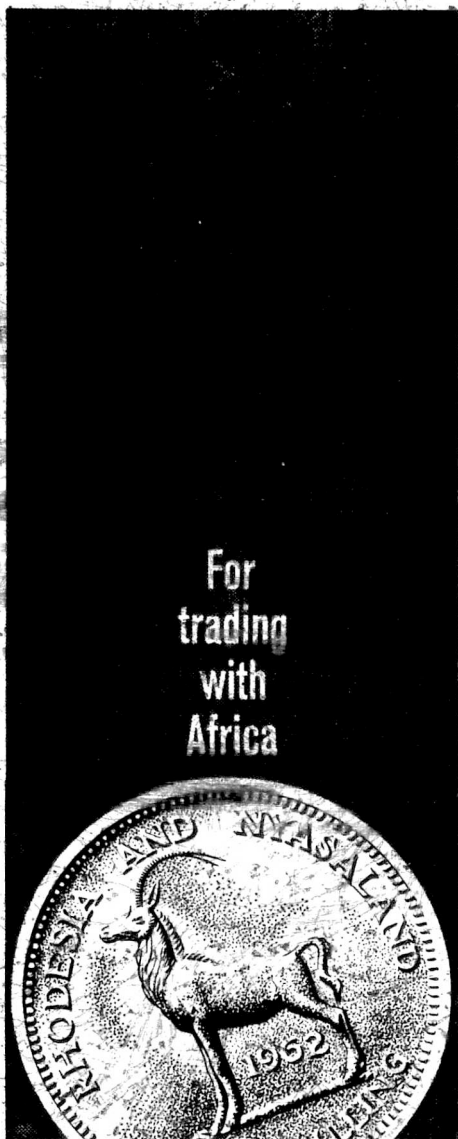
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Founder and Editor: F. S. Joelson

THURSDAY, JUNE 7, 1962

Vol. 38

No. 1965

42s. yearly post free

## MATTERS OF MOMENT

**MR. BUTLER'S VISIT** to the Federation was more successful than is indicated by his modest and brief report to Parliament. His purpose was to assess the political, economic, and personal aspects of what he regards as the most difficult problem ever thrust upon him, and it is encouraging to know that at the end of his tour he felt more hopeful than at the beginning. Then he was thought to be worried by people who were in close touch with him. A fortnight later he seemed to them relaxed, and convinced of the need for an economic and political association between the two Rhodesias and of at least an economic association by Nyasaland. By publicly acknowledging that the Malawi Party Ministers are determined that Nyasaland shall secede, Mr. Butler prepared the way for cordial relations with Dr. Banda, to whom, however, he made it clear that the United Kingdom Government could not automatically accept that proposition. He said, in effect: "Before adjudicating I want all the facts. Only then can we see how Nyasaland and the Federation would be affected by a variety of circumstances. Nyasaland now finances rather less than half its budget and receives from the Federation five million pounds or so each year. Her situation would be much worse if she had her own defence, currency, customs, and other arrangements. Let us jointly calculate the cost and then face the situation as realists".

Talking as politician to politicians, Mr. Butler will assuredly have emphasized that the United Kingdom Government, which seemed until recently to be in an impregnable position, has suddenly found itself seriously threatened by public discontent with its management of the

economy, and he may well have added to the Malawi Ministers: "Your present obsession with constitutional questions will soon give way to a more realistic and continuing struggle with economic factors which are far from favourable now and could be gravely aggravated by impulsive political action. So the first task of your advisers whose names I hope to announce soon after Whitstun will be to examine all the implications of a withdrawal by Nyasaland. Let us establish the costs and other consequences of isolationism, and then consider whether the price would be reasonable or unjustifiable". It may also be surmized that Mr. Butler emphasized in all three territories that — as has been demonstrated to the world by the United Kingdom Government's long negotiations with the European Common Market countries — there is no clear division between politics and economics, and that links between territories, even if designed for economic purposes, have inevitable political implications. Instead of spelling out that truth in the House of Commons, the Minister for Central African Affairs contented himself with saying that the problems "must be approached in a composite way so that the various separate aspects of the future relationships of the territories can be examined together".

The Monckton Commission was supposed to do precisely that, but its report and the additional information obtainable from the four Governments have evidently failed to satisfy Mr. Butler, who doubtless also sees a disadvantage in letting a little more time pass, both to give the new Malawi Ministers further practical experience of the complexities of their tasks and to await the results of the general election in Northern Rhodesia. Until Mr. Butler came on the scene another such delay would

### No Division Between Politics and Economics.

### Reason Takes the Place Of Reckless Theories.

have further weakened an already undermined confidence. It is not now likely to have that result, because he has declined to accept the assumption that the Federation must be dissolved, has declared that some form of economic and political association is of great importance, and has insisted that his recommendations must be dictated by fundamental facts and businesslike calculations. The roseate and reckless theories of the Macleod era having given place to reason, the delay of a few more months offers greater hope of gain than loss, especially as it is now clear that the *obiter dicta* of political parties, which have held away to the great damage of Central Africa (and East Africa), do not unduly impress Mr. Butler. He will not have taken noisy African politicians at their own valuations, and he has made it quite clear that there must be an end to the intimidation which has been a prime factor in building up these parties. If Dr. Banda and Mr. Kaunda found Mr. Butler a courteous, conciliatory, but firm-minded listener, they also know that he has a deep sense of the immense contribution made by Europeans and still needed from them for the maintenance of a multi-racial and prosperous State in Central Africa.

\* \* \*

**MR. NYERERE** would almost certainly be a benevolent Executive President of the Republic of Tanganyika, for his intentions are fair and his temperament is genial. The drastic constitutional and administrative changes proposed and described in other columns of this

### Tanganyika Takes Risks.

issue have doubtless been decided in the confidence that their promulgation may be safely entrusted to him, but it would be imprudent to judge them from that standpoint. It is notoriously unwise to legislate for necessarily transient circumstances, especially those conditioned almost entirely by the influence of one man. Being mortal, Mr. Nyerere is subject to the chances and changes of life. Those who would readily place in his hands the vast new powers which are to be given to Tanganyika's Head of State might well have second and very different thoughts if they felt that he might not live long to exercise them or might suffer a breakdown in health which would constrain him to delegate much of the responsibility, perhaps to persons of indifferent judgment and reliability, inadequate experience, and held in nothing like the public esteem which he enjoys. If fate should remove him from the direction of affairs, the present

appearance of monolithic accord with the words and deeds of Ministers might not long continue. There would certainly be contenders for the succession and other high offices; and some of those who would show themselves avid for power are far from being *persona grata* throughout the country, or perhaps even within the party hierarchy. Were someone who is dictatorial by nature and conviction to attain power, Tanganyika might have real cause to regret the centralization of authority which is about to be enacted.

No feature of the Government's proposals is more likely to cause disquiet than the provision that appointments to the magistracy and the civil service, promotions within it, and dismissal from it shall become prerogatives of the Government.

### Political Threats To Civil Service

who is to be the leader of the majority political party. This arrangement must destroy the hope of the evolution of an independent civil service, insulated from party politics and loyal to the Government of the day whatever its policy. The argument advanced for this abandonment of accepted usage is that the success or failure of a Government depends upon civil service obedience to Government policy and that that obedience can be assured only by vesting control of the bureaucracy in the President. In practice, this must make the great majority of civil servants submissive to political considerations; for they will feel that their career may be damaged or even ended if they fall foul of one or more people prominent in the ruling party. Indeed, "jobs for the boys" (and none but the boys) will tend to become accepted as the principle, and the poorer the quality of the service the more susceptible it will be to the fear of displeasure. In a remote area with a forceful M.P. or regional commissioner, for instance, the hint of an adverse report on administrative or technical officers would be quite likely to make them subservient, so that their work would not be done in the light of Tanganyika's best interests but of the wishes of a politician or other wire-puller whom it would be imprudent to offend. This is a very real danger to set against the theory propounded in the White Paper. Admittedly, while Tanganyika is a one-party State, the damage would be restricted, but at some time in the future this state of affairs is bound to change. Then, with two or more parties fighting for power, the vulnerability of the system would be tragically exposed.

# Republic of Tanganyika to Have An Executive President

Power to Nominate Judges and Magistrates and to Appoint, Promote and Dismiss Civil Servants

TANGANYIKA will on December 9, the first anniversary of her independence, become a Republic within the Commonwealth.

The Head of State, termed President, will have full executive authority, subject to Parliament, and will be able to appoint, promote, and dismiss civil servants.

A White Paper on the constitutional changes published in Dar es Salaam last May is summarized hereunder.

The Prime Minister, Mr. Rashidi Kawawa, was accompanied by the president of the Tanganyika African National Union, Mr. Julius Nyerere, to a Press conference that day. Mr. Kawawa said:—

"The proposals go far beyond what is necessary in order to constitute a President for the Queen and the Governor-General. They are intended to provide an entirely new constitutional structure. We have looked critically at every aspect of the existing Constitution and have not felt ourselves bound by any particular precedents. Our object has been to make proposals which are right for Tanganyika as an independent State with an important rôle to play in world events.

"We have been particularly concerned to ensure that the new Constitution will be of a kind which can be easily understood by our people against the background of their political experience and traditional way of thinking about government.

## New Focus of Loyalty

"It is with this consideration in mind that we have proposed that the President of the Republic should be invested with full executive authority. The division between a Head of State exercising formal and ceremonial functions and a Prime Minister in whom real power is vested is one which is not easily understood by our people. We also believe that an executive President will provide a new focus of loyalty.

"This will help to build up in our young country a sense of nationhood and give a new impetus to the drive for economic development. We are determined to raise the living standards of our people, and we must have institutions of government that are really suited to the task of mobilizing the spiritual and physical resources of the entire nation.

"The proposal to have an executive President does not, of course, mean that Tanganyika will be ruled by a dictator or that the rule of law will be abandoned. The greatest care has been taken to preserve unimpaired the sovereignty of Parliament. It is through Parliament—freely elected on the basis of universal adult suffrage—that the voice of the people can best be heard. The proposals made for the election of the President, based on an excellent scheme originally worked out by our friends in Ghana, will ensure that the President, as the leader of the majority party, works hand-in-hand with the National Assembly.

"The President's control of judicial appointments will not in any way interfere with the rule of law. Judges once appointed should enjoy complete security of tenure so that they can administer justice according to law, without fear or favour.

Approval of the proposals will be sought at the present meeting of the National Assembly.

The Government paper emphasizes that the proposal to have an Executive President in no way derogates from the authority or status of Parliament. "The moral authority of any Government must ultimately depend on the consent of the people who are governed. This is the basis of democracy, and in practice democracy is best maintained by means of a freely elected Parliament having exclusive power to make laws, raise taxes, and vote money for public purposes.

The Paper states that even though Parliament remains sovereign, freedom in democracy cannot survive without the rule of law, and it attributes to Mr. Julius Nyerere the statement that "our judiciary at every level must be independent of the executive arm of the State. Real freedom requires that any citizen feels confident that

his case will be impartially judged, even if it is a case against the Prime Minister himself."

In drafting a Republican Constitution the Government has attempted to give effect to four basic principles: (1) As far as possible, Tanganyika's institutions of Government must be such as can be understood by the people; (2) the executive must have the necessary powers to carry out the functions of a modern State; (3) Parliament must remain sovereign; (4) the rule of law must be preserved.

At the outset the White Paper explains how, by deciding to remain within the Commonwealth without making immediate provisions for introducing a republican form of Government at the time of independence, Tanganyika "suddenly" became a monarchy, the Queen becoming Tanganyika's sovereign.

This direct association of Tanganyika with the British monarchy was something quite new, for until December 1961, their association had been indirect. The Queen, in her position of the Monarch as Head of State, was not directly charged with the duty of administering the territory. For Tanganyika, therefore, the British monarchy had been a foreign institution, and the attainment of independence brought about alienation from the Crown.

"Our proposal to become a Republic does not imply any disrespect towards the person of the Queen, nor is it based purely on the fact that the British monarchy is a foreign institution. We must be aware that the Queen, as embodied in the Constitution at present, has not been elected—should be elected—but we believe that it is essential to develop a new constitutional form which is more appropriate for an independent African State and more capable of inspiring a sense of loyalty in the people of Tanganyika.

Tanganyika is a young nation faced with tremendous problems of nation-building and economic development. Our nationalism is a young nationalism, born of a desire to unite and free ourselves from the shackles of colonialism. While we must guard against a narrow exclusive form of nationalism which can lead to dangerous international rivalries, we need to foster our sense of nationhood within the larger context of an African family of nations and international community.

## Need to Foster Sense of Nationhood

"We are also faced with a tremendous problem of achieving rapid economic development of our country in order to raise the standard of living of our people. This sense of nationhood and the need to mobilize the physical and spiritual resources of the country in the task of development are inseparable. Our Republican Constitution should be such as to enable our country to meet these challenges."

The Paper recommends that in the exercise of his executive functions the President should, unless it is otherwise provided in law, act in his discretion. The President will not be bound, as a matter of law, to accept or seek advice of any person or authority.

To assist him in carrying out his functions, it is proposed that the President should appoint a Vice-President, Ministers and junior Ministers from among the members of the National Assembly.

In considering the method of choosing a President in subsequent elections, the Government has been concerned to avoid difficulties which have arisen in other countries where an elected President has from time to time come into conflict with an elected legislature.

In order to ensure, so far as possible, that the President chosen by the people is the leader of the majority party in the National Assembly, the Government proposes a system of election—based, with certain modifications, on the provisions of the Ghana Constitution—which will directly link the election of a President with the election of the members of the National Assembly.

The Paper, referring to the possibility of investing an Executive President with power to legislate without recourse to Parliament, reveals that the Government considers that such provisions "by their very nature subvert democratic principles and inevitably lead to abuse." It is not therefore proposed to confer on the President any power to legislate otherwise than by or under the authority of an Act of Parliament.

The President will not be a member of the National Assembly but will be entitled to address the Assembly personally or by a message.

"As an integral part of Parliament, assent of the President will be required before any bill passed by the National Assembly becomes law. The President will be entitled, in the first instance, to grant or withhold his assent in his discretion.

However, if the President refuses his assent and the bill is thereafter re-passed by the National Assembly by a two-thirds majority, the President will be required by law to give his assent within 21 days unless before that time he has dissolved the National Assembly. He would have power to summon, prorogue, and dissolve the Assembly.

After the dissolution of the present Assembly the life of Parliament should be five years, not four. The President should have power, now enjoyed by the Prime Minister, to nominate up to ten members of the Assembly.

The Government believes that the rule of law is best preserved not by formal guarantees in the Bill of Rights which invite conflict between the executive and the judiciary but by independent judges administering justice free from political pressure.

The independence of the judiciary requires that judges, once appointed, should, except in cases of actual misconduct, enjoy complete security of tenure. The present Constitution provides for judicial inquiry to examine allegations of misconduct against a judge. These provisions are to be retained, save in so far as they provide for a reference after such an inquiry in the Judicial Committee of the Privy Council.

"In independent countries, with the exception of some former Colonial territories, the appointment of judges is normally a matter for the executive. The Government therefore proposes that provisions of the present Constitution for the appointment of the High Court by the Judicial Service Commission acting on an executive basis be superseded. In future judges of the High Court should be appointed by the President—in the case of puisne judges after consultation with the Chief Justice.

Power to appoint judicial magistrates and other judicial officers working under the jurisdiction of the High Court should also be vested in the President. Disciplinary control over judicial officers in this category will, however, continue to be vested exclusively in the Judicial Service Commission.

The Government has given careful consideration to sections of the present Constitution which provide that in the exercise of his statutory functions the Director of Public Prosecutions should not be subject to direction or control of any person or authority.

Even-handed administration of criminal justice manifestly requires that in normal circumstances decisions relating to prosecutions should be taken impartially without regard to persons. However, it is generally recognized that there are occasionally cases in which it is not only proper but necessary for the Director of Public Prosecutions to consider questions relating to public interest before deciding whether to prosecute. Where the person exercising powers of the D.P.P.—whether he be Attorney General or Minister for Justice—is a member of the Government, cases of this type occasion no difficulty.

"In Tanganyika, however, owing to a neglect of legal education in the past, these powers must be vested in a civil servant. The Government therefore considers that in order to provide for an exceptional case where public interest is of over-riding importance, the President should be invested with power to give directions to the D.P.P."

Once the connexion between Tanganyika and the Queen has been severed, it would not be appropriate for appeals to be heard by the Judicial Committee of the Privy Council. Steps will be taken, however, to preserve the rights of parties in cases already pending.

### Control of Civil Service

Under the present Constitution appointments in the civil service, apart from a few exceptional cases, are made by the appropriate service commission acting in an executive capacity. The Prime Minister, who is ultimately responsible to the electorate for the success or failure of his Government, has therefore no direct say in the appointment of officers charged with the duty of carrying out Government policy.

Whatever the merits of such an arrangement in a country which has established a civil service of its own, the Government considers that it is wholly inappropriate to Tanganyika. In Tanganyika the immediate task is to build up an efficient local civil service capable at all levels of interpreting and giving effect to Government policy. In order to achieve this, the Government believes that ultimate authority in civil service matters should rest with the President. Accordingly, the Government proposes that power to appoint, promote, dismiss and exercise disciplinary control over members of the civil service be vested in the President.

The existing Public Service and Police Service Commissions would continue to function in an advisory capacity.

It is intended that an appellate board should continue to give protection to entitled officers in relation to loss of benefit following disciplinary proceedings.

[Editorial comment appears under Matters of Moment.]

## Proposals for Tanganyika Republic

### President will be Head of Government

MR. C. S. K. TUMBO, Tanganyika's High Commissioner in London, called a Press conference last week to announce the proposals for Tanganyika to become a republic.

Mr. Tumbo did not agree that there was a danger that under such a Constitution a President would become a dictator. The Assembly's sovereignty would be retained, giving it the final say in all matters. It was almost certain that the President would be the leader of the majority party and therefore subject to its rules. Since the national executive of a party, and not just the leader, was responsible for the party rules, democracy would be guaranteed.

"We are making a very cautious constitutional development. I don't envisage that the President will become a problem for the party or the State. Disputes between the President and Parliament would be put to the vote. The President would not necessarily be a member of the Assembly.

In the event of his resignation, incapacity for more than six months, or his death, the Assembly would have to be convened within 30 days to elect a new President.

Asked what influence a Tanganyika republic might have on a possible East African Federation, Mr. Tumbo said that it would depend entirely on general agreement between the countries concerned. Tanganyika would never force the issue.

He would not comment on the possibility that Mr. Julius Nyerere would be just President, other than to say that "the world is entitled to his opinion."

On remaining within the Commonwealth, he stated: "Tanganyika has neither cause nor intention to leave the Commonwealth—a family of nations. Tanganyika has pledged herself to continue her association as a faithful partner."

### U.N. Committee in Tanganyika

THE U.N. COMMITTEE on the Abolition of Colonialism arrived in Dar es Salaam on Monday from Addis Ababa. It is led by its vice-chairman, Mr. S. Coulibaly, of Mali. The other members are: Mr. N. Rifai (Syria), rapporteur, and Messrs. E. O. Binks (S. Yllc (Yugoslavia), Cameroon Measketh (Cambodia), M. Mestiri (Tunisia), Valentin Oberepko (U.S.S.R.), J. Plimsoft (Austria), J. A. Baker (Britain), K. Natwar Singh (India), K. Smigajovsky (Poland), Dr. I. Silva-Sucre (Venezuela), A. Z. Nsio Swai (Tanganyika), V. Torretta (Italy), C. Velasquez (Uruguay), and K. Wodajo (Ethiopia). The name of the Madagascan delegate is not available. The committee's chairman, Mr. Chandra S. Jha of India, is not accompanying the group, which had been invited by the Emperor to visit Ethiopia before it spent a week in Tanganyika.

### Queen's Hotel

MR. JOHN NZUNDA, regional commissioner for the Southern Region of Tanganyika, recently told a public meeting in Tunduru that the Government would make prisons very unpleasant places indeed if the people continued to refer to them as "The Queen's Hotel". It was because Africans had hitherto had that attitude to colonial prisons that crime had increased. "If there shall now be no diminution in the incidences of burglary and similar crimes, your Government shall impose deterrent measures and make prisons very unpleasant places."

"The experience of Tanganyika shows how, when an under-educated Colonial State comes quickly to independence, there is great and often irresistible pressure on Government to appoint Africans to senior administrative posts with too little regard for their qualifications." — Mr. Theodore Bull.



# East Africans and Rhodesians Receive Birthday Honours

**Knighthoods for Mr. A. E. P. Robinson, Mr. B. de Bunsen and Mr. E. N. Griffith-Jones**

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(Civil Division)

FOURSTONE, K. H., deputy director-general of the British Council.

**KNIGHTS BACHELOR**

DE BUNSEN, BERNARD, Principal of Makerere College, Uganda.

GASYONGA II, CHARLES GODFREY, Omugabe of

Uganda. JOHN FRANCIS, Master of Birkbeck College, London University. For services to higher education in the Colonies.

MADON, GIBRALD MACMAHON, Chief Justice of Zanzibar.

QUENET, THE HON. VINCENT ERNEST, judge of the Federal Supreme Court.

ROBINSON, ALBERT EDWARD PHINEAS, High Commissioner in London for the Federation of Rhodesia and Nyasaland.

RUKIDI III, GEORGE DAVID KAMURASI, Omukama of Toro.

**ORDER OF ST MICHAEL AND ST GEORGE  
K.C.M.G.**

ADIE, J. J., Permanent Secretary, Ministry of Labour, Kenya.

DAVIES, C. W., Permanent Secretary and Chief Medical Officer, Uganda Ministry of Health.

FIELD, W. J., for public and political services in the Federation.

HALL, D. W., Provincial Commissioner, Kenya.

HOPKINS, J. C. F., director of the Commonwealth Mycological Institute.

RHIND, D., agricultural research adviser, Department of Technical Co-operation.

STEPHENSON, P. R., lately director, Desert Locust Survey.

THOMSON, T. D., Commissioner for Social Development, Nyasaland.

YOUENS, P. W., Nyasaland deputy Chief Secretary.

**ROYAL VICTORIAN ORDER  
K.C.V.O.**

CHARTERIS, LIEUTENANT-COLONEL THE HON. MARTIN MICHAEL CHARLES.

**ORDER OF THE BRITISH EMPIRE  
K.B.E.**

GRIFFITH-JONES, ERIC NEWTON, Q.C., deputy Governor of Kenya.

**C.B.E.**

BAWDES, W. G., head of shipping department, Crown Agents.

BENNY, M. B., Federal Secretary for Defence.

HONEY, C. L., Secretary for Labour, Social Welfare and Housing, Southern Rhodesia.

HUGHES, H. E. O., Establishments Secretary, Uganda.

HUXLEY, MRS. ELSPETH, J.P., Authoress.

HYDE-CLARKE, E. M., director, Overseas Employers' Federation.

KESSON, J. M., chief engineer, East African Railways and Harbours.

LUBOOO, Y. K., for public service in Uganda.

LUXTON, W. J., secretary, London Chamber of Commerce.

TAYLOR, L. F., Assistant Postmaster-General (engineering), East Africa.

TRAVIS, H., for public services in Kenya.

**O.B.E.**

(Military Division)

FRANKLIN, LIEUTENANT-COLONEL B. G., lately o/c 1st Bn., Royal Rhodesia Regiment.

WYITE, WING COMMANDER D. M., Royal Rhodesian Air Force.

(Civil Division)

ALLIN, P. W. M., Surveyor-General, Northern Rhodesia.

BARRER, COLONEL M. C. H., Federal Director of Civil Aviation.

BELLHOUSE, G. L., for public services in Kenya.

BLAIR, I. A., Permanent Secretary, Uganda.

BURTON, D. A. F., for services to tourism in the Federation.

DOUGLAS, A. J. A., Administrative Secretary, Bechuanaland.

DUNNETT, D. I., lately British Consul, Elisabethville.

ELLIS, J. S., chief information officer (B), Commonwealth Relations Office.

EVANS, K., town clerk, Kampala.

GABRIAS, R. G., for public services in Rhodesia.

HALLER, A. A., chairman and general manager, Kenya maize marketing board.

JONES-WALTERS, B., chief information officer, Nyasaland.

KAPLAN, B., for community services, Mtoko, Southern Rhodesia.

KING, R. J., for social welfare work, Salisbury.

LEIGHTON, E., Assistant Commissioner of Police, Rhodesia.

LOGAN, W. E. M., Chief Conservator of Forests, Uganda.

NABWANA, J. P., for public services in Kenya.

PEMBROKE, T. L., Deputy Commissioner of Income Tax, East Africa.

REID, REV. R. D., overseas secretary, Institute of Christian Education.

ROBSON, G. G., head of pay department, Crown Agents.

SKIPPER, G. A., senior district commissioner, Kenya.

SLAUGHTER, G. B., Solicitor-General, Uganda.

SMALE, L. F., city treasurer, Lusaka, Rhodesia.

THACKERAY, A. C., deputy regional director, E. A. P. and T.

TILBURY, A. G., Assistant Attorney-General, Bechuanaland.

WALKER, R. K., for public services in Nyasaland.

WHITE, E. S., M.B.E., town clerk, Bulawayo.

**M.B.E.**

(Military Division)

GERICKE, SQUADRON LEADER F. J. E., R.R.A.F.

STEWART, WARRANT OFFICER J. J., R.R.A.F.

(Civil Division)

ACHUME, JASON, for public service, N. Rhodesia.

AWAN, A., for public services in Uganda.

BARTON, W. L., Assistant Director of medical services, Zanzibar.

BEETS, J. WELLS, for services to trade unionism, N. Rhodesia.

BIRD, J. D. O., Police superintendent, N. Rhodesia.

CAMERON, MRS. R. S., of Fort Victoria. For social welfare work to African women's homecraft clubs, S. Rhodesia.

CAMPBELL, H., for public service in Uganda.

CLOETE, A., for public services in Kenya.

DAVIES, G. G., administrative officer, N. Rhodesia.

DAVIES, MISS M., social welfare worker, Salisbury.

DUKE, K. D., Second Secretary (information), Federal High Commission, Lagos.

DUFF, MISS H. J., formerly physiotherapist, Federal nursing service.

DELFECHE, R., for public service in the Seychelles.

DESAI, N. R., lately accountant, E.A.C.S.O.

DUNGU, B. M., senior education officer, Uganda.

FRASER, MRS. E. L., registry assistant, Kenya Ministry of Health.

GRIFFARD, R., district officer, Kenya.

(Concluded on page 978)

# C.D.C. Investments in East and Central Africa Exceed \$45m.

## Annual Report Details Holdings in Greatly Varied Enterprises

THE ANNUAL REPORT FOR 1961 of the Colonial Development Corporation, of which Lord Howick is now chairman, shows considerable changes in character and supplies facts which had not previously been published.

At the end of the year C.D.C.'s estimated investment in Central Africa was £22,743,000 and in East Africa £22,484,000. The two regions together thus accounted for more than £45m. of a total investment in continuing projects of rather less than £110m., an increase during the year of £10.7m.

In 1961 it came out up by more than £1m. to just under £4m. administrative expenditure, including interest and overseas income tax and interest payable other than to H.M. Government £221,745, leaving an operating surplus of £3,453,068, on which £2.2m. was paid to H.M. Government by way of interest.

£1.8m. has been lent to the Federal Power Board, £1.8m. to the Kenya Central Housing Board, £1.8m. each to the Southern Rhodesian and Nyasaland Governments for housing, nearly £14m. to Central African Airways, £600,000 to the Federal Land Development Authority, and £175,000 to the Kenya Meat Commission.

Total payments against debentures or loans contain the following items: Kenya Power Company, £1,957,331; building societies in East Africa, £1,930,000; Bird & Co. (Africa), £350,000; Bechuanaland Protectorate Abattoirs, £200,000; Hotels Nairobi, £112,500; East Africa Industries, £100,000; Federation Chemicals, £85,854; Kilombero Sugar Co., £460,000; Kileleshwa Mines, Uganda, £630,000; Lianga Iron Ltd., £200,000; Maramba Estate, Ltd., £17,500; Mbeya Exploration Co., Ltd., £496,749; Oceanic Hotel, Mombasa, £100,294; Rungwe Coal Co., Ltd., Tanganyika, £30,625; Tanganyika Coalfields, Ltd., £275,754; Tanganyika Electricity Supply Co., £20,000; Tangold Mining Co., Ltd., £788,531; Tanganyika Millers, Ltd., £504,446.

### Associate Companies in East Africa

Included under the rubric of shares in associated companies are: Block Hotels, £40,000; Bechuanaland Abattoirs, £150,000; East Africa Industries, Ltd., £194,080; Kileleshwa Mines, £1,140,000; Kilombero Sugar Co., £662,114; Lianga Iron, Ltd., £9,750; Maramba Estate, £200,000; Nyambenti Tea Co., £48,001; Rungwe Coal Co., £4,375; Tanganyika Coalfields, £26,894; Tangold Mining Co., £565,000; and Unga, Ltd., £250,000.

Macalder-Nyanga Mines, Ltd., an enterprise now abandoned, received £90,155 in 1961 and £205,517 in 1960.

The Tanganyika Wattle Co., Ltd., received by way of investment and loans and advances last year £1,314,925. In 1960 it had received £1.3m.

The 26 continuing projects in East Africa cover agriculture, forestry, mines, processing plants and factories, hotels, electricity supplies, and housing mortgages and finance.

After deducting the cost of the regional organization, but before providing for head office costs and interest due to the British Government, regional revenue from interest and dividends amounted to £715,000, equivalent to 4.5% on the capital employed, compared with 3.4% in 1960. It has been thought prudent to make provisions equivalent to the whole East African net revenue against likely further substantial losses in respect of mining investments.

Associated companies had a generally good trading year. East Africa Industries, Ltd., producing margarine, edible oils and soaps under Unilever management, had a record year for turnover and profits. So did Unga, Ltd., flour mill and bakeries, Block Hotels, and the Kenya Meat Commission.

In Tanganyika C.D.C. is associated with the Mitchell Cotts Group in providing processing facilities for the expanding pyrethrum industry, and has agreed with the Tanganyika Government and the Federal Government of Germany to form a tripartite development company. An expert mission is to investigate a scheme for African smallholder tea growing in the Bukoba district.

Good progress was made with the Kilombero sugar development programme. Production should start in September.

The three trading companies in which C.D.C. has an interest all had a difficult time for different reasons. Sisal output from Bird & Co. (Africa), Ltd., fell owing to adverse weather

conditions; Tanganyika Wattle Company just managed to break even; and Tangold's output of gold was much below estimate owing to a reduction in the grade of ore mined. Prospects for the first two companies should improve, but the position of Tangold is serious.

**BLOCK HOTELS.**—Public company with share capital of £480,000 after a bonus issue on 30.11.61 of one share for every three held. C.D.C. now holds 26,666 shares and has £112,500 debentures. The company owns the New Stanley and Norfolk Hotels in Nairobi. Net profit for year to June 30 last was £147,786 (1960, £94,920) and the dividend 20% (16%).

**EAST AFRICA INDUSTRIES, LTD.**—Issued capital, £750,000 (after bonus issue in December of 174,000 ordinary shares of £1 each). Ordinary shares, £678,000 held as to 50% by Unilever, 13.4% by C.D.C., and balance by Kenya Industrial Development Corporation. Balance sheet, £12,000; held by C.D.C. £1,000. C.D.C. loan repaid during 1961, leaving £100,000. Company manufactures margarine and cooking fats, laundry and toilet soaps, and other consumer goods, each with capital of £10,000, incorporated in Uganda and Tanganyika. Total sales, £1,785,506 (1960, £1,331,909); net profit, £147,786 (1960, £94,920).

### Meat Commission and Power Company

**KENYA MEAT COMMISSION.**—£250,000 loan (1955) to expand the undertaking, guaranteed by Kenya Government, repayable by 20 annual instalments. Livestock handled showed a further increase in 1961 and carried beef production at 12,800 tons, showed 30% increase on 1960. Turnover reached a record £4.6m. Exports were £2.6m.

**KENYA POWER CO., LTD.**—In 1955 C.D.C. subscribed £35m. 1% debenture stock 1975/95. Capital of £100 is owned equally by Kenya Government, Power Securities Corporation, Ltd., and East African Power & Lighting Co., Ltd.

**LAND DEVELOPMENT & SETTLEMENT BOARD.**—International Bank for Reconstruction and Development, and C.D.C. approved last October loans of \$8.4m. (£3m.) and £1.5m. respectively to Kenya Government for on-lending to the Land Development & Settlement Board. I.B.R.D. and C.D.C. will help finance the development of farms to be settled by African farmers in the Highlands of Kenya. Up to 180,000 acres of high potential land is to be purchased for subdivision and sale to peasant farmers. Board is also undertaking other settlement schemes. In all the programme involves the settlement of about 20,000 families on 360,000 acres at a total cost of £14m. I.B.R.D. and C.D.C. loans will be used for development purposes only, such as water supplies, fencing, farm buildings, purchase of stock and planting of cash crops.

**OCEANIC HOTEL, LTD.**—Issued capital £340,000. A subsidiary of Uganda Coffee Curing Co., Ltd. C.D.C. lent £125,000 in 1957 on security, repayable 1960/67; balance outstanding at 31.12.61, £100,294. The company owns and operates the Oceanic Hotel, Mombasa, which opened in October, 1958. The level of occupancy and sales turnover have increased, but are still disappointingly low.

### Smallholders' Cash Crops

**SPECIAL CROPS DEVELOPMENT AUTHORITY.**—Special Crops Development Authority was established by statute in 1960 to assist development of cash crops by African smallholders. C.D.C. has agreed to lend £300,000 for 20 years against guarantee by the Kenya Government. The Authority is primarily concerned with the extension of tea growing by smallholders in the Central, Nyanza, and Rift Valley provinces; its objective by 1965 is some 9,000 acres of tea planted by about the same number of smallholders. At 31.12.61 the Authority was responsible for 4,075 planted acres of which 1,731 acres were planted during the year.

**UNGA, LTD.**—A subsidiary of Kenya Farmers Association (Co-operative), Ltd., with issued capital of £1,550,000, of which C.D.C. holds £250,000. C.D.C. also has an outstanding loan to the company of £252,206. The company operates flour, maize, and provender mills in Kenya and through subsidiaries in Uganda and Tanganyika. During the year it acquired an interest in the baking industry in Nairobi by the purchase of the equity of old-established businesses. Net profit for the year to July 31 after tax, £210,278 (1960, £131,473); dividend on ordinary shares 10% (7%).

(To be continued)

# Mr. Butler Tells Parliament About the Federation

## Problems To Be Examined in a Composite Way

**MR. R. A. BUTLER**, Home Secretary and Minister for Central African Affairs, made the following statement in the House of Commons last Thursday on his recent visit to the Rhodesias and Nyasaland:

"In the course of my visit I had informal discussions with the Governments of the Federation and of the three territories. I also talked with representatives of political parties and other organizations, as well as with many individuals of all races. I have thus been able to obtain for myself a fuller and clearer picture of the political and economic problems in Central Africa, and I should like to acknowledge the kindness with which I was received.

These problems are difficult and complex, and it would be unwise on the basis of a short tour to attempt to reach final conclusions. I am, however, happy to tell the House that we have succeeded in reaching a position from which, with the co-operation of all the Governments concerned, more detailed exploratory work can now proceed along the lines which I described in the House in the debate on May 8.

As I said, and I now intend, that the problems of the area should be approached in a composite way so that the various separate aspects of the future relationship of the territories can be examined together. I propose to put this work in hand as quickly as possible.

**MR. HEALY:** "Is the Home Secretary aware that we welcome the improvement in the political atmosphere which seems to have followed his visit to the Federation? As he has acknowledged that the Malawi Congress Party has received a firm mandate for its view that Nyasaland should leave the Federation, what position does he propose to take up on this issue when he meets Dr. Banda next month? Secondly, can he say whether Mr. Kaunda is now satisfied that H.M. Government and the Federal Government and the Northern Rhodesian Government have met the conditions which he set for participating in the Northern Rhodesian elections next October?"

### Inquiry Before Decision

**MR. BUTLER:** "Yes, sir. H.M. Government have acknowledged that, backed by mandate at the election, the Malawi Congress Party is not willing to remain in the Federation. We have stated, and I restate now, that H.M. Government consider that before a final conclusion is reached examination should take place of the effect of the withdrawal and possible future forms of association with the other territories."

"In regard to Mr. Kaunda's requests, I informed him personally in Lusaka and in a public speech in Salisbury that we considered that the conditions prior to his acceptance of standing in the election could virtually be said to be fulfilled, namely, an independent chairman of the Delimitation Commission and the other matters to which he referred."

**MR. KUSSELL:** "Will my rt. hon. friend do his best to ensure that at least a strong association is maintained between the two Rhodesias and possibly some economic association between them and Nyasaland, so that all the good work of the last nine years is not completely lost?"

**MR. BUTLER:** "Yes, sir. The exploratory work which I described to the House on May 8 will have these objectives in mind: I do not propose to call a Federal review conference prior, at any rate, to the Northern Rhodesian elections, but this exploratory work will be designed to see what effective action we can take on the lines of what my hon. friend has said."

**MR. BIGGS-DAVISON:** "Did my rt. hon. friend assure the Governor of Northern Rhodesia of the full support of H.M. Government in using all the forces of law and order to protect peaceable people of all races from violence, intimidation and political terror? Whatever the result of the elections in Northern Rhodesia, will H.M. Government continue to dis-

charge their constitutional authority and their responsibility for peace and order?"

**MR. BUTLER:** "Yes, sir. I took more than one opportunity of stressing not only with the Government of Northern Rhodesia but with the other Governments concerned the importance of countering intimidation. It is H.M. Government's desire that the elections in Northern Rhodesia and elsewhere should be held without intimidation and in a peaceful way. The answer to the latter part of my hon. friend's question is: 'Yes, sir.'"

**MR. BELLENGER:** "Was the rt. hon. gentleman able to discuss with Dr. Banda the economic consequences of secession from the Federation, as Nyasaland is at present receiving substantial subsidies from the Federation to keep it going?"

**MR. BUTLER:** "Yes, sir. I discussed this with Dr. Banda and we considered together the fact that only a proportion of the budget of Nyasaland is covered by revenue raised in the territory itself. I must also say that at present the chief interest of the Malawi Ministers is in their constitutional future, but I was able to have some frank discussions with them about their economic future."

### Principle of Secession Not Considered

**VISCOUNT HINCHINGBROOKE:** "During my rt. hon. friend's visit four of the Rhodesian reports arrived in this country to the effect that Dr. Banda had made an absolute demand for secession and that my rt. hon. friend had accommodated him to the extent of conceding the principle. I was not quite sure from his answers whether that was the case."

**MR. BUTLER:** "No, sir. The position as I stated it personally to Dr. Banda and in the House was that the chief interest of the conference in Zomba, namely, that before any final conclusion is reached the examination to which I referred must take place."

**MR. HEALY:** "Can the Home Secretary assure the House that nothing he has just said detracts from the force of the declaration made by H.M. Government's representatives at the United Nations, namely, that no steps would be taken concerning the future of the Federation without the agreement of the majority of the inhabitants—not the electorate—of all the territories concerned?"

**MR. BUTLER:** "I stated in a series of speeches while I was in the Federation that we should not proceed without general consent, without which no lasting settlement could be reached."

**MR. BERKELEY:** "While congratulating my hon. friend on the personal success of his visit, may I ask him whether, since he agrees that any possible future association between these three territories must be based upon general consent, he would not also agree that the possibility of economic association between these territories, which we all hope to see, might be facilitated by an earlier declaration of the right of each territory to secede if it so desires? Will it not be very difficult to refuse this right in view of what happened in the Federation of the West Indies?"

**MR. BUTLER:** "No, sir. H.M. Government, as I explained in the debate on May 8, cannot go as far as that at present. We are engaged in this work, which will be extremely laborious and difficult, and I cannot take the matter as far as my hon. friend would wish."

**MR. STONEHOUSE:** "Did the Home Secretary tell Sir Roy Welensky and confirm to him the statement made by the Lord Chancellor to the effect that any constitutional change in the Federation of Rhodesia and Nyasaland was completely the responsibility of the United Kingdom; and, if so, did Sir Roy Welensky accept that fact?"

**MR. BUTLER:** "As can be imagined, protracted argument on this subject took place. I sustained the view of H.M. Government, and Sir Roy Welensky sustained his own view and that of the Federal Government. Up to date, we are leaving it that H.M. Government accept what my noble friend the Lord Chancellor said."

[Editorial comment appears under Matters of Moment.]

### Uniting Congo Armies

AGREEMENT has been reached in principle on integration of the Katanga gendarmes (11,000 men) with the Congolese Army (about 40,000) and three majors from each side constitute a commission under UN auspices charged to arrange the fusion. In their Leopoldville talks Mr. Adoula and Mr. Tshombe have also agreed on the formation of commissions to deal with finance, communications, and currency problems.

## "Anguish" of the Settlers

### Countries to be Either Black or White

THE SUNDAY TIMES, which sells more than a million copies, gave the first half of its colour section this week to an account by Mr. Tom Stacey of what was called "The Anguish of the White Settlers" in Rhodesia and Kenya. He wrote (in part):—

"The white Africans can actively express their anguish only by leaving their treasured country. Last year was the first in which more white men left the Federation than arrived. In Kenya the trend is established; probably more than one in ten of the white farmers have already gone, and the rate of departure grows. In some areas about three out of ten have left.

"Late last year the Convention of Associations conducted a private poll among all their members which showed that 79% intended to leave Kenya as soon as they could dispose of their farms for anything like a fair price—or else were leaving anyway. Of the 21% who said they intended to stay unless compelled to leave, four out of five were over 60.

### Best Small Farm Anywhere

"The same ratio is considered to apply to that majority of settlers in business or the professions or retired who own their own houses and other property in the towns or suburbs. Virtually all property in Kenya, whether land or houses, is unseizable. In Nairobi scores of European houses stand blind and vacant—homes which the absent owners would jump at selling at half their pre-1960 values."

Mr. Jim Hughes, of South Kinangop, one of the best-known farmers in Kenya, who has developed out of waste land what Mr. Stacey described as "the best-ordered small farm I have seen anywhere in the world", told him that he was offered £35,000 for his 503 acres five years ago and could not now give the farm away.

"We have been thoroughly betrayed by a lousy British Government," said Mr. Hughes, who attributed all the trouble to politicians—locally to those who had kept telling Africans that all the land was theirs.

"What do you do if cattle are driven across your land and trample down your crops and you telephone the police and they say: 'That's a bloody shame; but don't you realize that there's independence, that's uhuu?' What do you do if they squat on your land, you ask them politely to get off, and six witnesses go to the police and say you insulted some African, and it's your word against half a dozen of them?"

### United Kingdom Attitude Not Sensible

From the Highlands of Kenya to the southern borders of Rhodesia Mr. Stacey heard the same story. He writes:—

"The themes were always the same: the British betrayal; the settlers' struggle in building up the country; the generic backwardness of the African, his uncleanness, his natural subservience; fear for security, impending chaos, the imminent collapse of standards; the interference of politics—concocted overseas—into a perfectly contented paternalist relationship between white and black.

"In Southern Rhodesia the white perceive with horrified incredulity the rapidly approaching threat to their position, but are not yet overwhelmed by it, as in Kenya.

"I do not believe it sensible to say to the whites: 'You must contentedly accept that this country, which you thought was yours to make, is not yours, but theirs; that these Africans, of whom you thought you were the masters and protectors, are now your masters; that this land, which you believed was yours to possess and render fertile, belongs not to you but to them; on whose sufferance you might perhaps continue to cultivate it; that this wealth you have created, these institutions you have formed, this peace, this justice, this faith, these ideals, this nation you foresaw—a new America, a new Australia—these are not yours, and in them you shall have no significant part. You must accept con-

tentedly that unless your society becomes part of their society, absorbed within it, subject to its control and strange passions and movements, there is no place for you in these territories.'

"I do not believe it is sensible to expect this of the white settlers of colonial Africa. I do not believe I am expressing an opinion but a fact when I say that on both sides, on the spot in Africa, it is accepted that it is either a 'white man's country' or a 'black man's country', in which the white settler will have no permanently tolerated place.

"The spirit of white Kenya has already been shattered. It is my conviction—and here I express an opinion—that both Rhodesias are fated before our own infants grow up to become 'black men's countries'."

### High Commissioner's Protest

MR. A. E. P. ROBINSON, High Commissioner in London for the Federation, wrote in the same issue of the paper:—

"Mr. Stacey's report, of which I was given the courtesy of seeing an advance copy, does immense harm to the cause of multi-racialism in Central Africa at a time when never has there been greater need for sympathy and understanding."

"By ignoring the many important differences between the situation in Rhodesia and that in Kenya, this report paints a seriously distorted picture of the mood and prospects of white Rhodesians, who will be shocked and saddened by the imbalance and by the false impression of hopelessness and racial hatred it conveys.

"The individuals chosen to illustrate the report are unrepresentative in views and appearance of the European population in Rhodesia as a whole. White Rhodesians are by no means all engaged in farming and mining. Moreover, there are a great many farmers, miners and others who do not share the views of or express the attitudes of the 'Old Rhodesian', Mr. Christian Babe, and Mr. Van Jaarsveld.

"It is quite untrue to say that 'on both sides, on the spot in Africa, it is accepted that it is either a white man's or a black man's country in which the white settler will have no permanently tolerated place'. Many people in Rhodesia—black and white—believe that both races have a rightful place in the country, and certainly the vast majority of Europeans regard Rhodesia as their permanent home.

"While it is true that 1961 was the first year in which more white men left the Federation than arrived, the position has been reversed since last October and there has been a steady rise in white immigration. On January 7, 1962, Mr. Stacey himself reported that in January and February the balance of immigration over emigration was 199 and 284 respectively. In the first quarter of 1962 the Federation had a further net gain of 860 European immigrants."

"Certain phrases—'the European does not live up to his ideals', 'mis-shapen minds'—paint an unjustifiably harsh picture of the white African."

"In his final paragraph Mr. Stacey says that he has attempted to enable the reader to 'feel a little of what the white African feels, however unfair and illogical his attitude might appear. When we know what a man thinks, we may condemn his view; only when we know why he thinks it, may we condemn him'.

"To invite readers to condemn rather than to judge the white African reveals a disturbing degree of prejudice. It is ironical that Mr. Stacey should refer to 'any distortion of the corporate image being a matter of mental torture for the (European) individual'. So distorted is the corporate 'white settler' image presented in this article that if Mr. Stacey is correct in his analysis of European sensitivities his article will torture the minds of thousands of white Rhodesians.

"Unhappily, it will also jeopardize Mr. Butler's initial success in creating a greater degree of confidence in Central Africa and his declared task of achieving a fair and moderate solution to the problems of the Federation of Rhodesia and Nyasaland."

### Joint Board

LORD COLYTON has been re-elected chairman of the Joint East and Central African Board, and Messrs. Robson, McDonagh, and Wall have been re-elected vice-chairmen. Mr. J. H. S. Tranter and Mr. B. E. Petitpierre have been re-elected and Mr. L. F. Manton elected to the executive committee, from which Mr. E. J. Lattin has resigned.

Letters to the Editor**Malawi Party Likened to Gestapo****Adulation of Dr. Hastings Banda**

To the Editor of EAST AFRICA AND RHODESIA

SIR.—The Malawi Congress Party in Nyasaland, who ostensibly commands the support of nearly all the Africans and Asians, Coloureds and not a few Europeans, exercises iron control through its numerous divisional and branch offices, by infiltration into local authorities and other bodies, and by a highly organized security system which penetrates into every nook and cranny of the Protectorate, and which reminds me of the Gestapo in Nazi Germany.

An example of the enforcement of party discipline is seen to be widely known, afforded by the case of Mr. Leslie Kasonga, who was a member of the party and the owner of a prosperous bar in Blantyre. He defected—it is curious how Communist words crop up in African nationalist organizations!—and joined Mr. T. D. Banda's Christian Liberation Party. He was immediately ostracized, and his bar sales were said to have dropped 90% almost overnight. He is said to be taken back into the Malawi Party, was eventually re-admitted, and his letter thanking Dr. Banda for his mercy was printed in *Malawi News*. Mr. Kasonga wrote, *inter alia*:

You are indeed a man of God. Such forgiveness is only of God. I know that I did you and the party wrong, and it is now clear to me that it was hard indeed for you to forgive me. But of course you were sent by God to redeem this land of Malawi, and that is how you were able to forgive me. You know that I was just one of your sheep but I strayed. I have been saved, and now I do so long to come back to you, Father.

Dr. Banda, the undisputed leader of the party, is almost worshipped by the rank and file, and has been built up by its Press and by other propagandists. The party organ, *Malawi News*, refers to him as "The Great Conqueror", "Ngwazi" (Victor), "mpulumutsi wathu" (our Saviour), and "musologoleri wa mnyanya wa chipani ca mphamva ca malawi (Leader for Life of the all-powerful Malawi Party)".

Since I do not want to get on to the Malawi black list sooner than is absolutely necessary, I must ask you not to publish my name and to withhold my address. I therefore sign as,

Yours faithfully,

ASSESSOR.

**No Bounds to Political Chicanery**  
**Kenyatta's Appointment as Economic Planner**

To the Editor of EAST AFRICA AND RHODESIA

SIR.—I have just been reading a book about the 1914-18 war which mentions "the faith we had in our leaders and the pride we had in ourselves". If only we could have faith in our leaders today we should have grounds for national pride. It no longer exists, largely because our political leaders have destroyed faith by their hypocrisy and deceit.

That has been especially the case in East and Central Africa since the Macmillan-Macleod deadwood combination set about destroying the work of generations of British men and women, most of them of far better quality than our modern politicians. The word of the pioneer settlers and administrators was their bond. They would be scandalized at the way in which the Macmillan Government has broken pledges and recklessly ruined the life-work of thousands of families.

What is being placed in the position which men who were a credit to our race are vacating? Quite inexperienced and often adolescent African demagogues, of whose pride, ignorance and quarrelsomeness, especially in Kenya, the masses of Africans will be the victims. If, as is quite likely, the British scuttle from Africa is followed by a Communist scuttle into Africa, the ordinary African will have cause for bitter regret.

The bad joke of recent weeks must have been the decision to give Kenyatta "special responsibility for economic planning". Everyone connected with that decision ought to be made to read slowly the "Historical Survey of Mau Mau" (page 182 onwards), which gives an excellent account of this new economic planner (whom the present Governor of Kenya has called "the African leader to darkness and death"). Yet that same Governor appoints him a Minister! There are no bounds to political chicanery nowadays.

our country,  
Eastbourne.

D. K. NORTON

**Points from Letter****Bechuanaland**

"ONE EARLY RESULT of the decision to allow the white population to leave the Commonwealth should be the abandonment of Mafeking to Bechuanaland. Much of the administrative capital of that High Commission territory, that should have been done years ago, of course, but official procrastination will now surely have to be abandoned. It is absurd that Bechuanaland Africans should have had to go outside their territory on business concerning their country."

**Shameful Betrayal**

"PERMIT ME, as ONE who spent some 40 years in Northern Rhodesia, to offer my humble congratulations on the courageous and forthright manner in which you expose the shameful betrayal of the African people of Kenya and Central Africa to the self-styled African leaders by Her Majesty's present Government. I cannot pretend that I enjoy reading EAST AFRICA AND RHODESIA, for it leaves one with a heavy heart, but I await its weekly arrival with impatience and read it from cover to cover."

**Early Promotion**

"PROMOTION of men young in their careers can be a great stimulation. That was shown by the lives of Napoleon, Pitt, and others; and here in East Africa the progress of some of the successful young politicians has been quite extraordinary. Unhappily, this has been so only in very isolated cases, many of the rest being engaged purely in the pursuit of leisure. But there is of course—as I hope there always will be—a sprinkling of good and honest workers among the general population."

**Getting Rid of Europeans**

"IN ORDER, I presume, to facilitate the exodus of expatriate civil servants from Tanganyika, European administrative cadets have now been given the option to retire immediately upon confirmation of their appointment, whereas formerly the scheme of retirement benefits for designated officers did not apply to D.O. cadets until after confirmation, with the result that the earliest such an officer could have retired was six months after confirmation subsequent to his having the requisite six months' notice to Government upon confirmation."

# PERSONALIA

SIR EDWARD WILSHAW was 83 on Sunday. MAJOR and MRS. K. A. BROWN have arrived in London from Nairobi.

COLONEL A. TOZER, of Naro Moru, Kenya, is on holiday in Sussex.

MR. J. H. S. TRANTER has returned to London from a short visit to East Africa.

MR. HAROLD WILSON is now principal of the Kenya College of Social Studies.

SIR KEITH ACUTT is to address the Rhodesia Club Forum next Wednesday evening.

MR. B. D. GOLDBERG, Federal Minister of Health, has been in London for a few days.

MR. B. B. BAFARDINGYA is now Leader of the Opposition in the Uganda National Assembly.

MRS. TATSUGI FURUI, Japanese Consul-General in Salisbury, is visiting the United Kingdom.

SIR IVOR JENNINGS has been re-elected Vice-Chancellor of Cambridge University for the next academic year.

THE EARL OF PERTH has become an ordinary director of the Royal Bank of Scotland and a member of its Resolutions Local Board.

SIR R. O. SMITH, previously Chief Justice in Kenya, has been appointed President of the East African Court of Appeal.

SIR REGINALD BIDDLE has been elected chairman of the International Road Federation, which has branches in East and Central Africa.

THE FEDERAL HIGH COMMISSIONER in London is to address the Allied Circle next Thursday evening on the Central African Federation.

MR. and MRS. A. E. P. ROBINSON will leave London today for the Isle of Man to see the T.T. races, in which three Rhodesians are riding.

DR. BURTON BENNETT, lecturer on sociology at London University's School of Economics and Political Science, has been visiting Nyasaland.

MR. G. L. BELLHOUSE has been re-elected Mayor of Nakuru for the fifth consecutive year. MR. S. L. ANDHOGA was re-elected deputy mayor.

MR. GEORGE MARTELLI is speaking today on "The Future in Angola" to a joint meeting of the Royal African and Royal Commonwealth Societies.

SIR LESLIE ("GROUNDNUT") PLUMMER has joined the board of Consolidated Foundry Plant, Ltd., a consortium exporting to East European countries.

MR. MERVYN HILL, editor of the *Kenya Weekly News*, flew back to Nairobi last Friday after spending a month in England. MRS. HILL will return early in July.

MR. F. LESLIE ORME has been elected one of three deputy chairmen of the Royal, Liverpool and London and Globe, and London and Lancashire insurance companies.

MR. ALAN F. MALLORY, of the staff of Barclays Bank D.C.O., has been appointed a director and deputy chairman of Reed and Malkin, Ltd., civil engineering contractors.

SIR WILLIAM MCFADZEAN, chairman of British Insulated Callenders Cables, Ltd., presided at the 14th British Electrical Power Convention in Brighton on Monday.

MR. DONALD TYEBMAN, editor of the *Economist*, who has been elected to the board of governors of the English-Speaking Union of the Commonwealth, was born in Mombasa.

THE RT. REV. DONALD SEYMOUR ARDEN, who arrived in Nyasaland in January as Bishop of Blantyre, will in September marry a Devon-born teacher there, MISS JANE RIDDLE.

First class honours degrees have been awarded for the first time in Makerere College's history to two Kenya students, MR. DAVID ODANGA, B.Sc. (Agriculture) and MR. BENAYA MAJUSU, B.Sc.

MR. R. A. BUTLER, LORD HAILEY, and LORD COLYTON, chairman of the Joint East and Central African Board, spoke on Tuesday at the annual meeting, which was held in the House of Lords.

All six African district councils in the Nyanza Province of Kenya now have African chairmen, following the appointment last week in the Kipsigis district of MR. JOHN KIROTICH ARAP KERICH.

MR. M. N. EVANS, Permanent Secretary to Kenya's Ministry of Health and Housing, is to be chairman of a national advisory council on nutrition set up by the Minister of Health, MR. F. M. G. MATI.

MR. A. R. C. ARBUTHNOT, MR. H. F. EAGLETON, MR. F. C. FAWCETT, MR. H. B. FORTT, MR. K. LOCKLEY, and Mr. J. W. SUTHERLAND have been elected to the council of the British Sportsmen's Association.

LORD DE LA WARR has resigned from the boards of Willoughby's Consolidated and WILSON & WILSON (Investments) Ewell, Ltd. MR. H. ST. L. GREENLEE has also resigned from the board of Willoughby's Consolidated.

MR. MWAL KIBAKI, a Kenya member of the Central Legislative Assembly, said last week that the policy of priority for Africans in the civil service should be temporary, to be replaced by a system of equal opportunity for all.

PROFESSOR ROUSSEAU, of the University College of Rhodesia and Nyasaland, is to be one of the speakers at a study conference on Tropical Africa to be held in England between June 12 and 16 under the auspices of Overseas Service.

SIR JAMES HELMORE, who has become an additional director of British Thermostat Co., Ltd., is chairman of Hecht Levis and Kahn, a subsidiary of Minerals Separation, Ltd., and a former Permanent Secretary to the Ministry of Supply.

MR. HENRI PHILIPPE JUNOD, has been appointed principal of the Africa Institute in Geneva, which offers training to European and African men and women with administrative, technical or commercial responsibilities in emerging African territories.

MR. DAVID BROOKS, town clerk of Broken Hill, will be at the Northern Rhodesian Office, 57, Haymarket, London, from June 18 to 30 to give information about the town, which is, he considers, the ideal locality for new industries in Northern Rhodesia.

MR. W. A. WRIGHT, agricultural research officer in charge of Katumani experimental farm near Machakos, Kenya, is to visit research stations dealing with agricultural problems in the semi-arid areas of the United States on a Rockefeller Foundation grant of £1,250.

MR. R. S. WOLLEN, chairman of the Kenya Coffee Marketing Board, said before leaving Nairobi a few days ago for this week's Inter-African Coffee Organization meeting in Paris that African countries generally now saw the red light concerning coffee production.

MR. J. N. HOGG has been appointed chairman of the Export Guarantees Advisory Council in succession to SIR GEORGE GIBBS, a deputy chairman of Barclays Bank D.C.O. who had held the position since 1948. Until a few months ago MR. HOGG was deputy chairman of the Standard Bank.

MR. JOHN MSONGHI, Nyasaland's Minister of Trade and Industry, has ordered an investigation into an allegation of racial discrimination by MR. DAVID MILLAR, manager of the Shire Highlands Hotel in Limbe. One of three Africans who complained to the Minister affect being refused service by an African barman because one was not wearing a coat is MR. PATRICK MKANWIRE, a reporter on the *Malawi News*, the official organ of the Malawi Congress Party.



## Obituary

### Sir James Jones

SIR JAMES JONES, C.I.E., who died at his home in Dunblane, Scotland, last week at the age of 66, was until September last chairman of James Finlay & Co., Ltd., of a number of its tea-growing companies, including that in Kenya, and of Credit Finance Corporation, Ltd., Kenya, a Colony in which he had visited on a number of occasions.

Born in Edinburgh, he was educated at George Watson's College, and in 1913 joined Finlay's in Glasgow. On the outbreak of war in the next year he enlisted in the Argyll and Sutherland Highlanders, with whom he served in France, where he was later commissioned. Soon after demobilization in 1918 he went to India, and he was chairman of the Indian Tea Association at the time of the outbreak of the 1939 war, in which under his inspiration planters and labourers from many tea estates were to make a vital contribution by building roads and constructing air strips which were invaluable to the British Forces in Burma, who in 1942 had to retreat before the Japanese. His services he was made C.I.E. in 1942 and knighted four years later. He had the unusual distinction for a civilian of being mentioned in Army dispatches.

CAPTAIN CLAUD HENRY PHILIP O'HAGAN, of Nyeri, who has died in his 84th year in Kenya, had lived in the Colony for many years.

MR. FRANK ARTHUR HERBERT GREENFIELD, aged 72, who has died in Gwelo, arrived in Rhodesia in 1893 as a boy. That same year his father, Captain Harry Greenfield, was killed in action against the Matabele.

LIEUT. COLONEL FRANCIS BIRD FOLLETT, D.S.O., M.C., who has died in London, was for many years a director of Rhodesia-Katanga Co., Ltd., and Zambesia Exploring Co., Ltd., and assistant managing director of Tanganyika Concessions, Ltd.

MR. JOHN MAITLAND McARTHUR, who has died in Salisbury, aged 73, went to Rhodesia in 1912 and made the first photographic survey of the Zambezi Valley, including the Kariba Gorge. He was the son of a former Lord Provost of Edinburgh.

COLONEL J. G. BOTT, O.B.E., who has died in England, went to Southern Rhodesia in 1948 after 44 years' service in the British Post Office to report on the Colony's postal administration. His recommendations were so extensive that he accepted an invitation to become Postmaster-General.

MR. FRANCIS RICHARD BARNES, who has died in Southern Rhodesia, aged 86, was the last known survivor of the Southern Rhodesian Volunteers, the first defence unit formed by the Chartered Company after the Occupation. He was the third civil servant to be appointed in the country.

MR. SYDNEY MARSTON, who has died in this country at the age of 78, was a member of the first party sent to Kenya by the Standard Bank when it began operations in that country. In 1913 he left the bank to join the Kenya Treasury, and 12 years later he was transferred to Uganda as Deputy Treasurer. He was promoted Treasurer in 1930, but owing to ill-health retired four years later. He had been a member of the Legislative and Executive Councils and of the Railway Council and other bodies. In the 1914-18 war he served as a trooper in the Nairobi Defence Force, and in the last war was second-in-command of a Home Guard company in Dorset. On retiring from East Africa he had settled in Charmouth.

## Many Officials Dismissed in Uganda Twenty Convicted in Criminal Courts Last Year

RAPID AFRICANIZATION of the civil service has quickly led to many serious cases of indiscipline and worse, says the annual report of the Uganda Public Service Commission.

"From the point of view of the number and gravity of the disciplinary cases which came before the commission, 1960 was a bad year, and 1961 was worse. The commission advised dismissal from the service after conviction in the criminal courts in 20 cases, and in a further five cases as a result of misconduct which did not lead to criminal proceedings. The corresponding figures last year were 15 and five.

"In a small minority of cases, when the offence was not connected with the officer's duties and did not involve dishonesty or moral turpitude, the commission advised that it would have no objection to the officer's engagement on temporary terms after the conclusion of a prison sentence. In 15 cases the commission advised termination of appointment in the public interest. In 11 cases the officer's conduct of the officer concerned had been such that the commission felt bound to advise a reduction in retirement benefits as a step which it is very reluctant to take.

In 11 cases it advised the stoppage or detourment of increments, in one case a reduction in salary, and in six cases that the offending officer should receive a reprimand or severe reprimand. In 14 cases the termination of probationary appointments was advised.

Dismissals since 1958 have numbered 10. There have been 33 so-called discipline cases in the last two years. Termination of probation occurred 15 times in 1961 and 19 in 1960.

How rapidly the number of European officials has fallen and, how substantially the number of Africans has risen is shown by the following table of the distribution of senior civil service personnel at the end of each of the last three years:—

	1959	European African Asian		
Superscale	1959	187	—	—
	1960	196	—	—
	1961	178	—	—
Scale A	1959	506	62	24
	1960	450	78	20
	1961	313	119	17
Scale B	1959	657	68	104
	1960	428	115	155
	1961	272	115	200
Scale C and allied	1959	677	464	438
	1960	506	536	539
	1961	261	550	425

## Officials in Nyasaland Frustrated

DR. BANDA'S Ministry of Natural Resources in Nyasaland has recently lost by resignation nine senior European officials, and the Blantyre correspondent of the *Daily Telegraph* has reported having been told by civil servants in that Ministry that field officers in some districts are no longer allowed to leave their offices to advise Africans about farming methods unless their advice has been specifically requested, "which is never".

The message continued:—

"There are growing fears and dissatisfaction in the service. At a secret meeting of the Blantyre-Limbe branch of the Civil Servants' Association a majority decision was made to circulate all members to pack and leave the country as soon as possible. The decision was vetoed after prolonged argument by the chairman, Mr. Brian Summers.

"He said to me to-day: 'Officially, I am not allowed to speak to reporters. While I perhaps agree with the sentiments which the majority of members are expressing I think it is up to individuals to decide for themselves.'"

## Chiefs' Future

RUMOURS THAT chiefs would lose their jobs and their pensions when Kenya became independent were false, the Acting Governor, Mr. E. N. Griffith-Jones, said recently in Kitui. He added that the work of the chiefs was very important and would continue whatever Government was in power.



## American Interference in Federal Affairs

### "Not Over-Subtle Alignment with Nationalists"

MR. JOHN K. EMERSON, United States Consul-General in Salisbury, has been recalled after serving 17 months of what is usually a two-year tour. No successor has yet been named.

The *Daily Telegraph* correspondent cabled on Monday a reference to "numerous complaints" in the Federation made against the American consular representation there, and commented:

"Many white politicians speak openly of it as a subversive organization, hardly distinguishable in its methods from a Soviet embassy abroad. Since President Kennedy appointed Mr. Mennen Williams as his African expert, State Department men have abandoned their traditional line of non-involvement in Rhodesian inter-racial politics, and pursued a line of not over-subtle alignment with African nationalists."

### Complaints About Films

"The U.S. Information Service has issued some films and literature that appear to incite Africans to greater efforts to overthrow British and Southern Rhodesian systems of government. Even in Lusaka, where the British Colonial Service has political control, exception has been taken to American cultural penetration. The Governor has refused to allow all American official films offered for showing to African audiences to be previewed for approval or rejection."

"In some films offered, scenes and episodes from past wars have been recalled, with reminders that Africans too were struggling for their independence. Objections to these films have hitherto been brushed off with the retort that the critics are anti-American. American officials have appeared genuinely bewildered by the animosity they have aroused."

"In Nyasaland American consular cars have frequently got mixed up in car processions of the Malawi Congress Party, making it appear as if U.S. officials and Malawi partisans are hiding towards independence together."

"American consular men in Southern Rhodesia have also been in close touch with Mr. Nkomo's Zambian movement. This liaison has been carried on by both American and Southern Rhodesian consular staffs."

"It has also been alleged that consular officials have supplied surveys and reports to the United Nations."

"With two consulates in Lusaka and Zomba, U.S. staff in the Federation number nearly 200, most of whom are locally employed Africans. This is far larger than the British High Commission, or any other diplomatic mission in the Federation. Sir Roy Welensky strenuously objected to proposals last year to send a United Nations mission to study Rhodesian race relations. He ascribes the present truculence of African leaders partly to American and U.N. encouragement. I understand that the State Department is resisting the allegations of undesirable activities."

### Shock for State Department

In a leading article headed "1776 And All That," the *Daily Telegraph* commented:

"So convinced is American officialdom of the rectitude of the causes that it champions in the world that it must come as a shock to the State Department to have its tactics and methods questioned. Yet that is apparently what Sir Roy Welensky has been doing in privately drawing attention to the swollen staffs of United States missions in British Central Africa and some of their reported activities. Nationalism rather than Communism is the threat to orderly evolution in Central Africa, and it is imaginable that in combating the one extreme doctrine American cultural activities occasionally inflame the other. Sly reference in commentaries to wars of independence and Boston tea parties can do no harm among the sophisticated listeners at a Pilgrims' dinner, but the explosive communities of Central Africa react more violently to repeated object lessons from American history."

"Mr. Mennen Williams, the Assistant Secretary of State for Africa, has been living down his early reputation for bluntness in approach to other people's problems. He has made considerable effort to understand all points of view, but he adheres still to his own view of history that self-government must bring with it stability."

"During a recent African tour he made a revealing confession of the itch to help along that obnoxious American foreign policy. 'We feel that nobody in the U.S. can feel completely secure as long as there is any place in the world that is not stable and tranquil.' Without entirely subscribing to

Lord Melbourne's dictum, 'for goodness sake, leave it alone', we feel that Melbourne's advice might at times have something to add to American security."

"The Rhodesias and Nyasaland are now putting into practice the theories of emancipation, and trying at the same time to achieve unity without civil war. They have the right to request the most correct behaviour by foreign missions and the most circumspect use of propaganda."

## "Colonialists" Must Quit This Year

### U.N. Should Act, Says President Nkrumah

SO LONG AS COLONIALISM exists in Africa, Africans cannot help behaving as they do at present, President Nkrumah of Ghana declared on Monday when he opened in Accra a "Positive Action Conference for the Liberation of Africa."

"Africa therefore appeals to the United Nations to live up to its reputation as the greatest force of world peace, and demands that the U.N. should be devoted to the problem of colonialism in Africa. The U.N. should make a firm declaration calling on the Colonial Powers to quit Africa by December 31, 1962, and that any country which does not do its own declaration on the liquidation of colonialism is given practical effect without further delay. It is in the interest of the world that this should be done."

About 150 so-called "freedom fighters" from 19 African countries, including the Rhodesias, Kenya, Zanzibar, Angola, Bechuanaland, Basutoland, Swaziland, South-West Africa, and South Africa, are meeting privately to discuss "intensification of the struggle for freedom and independence in Africa and other colonial territories, the need for concerted action and unity in the struggle, and problems confronting the parties and organizations."

President Nkrumah told the conference: "The real objective is the liquidation of colonialism and imperialism in all its forms, political, economic and ideological, and the political unification of Africa."

## Nkomo Alleges "Filthy Plot"

MR. JOSHUA NKOMO, leader of the Zimbabwe African People's Union of Southern Rhodesia, declared last week that Sir Edgar Whitehead, the prime minister, and Mr. R. A. Butler, U.K. Minister for Central Africa, had "hatched a filthy plot" to ban his party and arrest him. He made this allegation while passing through London for New York, where he will try to "get our case" before a special session of the U.N. General Assembly.

"Mr. Butler and Whitehead have said that the U.N. has no jurisdiction over Southern Rhodesia, but I must emphasize that as long as the U.N. supports the majority of the people in Rhodesia, its action could not be said to be useless. If we can get its support, we can go ahead with our planned action."

"His party had never suggested violence. 'But if people are provoked by the Government and violence does come, then it is the British Government and Sir Edgar who will be responsible. You cannot continue to provoke people and expect them not to act. History has shown that continued provocation results in violence.'"

## U.N.I.P. Will Not Compromise

MR. KENNETH KAUNDA, leader of the Northern Rhodesian United National Independence Party, who has since arrived in Accra for a "Positive Action Conference for the Liberation of Africa", said in Southern Rhodesia last week that "our attitude now is that the Federation must be dismantled completely. There is no compromise, no constructive approach. Then we can build afresh on the will of the majority of the people." The British Government had, he alleged, forced his decision on him by picking on his previously expressed support for a Northern and Southern Rhodesian public commission to administer the Kariba Dam, Rhodesia Railways and other joint undertakings as an indication that "we are not as opposed to federation as Nyasaland."

### Kenya's Independence No Nearer

#### More Support for Regionalism, Says Mr. Muliro

INDEPENDENCE FOR KENYA is as far away as ever, Mr. Masinde Muliro, Minister for Commerce and Industry in the Coalition Government, and vice-president of K.A.D.U., said in London last week after a short visit to Switzerland to consult with his party's constitutional adviser, Dr. Zellwiler.

Confusion was resulting from the delay in setting the regional delimitation commission to work and gave K.A.N.U. politicians the opportunity to declare that there was no serious intent to establish new regions, but merely an attempt to dress up the existing provinces. Nonetheless, Mr. Muliro felt that there was increasing reluctance among the Embu and Meru tribes to be included with the Kikuyu, as hitherto, and that might necessitate an extra region. Masai Luo were also seen to be particularly averse to the regional concept.

Partly administrative and technical, the Coalition Government was working on, but progress for setting of a Constitution was almost non-existent. Consequently there was not the slightest hope of regional and federal elections this year.

Under Kenyatta K.A.N.U. had never accepted the federal scheme agreed at the London conference. It had merely pretended to do so, and was now trying to dismantle its first opportunity.

The delay could damage the prospects of an East African Federation. The territories might tend to grow apart. Mr. Muliro hoped that Tanganyika's decision to become a republic this year would not encourage such a tendency.

In a week-end speech Kenyatta told a party rally at Thika that, as he would set into plants, K.A.D.U. is setting away for independence.

### Another European Murdered

AN AFRICAN has been charged with the murder of Mrs. Helen Carr-Davies, a 76-year-old widow who was found battered to death last week outside her farm house at Lanet, near Nakuru. She had been in Kenya about 30 years.

### Kenya Needs Investment Revival

#### Will Not Precede Political Settlement

LITTLE PROSPECT EXISTS of a significant increase in the domestic product of Kenya's monetary economy in 1962, the Finance Minister, Mr. J. S. Gichuru, told the Legislature when presenting his economic survey; but substantive production should expand.

The high rate of Government spending during the past year had been a powerful factor in supporting economic activity, but that had been made possible only by financial assistance from Britain on a scale which was not enjoyed by any other territory of comparable size. Permanent aid of this magnitude is not to be expected, nor is it compatible, from whatever source it comes, with political independence.

The Government will continue within the limits of available finance to take all reasonable steps to attract new capital but the basic economic problem which difficulties lies in the revival of investment, financed either from producing back profits and other domestic sources, or from new money brought in from overseas. In spite of this, it is encouraging signs of interest by overseas investors in Kenya, it is the purpose to pretend that any marked inflow of funds will precede the settlement of outstanding political problems.

The export outlook was not discouraging. A lower coffee crop would be partly offset by higher prices; tea production had recovered and prices were firm; steel was dearer though output was down; and it was expected that the saturated world pyrethrum market would expand.

Expenditure estimates for 1962-63 total £35,482,000, an increase of £3,000,000 for the public debt, £534,000 for pensions, £127,000 for education, £95,000 for police, £64,000 for new Ministries, and £59,000 for the Kenya census.

Development allocations at £14,116,000 (£2.4m. more than last year) call for expenditure of £51m. on land settlement schemes, which took £2,800,000 in 1961-62.

The Minister presented his budget on Tuesday.

### Obligations Legal and Moral

MR. C. O. OATES, chairman of the Convention of Associations in Kenya, told a meeting recently held in Nakuru that a letter which he had received from Mrs. Maudling, Secretary of State for the Colonies, contained the following passage:—

"The examination of the legal position which I put in hand has now been completed, and the terms of the various grants of Crown lands and leases have been taken into account. I have also had the views of the Kenya law officers.

"I am advised that there is no obligation in law on the part of the British Government arising from the Crown grants made in Kenya, to ensure that the rights conferred by those grants are not expropriated or altered by law. This being the case, no question arises of a continuing obligation in law upon the British Government after it ceases to have responsibility for Kenya.

"But, as you know, the British Government have never taken the view that their obligations were limited to legal obligations."

### A Kenyan's Three Ifs

COMMANDER BRIAN GOORD has written in the *Kenya Weekly News*: "If next year I see a Government in Kenya of patriotic men in power, thinking nationally, showing integrity and impartiality, then I shall be encouraged to go on waiting. If in due course I see that same Government revive the multi-racial idea, so that we may begin to belong again, I should hope — if it were economically possible — to stay and contribute to the progress of Kenya. And if at length the nation assumes a character and philosophy in which I can believe, why maybe then I'll become a Kenyan."

Kenya's Land Development and Settlement Board has printed more than 220,000 leaflets in English, Swahili, Kikuyu, Kamba and Kalenjin, explaining the board's workings and "How to Buy Land in the Highlands."



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## "White Developer", Not "White Settler"

### Rhodesians Determined to Remain

MR. GEORGE HINDLEY, a public relations consultant in Salisbury, who from time to time expresses his views on economic and social factors in the Federation, writes in a newsletter:—

"Few terms rouse an honest Rhodesian to more fury than 'white settlers', which is the label given willy-nilly by some sections of the British Press to any white person who lives in a predominantly black country. 'White developer' would be much fairer, because white people do not just sit back and let the African work. Europeans, by and large, in Rhodesia and Nyasaland work harder and longer hours than people in Britain or even South Africa—and they do so in a much more rigorous and vitality-sapping climate.

White Rhodesians are proud of being Rhodesians and have no desire to be anything else. The 'white' words are usually missing in the news stories of another country. Some are getting, of course, but about 5,000 came in (not) last year and young white Rhodesians are marrying, setting up homes, and then multiplying at the rate of 2.5% per annum, which is comparable with any country of the world.

In the first six months of 1960 immigrants (mainly European) not born in the Federation were applying for Federal citizenship at the rate of just over 430 a month. In a few months—in the midst of bloodshed in the Congo and riots in Salisbury and Bulawayo—the application for citizenship had risen to an average of 620 a month. This is an indication that people want to get out. Indeed, hundreds of people who could stay on a British South African, or other passport are voluntarily and eagerly becoming Federal citizens.

## Tea Development in Nyasaland

TEA DEVELOPMENT on peasant holdings in Nyasaland which now grow other crops and the development of nucleus tea estates with factories are to be examined in June by a mission appointed by Dr. Banda, Minister of Natural Resources. It will be led by Mr. A. R. Cameron, senior planting adviser to a tea company in Nyasaland, who was formerly in Kenya. The other members are to be Mr. G. Gamble, previously an agricultural officer in Kenya responsible for the organization and management of the African-grown tea industry; Mr. C. E. Johnston, Nyasaland's Director of Agriculture; Messrs. J. G. Sanderson and A. Schwarz, of the Tea Association of Rhodesia and Nyasaland; Mr. J. E. Mayne, representing the C.D.C.; and two African M.L.Cs., Messrs. M. O. Chibambo (Mzimba North) and A. W. Chipungu (Cholo).

## Dr. Banda on "Evil Days"

RESPONSIBILITY for conserving Nyasaland's natural resources is placed on committees formed by local farmers in a Land Use and Protection Bill which has just been laid before the Legislative Council by the Minister of Natural Resources, Dr. Banda, who said that it represented a new approach away and a departure from the "evil days of agricultural rules which had a spark of humanity in them and caused bitterness and dissatisfaction by being enforced rigidly to regiment the farmers behind a bamboo and iron curtain." The new provisions would achieve voluntary co-operation between the central Government, the district councils, and the ordinary African villagers.

About 10,000 African farmers in Tanganyika have now an average of an acre under pyrethrum, last year's output of which was about 1,500 tons. The 1964 target is 3,500 tons.

## The British South

### Africa Company

## Mining in Northern Rhodesia

The President of The British South Africa Company has recently stated that the Group's policy is unchanged and the development of the Federation of Rhodesia and Nyasaland is the primary field for employing its financial resources.

The growth of the Northern Rhodesia mining industry has been among the most spectacular developments in the sphere of mining that the world has ever seen, but the participants have not rested on their laurels.

The Group contributed very large sums for the development of the copper mines. In the case of Bancroft Mines Limited, the most recent mine to be developed, no less than £5 million was provided by the Group in the form of equity and loan capital in order to bring this large new mine into production.

The British South Africa Company Group has a large equity interest in the Northern Rhodesia prospecting companies which are searching for further mineral deposits and spent £1 million in 1961. This patient prospecting with the most modern techniques is fundamental to the long term development of the natural resources of Northern Rhodesia. No new discoveries of any great value have been made recently, but the search is being maintained, and if it is successful the Group would no doubt be willing to participate substantially in providing the finance for development, as it has always done in the past.

## Birthdays Honours

(Concluded from page 967)

GIEFILLAN, F. E. M., lately head postmaster, Mombasa.  
 HEALD, Mrs. M. A. For Red Cross work, Bulawayo.  
 HILL, R. A., D. C., Samfya, N. Rhodesia.  
 HOCKING, G., of Bulawayo. World champion motor cyclist.  
 HOPWOOD, J. G. For social services and services to Rhodesia Railways.  
 ILIFFE, Miss P. M., lately British Vice-Consul, Elisabethville.  
 KLAMBOROWSKI, Miss F. M., public service, Nyasaland.  
 KUSAMBIRAZA, N. F. M., senior labour officer, Uganda.  
 MACLACHLAN, I. For public services in Umtuvkes district, S. Rhodesia.  
 MADONKA, M. G., Bulawayo High Court interpreter.  
 MATINGA, C. J. For public and political services in the Federation.  
 MAY, C. A. senior maintenance superintendent, E. A. Voluntary Organisation.  
 MURPHY, W. G. senior public service, Nyasaland.  
 NDIRU, W. senior (senior) Kenya.  
 NDIRITU, J. B. secretary to Nyasa African district council.  
 PATEL, R. B., assistant accountant, E.A.R. and H.  
 PEARMAN, R. C., D.O., Uganda.  
 PICKFORD, Mrs. D. M. F. For public services in Kenya.  
 ROBERTS, H. H. superintendent, special constabulary, Zanzibar.  
 ROPER, J. L., lands officer, Uganda.  
 ROPER, P. J., superintendent, Luveve African, probation  
 THIBA, G. principal, Mwanza College, Bechuanaland.  
 WRIGHT, W. A. senior superintendent of police, Zanzibar.

### BRITISH EMPIRE MEDAL (Military Division)

NATAMBO, W.O. II, Rhodesia and Nyasaland Army.  
 ZULU, W.O. II, J., Rhodesia and Nyasaland Army.

### (Civil Division)

ABDULLAH, SHARAN, telephone supervisor, Zanzibar.  
 ALI, RAHMAT, assistant engineer, grade II, E.A.C.S.O.  
 DZWITTE, S. J., African probation officer, S. Rhodesia.  
 GONDWE, L. N., agricultural supervisor, Nyasaland.  
 MUSA, S., head messenger, Abercorn district, N. Rhodesia.  
 NIEMANGA, R., senior chief, Kenya.  
 NIJALIMBA, F. J. C., postman, Umansha urban council, N. Rhodesia.  
 OWYAK, F., Local Government agent, Upe, Uganda.  
 PONYA, B. L., administrative assistant, Mporokoso, N. Rhodesia.

### IMPERIAL SERVICE ORDER

POWELL, R. J., Native Commissioner, S. Rhodesia.  
 THAKORE, J. U., establishments officer, Uganda.

### Queen's Police Medal for Distinguished Service

ANDERSON, G. A., Assistant Commissioner, Uganda.  
 BILES, R. H. V., Commissioner of Police, Zanzibar.  
 HARRIS, G. M., senior assistant commissioner, British South Africa Police.

### Colonial Police Medal for Meritorious Service

A. M. BRAES, J. COOK, L. J. C. DINGA, J. C. MAFUNGAUTI, T. S. MAPIYE, R. M. PAWADYICRA, C. H. PLASTOW, and W. SENNER, all of the B.S.A.P.  
 F. K. BUCKINGHAM, J. A. COATES, J. P. P. FITZGERALD, B. LUCHEMBE, and J. D. WILLIAMS, of the N. Rhodesia Police, and D. B. MOORE and S. ROPER, of the Nyasaland Police.  
 T. A. BEDFORD, C. A. COLLINS, M. KADZUNGU, M'UTONOORI MASANA, W. A. MILNE and J. A. SHERKARD SMITH, of the Kenya Police.  
 E. M. BOGERE, ADAM BIN DUSMAN, W. C. HORNE, MAHMUD HASSAN, MALK, LOURENÇO OYUKUTU S/O MONDO, S. SEBANA, L. W. SENGENDO, A. A. VALE and J. R. WALKER, of the Uganda Police.  
 G. LEFOTO and J. LIPHOTO, of the Basutoland Mounted Police.

## East African Dinner

VISCOUNT BOYD OF MERTON will preside and Mr. Reginald Mauding, Secretary of State for the Colonies, will be the chief guest at this year's East African Dinner in London, to be held on Thursday, June 21. Non-members of the Dinner Club may obtain tickets (45s. each) from Miss V. C. Young, c/o East African Office, Grand Building, Trafalgar Square, London, W.C.2.

## News Items in Brief

Journalists of all races in Kenya are to form a union. A consulate in Bonn, Germany, is to be opened by the Tanganyika Government.

Some 2,000 landless and unemployed Kikuyu families are to be settled at Npande in Central Tanganyika.

A new Masonic Lodge named Charter, No. 7834 (E.C.), has been founded in Salisbury, Southern Rhodesia.

The Uganda Independence Conference will open at Marlborough House, London, on the afternoon of June 12.

The Tanganyika Government has denied Press reports that it is seeking to join the Casablanca group of African States.

Nairobi's two main daily newspapers are producing strike editions while their printers are out in demand of higher wages.

Hundreds of zebras and wild dogs reported by game scouts in Tanganyika have been driven down a flooded river into Lake Victoria.

For famine and food relief measures in Kenya H.M. Government is making a grant of £100,000. The Government is providing for agricultural rehabilitation schemes.

The Federal Republic of Germany has offered 16 scholarships to Tanganyika citizens for study in Germany in 1962-63.

Preference will be given to those seeking post-graduate study.

From the middle of next year students at Makerere College, Uganda; the Royal College, Nairobi; and University College, Dar es Salaam, will take degrees of the University of East Africa, not those of the University of London.

The International Road Federation's annual conference gives several pages to road matters in East and Central Africa. Both areas were visited during the year by Major Colonel K. E. Broom, chief executive of the London office.

Farmers in the Fort Jameson area of Northern Rhodesia who wish to move to the line-of-rail or the Nkushi district on a farm-to-farm exchange basis, together with additional aid, are to have such an option for the next two years.

The annual cricket match between the Tendus Society, the sports organization of the British and Commonwealth Shipping group, and South Africa House, was played last week at Blackheath. South Africa won by three wickets.

The I.N. Special Fund is providing more than £1m. to Kenya for a three year survey of the irrigation potential of the lower Tana River in the Coast Province, and for construction of the Royal College and the Kenya Polytechnic in Nairobi.

Elijah Masinde, former leader of the proscribed Dini ya Msambwa movement, has been de-restricted in Kenya, but is still prohibited from entering Uganda, where a number of incidents connected with the group have recently been reported near the Kenya border.

To a request that patients in Protectorate hospitals be allowed to wear long pyjamas instead of being forced to den short ones, Uganda's Minister of Health replied: "Short pyjamas are the height of fashion in the U.K. for the clothes-conscious male".

A portrait of The Queen in Garter robes, painted by Mr. Edward Halliday for the Royal Commonwealth Society, was unveiled on Tuesday afternoon by H.R.H. the Duchess of Gloucester, who was received by Viscount Boyd of Merton, chairman of the society.

Half a million acres of land has been bought by the Southern Rhodesian Government from the London and Rhodesian Mining & Land Co., Ltd. for development as Native purchase area farms and to relieve population pressures in adjacent over-crowded reserves.

Tanganyika declined an invitation to a meeting of independent African States which opened in Nigeria last week to discuss a charter for the proposed African and Malagasy States Organization. The Somali Republic, the Sudan, and Ethiopia were represented.

An unprecedented invasion by rats is reported from the north-west Trans Nzoia, where about 20,000 acres of European farms are officially stated to be infested. Many farmers have had to re-plant their maize three times, and large quantities of stored grain have been eaten.

Representatives of the Kenya Government, the Kenya Civil Service Commission, and the East African Common Services Organization are to spend up to six weeks in the United States interviewing the several hundred Kenya students in that country. The aim is to recruit many of them to the civil service.

More ships of the Union-Castle Line are to call at Madeira and Las Palmas in order to meet the increasing demand for passengers. There have hitherto been alternate weekly calls by the mailships bound to and from the Cape. Now some vessels will visit both Madeira and Las Palmas, especially the three latest additions to the fleet, the PENDENNIS CASTLE, WINDSOR CASTLE, and TRANSVALE.

## Union Miniere du Haut-Katanga

UNION MINIERE DU HAUT-KATANGA records in its 55th annual report the death in Katanga of five of its European staff as a result of military action by United Nations troops.

In December the U.N. attacked from the air installations of the company in Elisabethville, Kolwezi, Luluabourg, and at Le Marnel, and the general offices in Elisabethville, in which 150 women and children had taken refuge, were bombed. The Lubumbashi works were occupied for two months and pillaged by U.N. troops engaged in wrecking for which there could be no military reason.

In consequence of measures which had to be taken because of this situation, because the wages of African employees were increased, and because of lower world prices for copper, the results were less favourable than in the previous year, and the dividend is reduced to 400 francs per share, subject to provision of Belgian currency by the Katanga authorities, to which the assets formerly held by the company have to be transferred for conversion into francs.

Copper output of 200,000 tons had been planned for the total achieved was 293,500 tons, together with 8,326 tons of cobalt, 127 tons of concentrate, 15.3 kilos of germanium, 190 kilos of cadmium, 107.3 kilos of silver, 34 kilos of gold, and 26.9 grammes of radium.

At the end of 1961 a staff of 1,700 persons at the end of 1961 there were 132 Africans.

The directors are M. Paul Gillet (president), M. Edgar Van der Straeten (vice-president), the Earl of Selborne, Sir Ujck van der Capitan, Captain Charles Waterhouse, and MM. Edgar Buisson, Jules Combarieu, Albert Marthot, Herman Roehart, Richard Terwagne, Louis Van der Auwera, Maurice Van der Auwera, Emile Gordia, Ary Guillaume, and Jean Pierre Paulus.

## Forestral Land Report

THE FORESTAL LAND, TIMBER AND RAILWAYS CO., LTD., which has subsidiaries in East and Central Africa, reports good profits for 1961 after tax at £109,488 (£298,393). A dividend of 3% takes £102,900. The issued capital of the parent company is nearly £74m. Interests in the Argentine subsidiary amount at the year end to £5m, and in other subsidiaries at nearly £31m. Current assets less current liabilities amount to £275,840.

Mr. George F. Taylor is chairman and managing director, Lord Glenconner deputy chairman, and Mr. E. J. Leathers deputy managing director. The other members of the board are Sir Walter Worboys and Messrs. C. N. Hillier, M. Lees, C. D. Macquaid, W. R. Merton, and E. C. Raymond.

The principal subsidiary in East Africa is the East African Tanning Extract Co., Ltd., of which Mr. John L. Riddoch is chairman, and Mr. J. E. Elmer, managing director; Messrs. W. J. H. George, A. A. Lawrie, and J. H. Symons are directors. Other subsidiaries in East Africa are the Nairobi, Plateau, and Sotik wattle companies.

Lord Robins is chairman of the Rhodesian Wattle Co., Ltd., with Mr. B. G. Hewitt as managing director, and Sir Frederick Crawford, Mr. H. R. Goldberg and Mr. A. C. Sofie as the other members of the board.

## Willoughby's Consolidated

WILLOUGHBY'S CONSOLIDATED CO., LTD., now a subsidiary of London and Rhodesian Mining and Land Co., Ltd., has a re-constituted board of directors consisting of Mr. A. H. Ball (chairman), Mr. R. W. Rowland (resident in Rhodesia), Mr. J. N. Kiek, Mr. A. J. B. Oghly, and Mr. C. D. Mackenzie.

Seven mines in the Great Dyke Association, Southern Rhodesia, are building a secondary school for the children of their African employees, said to be the first such school so provided by a mining group.

A plan mooted 14 years ago by a group of African businessmen has resulted in the opening at Beke, Southern Rhodesia, of the 245,000 Nyatsime Commercial and Technical College for Africans, the first privately run school of its kind in the Federation.

T.A.N.U. Youth League members have been warned against setting up illegal "bush" courts by the Northern Region Commissioner. There had been charges against them in the Usa River area of abduction, assault, and wrongful confinement.

## Selection Trust and Seltrust Reports

SELECTION TRUST, LTD.—which has large interests in copper mining in Northern Rhodesia but is concerned primarily with mining in Northern Rhodesia, Sierra Leone, Ghana, South West Africa, and South Africa—reports profits after tax for the year ended March 31 of £1,839,082 (£1,856,521 in 1961).

The exploration reserve is increased by £500,000, dividends of 7s. 3d. per stock unit take £1,152,217, and the carry-forward is £1,150,000 (£963,639). The issue capital is £2,595,856. Investments standing in the books at just over £54m had a market value of nearly £33m., current assets less current liabilities amounted to £4m., and mining properties, equipment, and other fixtures appear at almost £12m.

One of the subsidiary companies is Bikita Minerals (Pvt.) Ltd., Southern Rhodesia, which owns a lithium and beryllium mine near Fort Victoria. Selection Trust and a subsidiary, Traseca, Ltd., between them own just over half the capital. After providing for depreciation and other items a profit of £145,250 was made in December. Dividends were paid for the £266,508 of the previous year, the same being the result of a contract with an American company. Production was therefore reduced to conform to the low level of demand for lithium ore. Last June the issued capital was increased from £209,000 to £1m. by capitalizing £800,000 of accumulated profits and the shareholders were offered the four new shares for each share then held.

Selection Trust's most important investment is a 12.2% interest in American Metal Climax (Amx), currently worth about £20m. It is through Amx and its large holding of Rhodesian Selection Trust that the company is interested in Northern Rhodesian copper.

Another subsidiary, Seltrust Investments (Pvt.) Ltd., had a profit for March 31 after tax of £1,327,849 (£1,385,698). The ordinary dividend was 63s. per £1 share. The issued capital is £1.5m. Quoted investments standing in the books at £2.6m. had a market value of £26.4m., and current assets less current liabilities total £71,985.

Mr. A. Chester Beatty is chairman and Mr. T. H. Bradford managing director of both companies. Sir Ronald Prain and Mr. R. M. Peterson are directors of both, and the other directors of Selection Trust are Brigadier B. Molelem and Messrs. C. B. Forgan, E. J. F. Goudie, D. D. Irwin, R. H. Macwilliam, S. D. H. Pollen, and E. C. Wharton-Tiger.

## Ralli Brothers and Coney

RALLI BROTHERS & CONEY, LTD., is to be the name of a new company which will take over all the cotton business now conducted by Ralli Brothers Ltd. and Smith, Coney & Barrett, of Liverpool. Lord Carrick will be chairman, Mr. Michael Higgin and Mr. Walter Slagg will be joint managing directors, the other directors will be Mr. M. de Botton, Mr. J. J. Alexandroff, Mr. A. J. K. McBride, and Mr. K. N. Finlay, and Mr. John Coney will be an advisory director. The new company will have an authorized capital of £400,000. Its headquarters will be in Liverpool.

Tea growing by Africans in the Bukoba area of Tanganyika is to be started. About 100 acres are to be planted shortly.

Wankie Colliery, Southern Rhodesia, had an output in May of 224,225 tons of coal (238,156 in April) and 12,165 tons of coke (11,745).

Nearly 200 Africans at Matiza Bay near Tanga are voluntarily clearing land to establish 800 acres of sisal as a communal enterprise.

Manih in the Loloche, Ngong, and Narok districts are now growing pyrethrum, which is being marketed through three newly-established co-operative societies.

The firm Kapiti settlement schemes will soon be in operation in the Machakos area of Kenya, where 85,805 acres have been purchased for arable and ranching schemes.

Rhodesian Railways are to increase the wages of some 421,600 African employees at a cost of £246,000 annually. The general manager, Mr. J. H. Allen, has been re-elected chairman of the industrial council at the special request of the Railway African Workers' Union.

Tanganyika budget for 1962-63 will for the first time bring expenditure above £40m. It shows an increase over last year's budget of about £54m. Pensions and gratuities to former civil servants will take about £22m.; compensation to expatriate civil servants £2m. and subscriptions to international finance agencies £1m.

Chairman's Statement: DE BEERS CONSOLIDATED MINES LIMITED  
*Incorporated in the Republic of South Africa*

# DIAMOND SALES A RECORD

## Mr. H. F. Oppenheimer's Review

The following is from the statement by the chairman, Mr. H. F. OPPENHEIMER, which has been circulated to members:

The total sales of diamonds by our organization in 1961 amounted to R191,422,720. This was a record, and exceeded the 1960 total by about R12 million. In spite of these large sales the stock of diamonds held by the company and its subsidiaries increased by nearly £1 million. The stock of R57,057,989 held by our producing companies and the Diamond Corporation at the end of the year was, however, reasonable in relation to the total volume of world-wide demand for diamonds and has continued to be satisfactory.

There is, however, some over-production of certain qualities of small gem diamonds, and it has been necessary for us to stock substantial quantities of these goods. This has caused us some concern, and we are taking special steps to build up the demand for these qualities.

In my statement last year I mentioned that we were making large purchases of diamonds produced by individual diggers in Sierra Leone and that we were also buying important quantities of diamonds from Russia. Our purchases from both these sources were considerably higher in 1961 than in 1960 and we also bought a substantial quantity of diamonds on the Ivory Coast.

The profits on these large purchases are quite inadequate to justify the risk and effort involved. We undertake this business not for its own sake but in order to maintain the stability of the market and make possible the profitable and orderly marketing of the production from the mines of our group and from the other diamond mining companies who market their production through our organization.

We also are called upon to spend large and increasing sums on promotion and advertising in the interests of the trade as a whole. It is fortunate for the industry that our organization, and our financial resources are adequate to meet all these responsibilities.

### CONTRACT WITH S.L.S.T.

The new contracts which came into operation on January 1, 1961, governing the operation of the Central Selang Organization have worked smoothly on the whole. I am sorry, however, to inform shareholders that the negotiations for the renewal of the Diamond Corporation's contract for the purchase of the diamonds produced by Sierra Leone Selection Trust Limited were unsuccessful. The negotiations broke down principally on the question of the profit margin to be allowed our organization.

We were particularly anxious if possible to buy these diamonds because we were and are concerned that if these goods were marketed through a separate channel it might be difficult for us to maintain the price level of the same qualities which we buy through the Sierra Leone Government Diamond Office. We were, however, unfavourably placed to compete for the purchase of the Sierra Leone Selection Trust production. So long as we are able to maintain our price level it is profitable for merchants who are not called upon to bear our responsibilities to buy direct from producers at prices very close to those at which we sell.

Small individual producers have always profited from this situation, and we ourselves, as I have explained, buy very large quantities of diamonds from West African diggers and from Russia at prices that enable us to do little more than cover our expenses. The situation of the large production companies is however in our view different. In order to meet the price required by Sierra Leone Selection Trust we would have had to offer some considerable price reductions. These accorded by us to any of the other major producers and which if insisted on generally would make it impossible for us to continue to operate the Central Selling Organization. As I write there is still no certainty about how the Sierra Leone Selection Trust production will in the long run be marketed.

### INDUSTRIAL DIAMONDS

The year has seen important developments in the fields of industrial diamonds. Our factory at Springs for the manufacture of synthetic diamond grit started production on July 1. The quality of the product is very satisfactory and the costs of production have in practice proved considerably better than the estimates on which we based our decision to proceed with this business. Research work is being actively continued with a view to the production of varying sizes and qualities of grit for specialized purposes. Greatly improved qualities of natural diamond grit are also being prepared, and our organization is now able to give customers a wide choice of different diamond grits, natural or synthetic, as may be required to meet their particular needs.

At the Williamson mine in Tanganyika prospecting within the pipe continued on the 120 ft., 300 ft. and 1,200 ft. levels. Results so far have been somewhat disappointing but further work is required before a final assessment of the mine can be made.

Operations at the producing mines of the group proceeded satisfactorily throughout the year.

The Group has maintained its very strong cash position and is continuing its policy of broadening its basis by investment outside the Diamond Industry. At the end of last year the value of the group's non-diamond investments taking market prices for quoted investments and book value for unquoted investments was R147,386,858 and the Group's net current assets amounted to R95,638,596. After deduction of minority interests, the total value of non-diamond investments and net cash assets attributable to our company was R203,708,847.

In view of this strong position and of the increase in the net profit of the group attributable to De Beers from R40,417,826 in 1960 to R43,962,705 last year, the dividends for last year were increased by 15 cents per share to 140 cents, as compared with 125 cents paid in respect of each of the three years, 1958-60. Shareholders will realize from what I said earlier in this statement that we face many new and difficult problems. We are however well equipped to handle them. The year 1962 has started well and we look to the future with confidence.

*The annual report and accounts are obtainable from the London office, 40 Holborn Viaduct, E.C.1.*

Company Report

# The Associated Portland Cement Manufacturers Limited

(The Parent Company of the Blue Circle Group)

## A Record Year at Home and Abroad

Damaging Effect of Oil Duty on Export Trade

Heavy Capital Expenditure Programme Financed From Own Resources

MR J. A. E. REISS ON STEPS TO MAINTAIN GROUP'S POSITION AS WORLD'S LARGEST CEMENT ORGANIZATION

THE ANNUAL GENERAL MEETING OF THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS LIMITED will be held on June 28 in London.

The following is an extract from the statement by MR J. A. E. REISS, chairman and managing director, which accompanied the report and accounts sent to stockholders.

**ACCOUNTS:** Once again I should like to refer to the capital expenditure by our Group. Expenditure during 1961 amounted to £8,647,000, and during the sixteen years since the last war we have expended on capital account £74,478,467; during the same sixteen years we have provided out of profits £39,873,818 for depreciation and transferred £13,617,650 to fixed assets replacement reserve, a total of £53,491,468, which is equivalent to nearly 72 per cent. of the outlay. This expenditure has been financed without your Company having to issue fresh capital.

### Results of Three Companies

The Associated Portland Cement Manufacturers Limited, holds 100 per cent. of the equities of The British Portland Cement Manufacturers, Limited, and Alpha Cement, Limited, so a clearer picture of our past year's working in the United Kingdom is produced by combining the results of these three companies than is shown in the consolidated accounts, which include our overseas interests. The figures to the nearest thousand pounds are as follows.

The excess of trading income over expenditure after deducting directors' and trustees' emoluments, subvention payments to subsidiaries, and share issue expenses increased by £1,368,000 to £11,092,000. We set aside for depreciation £3,110,000, which was £250,000 more than a year ago, and the allocation for replacement of fixed assets of £400,000 was similar to that provided in 1960; the total provision under these headings was £3,510,000. Investment income and interest, amounting to £2,136,000 was £14,000 less than in 1960. Debenture and loan stock service at £260,000 showed an increased of £94,000 as compared with the previous year.

The net surplus, before providing for taxation, was £9,458,000, an increase of £1,010,000. Provision for taxation increased by £779,000 to £4,864,000, leaving available for appropriations and payment of dividends £4,594,000, which was £231,000 more than in 1960. An amount of £200,000 has been transferred to staff pension fund reserve and £1,943,000 to unappropriated profit, the two items amounting in total to £2,143,000, being £26,000 more than in 1960, leaving for distribu-

tion as dividends £2,451,000 of £800 per ton more than a year ago.

### Past Year

We experienced the biggest percentage increase in demand last year that we have ever had, and our deliveries were 8.57 per cent higher than in 1960. We sold up all our stocks and imported a limited tonnage from the Continent, which was sold at normal prices, but we were able to keep our customers satisfied. Certain of our competitors showed a greater percentage increase than us, but it must be remembered that unlike some of them we were delivering to the limit of our capacity the previous year.

This time last year I foretold the damaging effect that the hydro-carbon oil duty would have on our export trade. Events have unfortunately borne this out as our exports fell by one third, equivalent to some 300,000 tons. We had no alternative but to withdraw from many of our old traditional markets because the oil duty turned a profit, already only marginal, into a loss. We also had to deal with increasing competition from countries on the Mediterranean which earn foreign currency by the export of cement. In these cases prices are not based on normal commercial considerations but are subsidized by increased charges made to home consumers. It is disappointing indeed that the Chancellor did not have second thoughts in his recent Budget about this crippling oil duty. The main advantage to your company of this country joining the Common Market—if and when this takes place—will be the rationalizing of our fuel costs as compared with other European countries.

### This Year

In spite of all the cold weather, deliveries to date are only slightly down on last year when the weather was particularly good for building. We do not expect the output of the building industry to change significantly this year, although it is possible there may be some falling off in activity in the autumn.

Our expansion programme is well under way both as regards increased capacity and the provision of more bulk depots. We expect to have our third kiln in operation at Caudon by August and our new works at Westbury in production before Christmas. This latter works would have been in operation four months earlier had it not been for a delay caused by a third public inquiry that was held last summer. A big bulk loading and distributing plant at Uddington near Glasgow came into production last autumn, and others will be working at Birmingham, Grangemouth, Dundee, Aberdeen and

Exeter by the end of this year. This type of depot enables us to take advantage of the favourable rail rates for this class of traffic and to give a greatly improved service to our customers.

As I have said above, prospects in the export trade are dim indeed. Up to the time of writing our figures show a further sharp decline and it seems certain that by the end of the year we shall have lost some 75 per cent. of our trade in grey cement. We still continue to export many special products that bring us a good return but the tonnage is comparatively small and the profits made cannot be compared with those which were possible up to a few years ago on ordinary cement.

We have recently completed negotiations for the acquisition of the Midland Gravel Company, Limited, which operates ten pits in the Birmingham area. A special gravel division is being formed to co-ordinate the operations of this company together with those of the other two gravel companies, Quessett Sand and Gravel Company Limited, and Baillie Brind and Company, Limited, which we already control and which also operate in that area. This will be a large undertaking in its own right and we believe that it will prove extremely profitable.

#### Overseas Companies

I am happy to report, once again, record sales by our overseas interests amounting to 2,608,333 tons. Our production abroad has grown over four and a half times since the end of the war, and we are continuing our policy of expansion where favourable opportunities exist. It must be said, however, that in some parts of the world commercial considerations are becoming subordinated to politics to such an extent as to lessen the inducement to capital investment from abroad, and the countries in which this tendency is most marked are among those which have the greatest need for outside assistance in their development projects.

In Australia the Commonwealth Portland Cement Company, Limited, and its wholly-owned subsidiary, Metropolitan Portland Cement Proprietary, Limited, delivered a record tonnage, which exceeded that of any other manufacturer in New South Wales. Construction of the new 300,000-ton works near Geelong by our subsidiary, The Victoria Portland Cement Company Proprietary, Limited, is proceeding as planned and the plant is expected to go into production in the latter part of next year.

Once again Malayan Cement, Limited, of which we are the largest shareholders, established new records. Demand continues at a high level and further expansion is proposed.

Trading conditions in Mexico were somewhat quieter than in 1960, but the three companies in which we are interested fully maintained their position. There has since been an upsurge in demand and prospects for the ensuing year are good.

In New Zealand also The Golden Bay Cement Company, Limited, had a very satisfactory year's working in spite of keen competition. The acquisition of the entire share capital Waitomo Portland Cement, Limited, was completed, and a rotary kiln, which was surplus to requirements at Golden Bay, is being installed at the Waitomo works in order to make this a more productive plant.

#### Southern Africa

In South Africa the creation of the Republic did not affect trade to the extent which once seemed likely. Our subsidiary, White's South African Portland Cement Company, Limited, registered a small reduction

in sales and profits. The balance of payments position in the Republic has shown a striking improvement since the introduction of exchange control last year, and trading prospects generally are considerably brighter.

On the other hand, trade in Southern Rhodesia has been seriously affected by political uncertainties. The Salisbury Portland Cement Company, Limited, more than maintained its position relative to other manufacturers but sales and trading results were lower than during the previous year. Construction work is now at a low ebb and it has been found necessary to restrict cement production in keeping with the reduced demand.

In Kenya also political developments had a markedly adverse effect on trade. Little building is in progress and there are no prospects of improvement in the foreseeable future.

Trading results of The West African Portland Cement Company, Limited, which we have a 51 per cent. share interest, were adversely affected as a result of large scale imports from Iron Curtain and other countries, and a small loss was incurred in the year's operation. The position has since been rationalized by the introduction of a licensing system, and the company's prospects are regarded as satisfactory.

In Canada there was some improvement in trade in British Columbia, with a resultant improvement in the working of our associate company, Canadian Cement and Supplies, Limited. There are indications that this improvement will be maintained. Canada Cement Company, Limited, the largest producer in the Dominion, in which we have a minority share interest, produced results much in line with those of the previous year.

#### Conclusion

While over the past decade our expansion has been largely overseas, we have not lost sight of opportunities at home, and the plans and projects I have mentioned are designed to ensure the maintenance of our position as the largest cement manufacturing and distributing organization in the world, which I am sure is your wish.

The Federation's first newspaper mill has been opened at Umtali, Southern Rhodesia.

Phoenix Prince Gold Mining Co., Ltd., have reversed their earlier decision to close the Prince of Wales mine near Bindura. Operations continue on a reduced scale.

Buret Tea Co., Ltd., Kenya, reports profit before tax for the year to March 31 of £136,941 (£139,937). The manufactured tea crop was 2,310,783lb. (1,936,461lb.).

Proposals affecting African-grown tea and coffee were under last week to the Common Market countries by the British negotiators. They proposed that the common tariff of the Six should be reduced from 16% to 5% and that the present 18% tariff on tea should disappear.

Dwa Plantations, Ltd., report profit for 1961 of £17,413 (£37,990) after U.K. tax of £2,260 and Kenya tax of £6,473. The dividends are to be 10% (22%) on the ordinary shares and on the 6% participating preference shares. After increasing the general reserve by £4,926 and the pension reserve by £2,500, the carry-forward is £18,372 (£17,858).

De Beers Industrial Corporation, Ltd., which has a 50% holding in African Explosives and Chemical Industries, Ltd., reports profits after tax for 1961 of £3.7m., compared with £3m. in the previous year. The issued capital is £24m. and the book value of investments at cost £28.1m. Mr. H. F. Oppenheimer is chairman.

Except for the two African companies, our overseas subsidiaries have shown good profits, says the annual report of Schweppes, Ltd. The Central African company's loss of £10,000 is attributed to unsettled political and economic conditions. The East African company, which has had an annual loss since its establishment, is to discontinue direct manufacture, but the company's products will be bottled and distributed on a royalty basis. Group consolidated profits after tax amounted to £1.8m., compared with £2m. in 1960. The issued capital is £10.7m. Fixed assets stand at £15.2m. and current assets less current liabilities at £11.5m.



Company Report

# Union Minière Du Haut-Katanga Ready to Play Its Rôle in Congo Recovery

## Relations With The Katanga Government

### STATEMENTS BY THE CHAIRMAN M. PAUL GILLET

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF UNION MINIERE DU HAUT-KATANGA was held in Brussels on May 24, 1962 under the chairmanship of M. PAUL GILLET, chairman of the board of directors.

The meeting approved the balance sheet and the profit and loss account for the 1961 financial year. The gross result is 3,314,464,264 francs (compared with 3,928,591,153 francs in 1960). On deducting the depreciation of capital outlay, provisions for taxes, interest, miscellaneous duties and royalties, the net profit amounts to 1,526,580,449 francs (against 2,365,820,563 francs in 1960).

The meeting fixed the net dividend for 1961 at 800 francs per share (80 francs per cent), it being understood that the payment of this dividend remains subject to their being able to obtain from the responsible monetary authorities, the necessary amount in Belgian francs. The date of payment will be fixed later by the board of directors.

Messrs. E. Sengier, advisory director, and J. Cousin, director, placed their mandates at the disposal of the meeting, which joined the board in regretting these decisions, which will deprive the company of the eminent co-operation of two pioneers of the very early times. The meeting expressed unanimous sentiments of respectful recognition and decided to confer upon them the honorary functions of director with for Mr. Sengier the title of honorary chairman of the Permanent Committee, and for Mr. Cousin the title of honorary chairman of the Management Committee.

On the proposal of the board of directors, the meeting re-elected M. Paul Gillet chairman of the board in the capacity of Director. At M. Gillet's request this mandate is limited to one year. It also re-elected Messrs. R. Terwagne and J. P. Paulas as directors and M. J. Greaves as auditor.

In addition, the meeting designated Messrs. J. Verdussen, manager of the company in Brussels, and G. Assoinon, general manager in Africa, to complete respectively the directors' mandates left vacant by the departure of Messrs. Sengier and Cousin.

#### Extract from the Message of the Chairman, P. Gillet

After having paid tribute to the courage and devotion of the personnel and evoked the long and eminent collaboration of Messrs. Sengier and Cousin, whilst hoping that they would still exercise the friendly moral influence that they have had on the leaders and engineers of the company, M. Gillet replied in advance to certain questions which might be raised by the shareholders.

As regards investments, the chairman described the ineluctable risks of the alternatives which face the board of directors: reduction of investments or maintenance of the programme. It is this latter solution which appears the more favourable to assure the future of the company.

Another, even more delicate, question is that of the régime to which the activity of the company is at present submitted. The problem is badly misunderstood and has given rise to serious attacks against the company. The chairman explained this briefly, as follows:

The Haut-Katanga, where the mining and metallurgical activity is carried out, and from which all our products are exported, is entirely under the control of the Katangese Government. The Belgian Government has never yet exercised any control in this region.

Since the declaration of the autonomy of Katanga in July 1960, the Katangese authorities have made a series of orders or laws imposing upon companies which exercised an activity in the region the obligation to pay to these authorities their duties, taxes, royalties, and royalties, as well as the dividends due to the public authorities. In addition, the currency resulting from the export of products originating in Katanga has to be transferred to the Banque Nationale du Katanga, in virtue of the regulations relating to the control of money exchange.

The question of knowing if the Katangese régime is justified in view of the particular circumstances must not be confused with the fact that this régime exists *de facto*, and that it has, moreover, shown on numerous occasions its capacity to impose its decisions. Union Minière cannot therefore do other than comply with the instructions of the Katangese authorities.

Such a shut-down would stifle the economic life of Katanga, and would deprive its population of their means of subsistence. It would lead to the development of troubles similar to those which took place in other parts of the Congo, putting the security of our agents and their families in peril.

We have also been reproached for having stopped the export of our products via the Port Inconqui/Matadi route. These exports were first of all rendered impossible by the insecurity which reigned for many months in Kasai. A material impossibility has been added, resulting from the destruction of the bridge during the military operations.

The work of rebuilding the bridge hindered for a long time by the insecurity of the frontier region in which it is situated has just been started and the material supplied. If the work is not further disturbed, one can hope for the re-establishment of traffic in three or four months' time.

Union Minière deplores the persistence of the political deadlock in the relations between the Central Government and that of Katanga. On every possible occasion we have expressed the wish for an agreement between the interested parties, agreement upon which the future of a considerable number of African and European nationals depends.

But in the meantime we must comply with the decisions of the authority which has, moreover, the means of imposing them.

One last question certainly has your attention: that

of knowing how the current financial year presents itself. The reply is obviously subordinated to the political, monetary, and financial situation of Katanga. I would not hazard a forecast in such problematical fields. By contrast, on the industrial plan, I can confirm that the situation remains good, the rhythm of normal personnel does not weaken.

It has been truthfully said that, in the Congolese disaster, one single thing counts, and that is private enterprise. Union Minière testifies to this. With its powerful means of production restored, its personnel courageous and competent, its social works extending their action over the whole population, it can be a factor in the recovery of the Congo. It is ready to play this role. But let there be no illusions, many other factors condition this recovery.

Main Points of the Report by the Board of Directors

#### GENERAL SITUATION

On two occasions, in September and December 1961, the company's activity in Katanga was troubled by the outbreak of military operations. Certain installations were subjected to aerial attacks by the United Nations expedition. The Lubumbashi plant was shut down on December 6 and remained closed for two months by United Nations forces, who carried out looting and destruction.

The continuation of the company's operations was subordinated to the obligation to observe the rules laid down by the local authorities (payment of duties, taxes, royalties and conversion of currency).

#### INDUSTRIAL ACTIVITIES

In spite of the events of September and December, the mining extraction was generally maintained at a level comparable to that of the preceding year. It remained centred on Kipushi mine and the Western mines; however, the Kambove West mine also intervened to some extent.

In 1961 the production of copper amounted to 293,509 tons, some 7,000 tons less than in 1960 (300,675t).

The production of cobalt was 8,326 tons in 1961 (against 8,222 tons in 1960).

The production of zinc concentrates amounted to 183,050 tons at 54.43% zinc (against 193,004 at 56.57% in 1960).

In 1961 Union Minière produced 13,549 kg. of germanium metal (25,100 kg. in 1960), 190,492 kg. of cadmium (208,959 in 1960), 107,552 kg. of silver (123,258 in 1960), and 34 kg. of gold (45 kg. in 1960).

The company delivered 26.9 grm. of radium (against 27.6 grm. in 1960).

The electrical energy produced by the power stations in Haut-Katanga amounted to 2,034 million kWh (against 2,008 in 1960).

#### SOCIAL SITUATION

The working personnel numbered 20,549 on December 31, 1961, to which figure must be added 360 temporary agents engaged to combat unemployment.

Staff personnel amounted to 1,708 persons (against 1,755 at the end of 1960), and this strength includes 132 African agents (against 86 at the end of 1960).

The effective promotion of African personnel remained one of the first concerns of the company. It has been continued methodically and successfully.

Twenty thousand, four hundred and fifty-five children now attend the company's elementary schools.

In the hope of selling maize to China a representative of the Federation has visited Peking.

Northern Rhodesia's mineral production in March was valued at £11,315,592, an increase of £1.7m. over the February total.

African Caterers, Ltd., operating in South Africa and the Rhodesias, reports group net profit for 1961 after tax at £150,575 (£167,935 in 1960).

E. S. & A. Robinson (Holdings), Ltd., who have a subsidiary in Rhodesia, report group net profit to February 28 at £2,587,403 (£2,860,945—17% dividend is repeated).

The Rhodesia Omnibus Co., Ltd., based in Bulawayo, made £32,020 profit last year, the highest since its formation in 1948. The previous year's profit was £5,210. The chairman is Mr. John H. Watts.

Africans in neighbouring areas of Tanganyika are to be encouraged to grow sugar cane for sale to the Kilombero Sugar Company. They have been told that the return should be £50 or more per acre.

Rhodesia Katanga Co., Ltd., had a net loss of £6,639 in 1961, compared with a loss of £6,656 in the previous year. Fixed assets stand at £1,330,000. Current assets appear at £255,571 and current liabilities at £122,565.

The Sudan and Egypt have signed trade agreements for an annual exchange of about £10m. worth of goods. Sudan will export camels, cattle, cottonseed and groundnuts, cement, textiles, air conditioners, refrigerators, and sugar. Egyptian-Sudanese oil prospecting company with firm capital is to be controlled jointly with the right to buy out the Egyptian share within 10 years, is under discussion in trade talks which opened in Khartoum last week.

Minerals Separation, Ltd., a group with large Northern Rhodesian interests, reports group net profit for 1961 after tax at £252,129 (£244,614). Ordinary shares stand at £16.3d. and the carry-forward is £1,600,000.

A national strike of Nairobi employees of the Standard Bank and National and City Savings Bank has ended with an agreement that all the commercial banks would negotiate to recognize the Distributive and Commercial Workers' Union of Kenya.

Rosehaugh (Nyassaland), Ltd., reports a profit before tax for the year to June 30 last of £7,625 (£5,227). The output of made tea was 790,030 lb. (429,359 lb. in 1960), and it is hoped to increase the output to 560,000 lb. in the current year. The parent company, Rosehaugh Tea (Holdings) Ltd., made a group profit before tax of £40,611 (£62,585).

Amalgamated Metal Corporation, Ltd. of which there is a subsidiary in Rhodesia, reports group profit after tax for 1961 at £455,064 (£516,318 in 1960). An 11% dividend is repeated. The issued capital is £3.3m. Shares in the British Metal Corporation, Ltd. stand in the books at £3.7m. and in Henry Gardner & Co., Ltd., at £1.6m. Current assets less current liabilities are £70,591.

6 Holders of the £1m. of 6% registered notes of Rhodesian Broken Hill Development Co., Ltd., are reminded that during this month they have the right to subscribe for 3m. 5s. shares at 10s. in the ratio of two for every £1 of notes held. When the notes were issued in 1960 Anglo American Corporation guaranteed either to subscribe for shares not taken up or to subscribe at par for an equivalent amount of 6% notes.

Tanganyika Concessions, Ltd., will not pay an interim dividend for the year ending July 31 because the authorities in the Congo have not yet made foreign exchange available to meet the dividend (reduced to 800 francs per share) recently declared by the Union Minière du Haut-Katanga. In which "Tanks" hold 179,760 shares. Last year Tanganyika Concessions paid an interim of 1s. 6d. (15%) and a final of 1s. 9d. per 10s. share.

The 50th annual report of Low & Bonar, Ltd., states that the results of the Rhodesian subsidiary were better than expected and those of the East African subsidiary satisfactory. Group profit after tax totalled £717,976 (£648,141), and ordinary shareholders are to receive 16%, a 3% bonus, and one free share for every four held. The issued capital is £2.8m. Group fixed assets stand in the books at £2.7m., investments at £1.1m., and current assets less current liabilities at £5.8m. Subsidiaries, including those in East and Central Africa, stand at £2.1m.

James Warren & Co., Ltd., whose main interests are in India, Pakistan and Malaya, but who in August last acquired the capital of G. A. Naumann, Ltd., Nairobi, report group net profit after tax for the year to September 30 last of £393,548 (£367,806). £50,000 is added to the development reserve, £50,957 transferred to the general reserve and the carry forward is £43,216 after paying the preference dividend and 35% on the ordinary stock, of which £326,000 is in issue. Investments stand in the book at £28,408, interests in subsidiary companies at £95,705, fixed assets at £159,009, and current assets less current liabilities at £1.3m. Mr. W. K. Warren, chairman and managing director, visited Kenya recently.

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Founder and Editor: F. S. JOHNSON

THURSDAY, JUNE 14, 1962

Vol. 38

No. 1966

42s. yearly post free

## MATTERS OF MOMENT

**POLITICS**, now clamant and damagingly dominant throughout Africa, will at some time—and the sooner the better from every standpoint—give place to economics, for man cannot live by the propaganda of the tiny minority of self-centred and extremist demagogues who temporarily strut the stage, by the slogans of parties which conduct their electioneering largely by intimidation, by constitution-mongering, and the jockeying for jobs of pushful careerists of whom only a very few have the character, experience, and other qualifications necessary for the adequate discharge of the responsibilities annexed to the appointments which they so avidly covet. Over much of Africa the most obvious feature of the public scene is the obsession, even intoxication, with politics of those who in recent years have thrust themselves into prominence in obedience to the sacrilegious Nkrumah command: 'Seek ye first the political kingdom and all other things shall be added unto you'. Dr. Banda, an old friend and devoted disciple of the Ghana dictator, has repeatedly declared that he puts political ambition above the economic well-being of the people of Nyasaland, who ought, he insists, to prefer starvation in isolation to rising standards of living as a by-product of membership of the Central African Federation; and for no better reason than his pathological antipathy to what he delights to call this 'stupid' Federation he continues to deprive his fellow-countrymen of such valuable advantages as the Nkula Falls irrigation and hydro-electric project.

great corporations, though they have least justification for concern about the political situation in Central Africa, continue to make great contributions to it even while public confidence continues shaken. Their reason for this, of course, the hope and belief that economic reason will prevail. Mr. Harry Oppenheimer, chairman of Southern Africa's most powerful financial concern, the Anglo American Corporation group, has just recalled that it has invested one hundred million pounds in the Federation in less than a decade. A little earlier the Rhodesian Selection Trust, the other great group interested in Northern Rhodesian copper mining, announced its decision to develop a new mine, Chambishi, at a cost exceeding seven million pounds; and the Chartered Company is known to have decided to spend another ten millions sterling on a new enterprise in Southern Rhodesia, the Government of which Colony is likely to embark on a ten-year development programme for the African areas which would entail an expenditure of at least thirty million pounds in the first quinquennium. There are many other important projects lately launched, ready for launching, or dependent upon a satisfactory solution of the future of the Federation—which problem, though made to appear almost wholly political by inimical propagandists in Africa, the United Kingdom and the United States, is basically economic. The immense development of secondary industry in Southern Rhodesia was a direct and prompt consequence of the creation of the Federation, and the extension of many existing factories and the establishment of new industries manifestly depend upon the maintenance of the Central African Common Market, the importance of which has been emphasized by Mr. Butler, Minister for Central African Affairs, as it has been attested by the

By contrast to the Nyasaland leader's refusal on bad political grounds of well-intentioned and urgently-needed economic aid,

Monckton Commission and every other responsible commentator.

When Mr. A. E. Abrahamson, Southern Rhodesia's able Minister for Labour, was asked at a news conference in London last week about the attitude of Africans in his country to moderate Southern Rhodesia's political policies, he replied that many thousands of them had come to distrust the African political movements because they fear that the incompetence of the leaders would deprive Africans in the mass of the gains brought to them recently or likely to be achieved shortly within the policy of inter-racial partnership. They have good cause for caution, and have had substantial instances of monetary gain. Wages paid by manufacturing industries in Southern Rhodesia have, for example, risen fifty per cent. within the past two years, and further significant increases are almost certain in the early future. When invited to say how many Africans in the Colony now

had incomes of at least a thousand pounds a year, Mr. Abrahamson answered that the number was certainly at least two thousand. That is a triumphant testimony to the freedom offered to enterprising men, irrespective of race, and to the ability of many Rhodesian Africans to seize their opportunities. So far as we know, this impressive fact—surely unequalled anywhere else in East or Central Africa—had not been previously published anywhere. Yet excellent use could and should have been made of it in Africa, in this country, at the United Nations, and elsewhere in rebuttal of the allegation that Africans in Southern Rhodesia are denied elementary rights and victimized by every kind of discrimination in education and medical services; moreover, they fare far better than the people of many of the Afro-Asian nations whose delegates criticize so vehemently and falsely at the United Nations. Those delegates are politicians profiting from the playing of politics, and eager for political answers. The economic change in Central Africa can impose other, better, and more dependable solutions

## Notes By The Way

### Lord Robins

LORD ROBINS, who has been in indifferent health for some time, has decided to resign at the end of this year his presidency and directorship of the British South Africa Company and all its subsidiaries. This severance of a day-to-day association of 34 years, though it will be exceptionally widely regretted, could scarcely have been long postponed, for he is now in his 76th year—a fact which nobody who is aware of his appetite for work and scrupulous discharge of any duty would guess if his age were not recorded in the usual places. Zeal, ability, and concern for others have distinguished him throughout his long, varied and highly successful career, in which eminence in business has been coupled with outstanding service in the Army and to numerous public and private causes.

### Public Services

FOR MORE THAN 20 YEARS he was District Grand Master of English Freemasonry in Rhodesia and chairman of the Southern Rhodesian Agricultural Society, and he gave long and devoted leadership to ambulance work (for which he was made a Knight of the Order of St. John of Jerusalem), to the Scout Movement (of which he holds the Silver Wolf decoration), and to other voluntary organizations. In fact, during his 30 years in Rhodesia it was recognized that a desirable piece of work, however difficult, would be well done if Colonel Ellis Robins (as he then was) could be persuaded to accept the chief responsibility. That reputation, which brought incessant calls on his time and generosity, was known in London of course, and as recently as last year, when he might reasonably have asked to be excused, he was unanimously elected president of the Royal African Society (whose previous presidents had been members of the Royal Family). Not long previously he had

been made chairman of the Rhodesia and Nyasaland Club in this country.

### Held in High Esteem

THE FIRST RHODES SCHOLAR from Pennsylvania, he returned from Christ Church to the United States, where he was assistant editor of a magazine until Lord Winter-ton, who had known him at Oxford, asked him to be his private secretary. He held that post until he was mobilized as a Territorial in 1914. When that war ended he became secretary of the Conservative Club. In 1928 he was invited to join the Chartered Company, whose affairs in Rhodesia he managed with such conspicuous success for three decades that he was made a Knight on the death of Sir Dougal Malcolm. He had himself been knighted in 1946 for his war services in many capacities, and 12 years later he was raised to the peerage as Lord Robins of Rhodesia and Chelsea. He was an original director and later chairman of Rhodesia and Nyasaland Airways and chairman of the successor Central African Airways, and a director of many other leading enterprises in Southern Africa, on the boards of some of which he has continued to serve. No man of business has had such intimate knowledge of so many facets of activity in British Central Africa, and it can be said without risk of exaggeration that none has been held in higher esteem. His has been a career of which Rhodes would have approved, as Rhodesians of all ranks have done.

### Another Difficult Conference

THE UGANDA CONSTITUTIONAL CONFERENCE, which opened on Tuesday in Marlborough House, will meet far greater difficulties than its predecessor last autumn. It was then generally assumed, with what I considered unwarranted optimism, that this summer's gathering

would be rather a formal affair to approve the advancement from internal self-government to complete independence within the Commonwealth. It is now obvious that the proceedings are more likely to be stormy than calm, and there is even a risk that dissension may necessitate postponement of independence beyond October 9 next, the date provisionally agreed. The Kabaka of Buganda has declared that his kingdom will refuse to restore to neighbouring Bunyoro two of the six "lost counties" in dispute between them, as three privy councillors have recommended with the firm addendum that, if necessary, such a condition should be imposed by Great Britain before the grant of independence. A second major cause of bitterness is the insistence of the other traditional rulers that their status should be made comparable with that of the Kabaka. Last September it was agreed that Buganda should be in federal relationship and the other kingdoms in semi-federal relationship with the Central Government. Ever since the non-Buganda rulers (who have recently been knighted as the Kabaka had been) have resented their acceptance of a lesser status and have agreed to press for parity in prestige, an idea repugnant to the Baganda. There are thus at present with the rest of the country on two difficult and potentially explosive issues, on neither of which is there any sign of willingness to compromise. Independence is, of course, impossible until agreement have been reached on these and several lesser points. So Mr. Maudling, who has had his full share of African perplexities, has another major difficulty on his hands.

### Optimists at Variance

A PRIME MINISTER OF GREAT BRITAIN told his Cabinet colleagues many years ago that he did not much mind

what they said so long as they did not contradict one another. That dictum, ever since quoted from time to time as an example of cynicism in high places, was in fact no more than a re-statement in unusual form of the principle of collective Cabinet responsibility. The Prime Minister of Tanganyika might usefully remind some of his associates of the importance of saying the same things in their speeches, which flow in a spate for which there has been no parallel anywhere in East or Central Africa. Whereas one Minister said nonsensically the other day that the spirit of the people was so splendid that more had been achieved in six months of independence than in all the years of colonial rule, another, who had perhaps not found time to read the officially distributed allegation of his colleague, declaimed shortly afterwards: "God willing, in 10 years there will be more real development in the interests of the people than there has been in the past 50 years". That was, of course, less unrealistic than the earlier exaggeration, and friends of Tanganyika will be glad to hear of what is still a very optimistic expectation. It can be translated, actually, nobody would be more pleased than those European officials and non-officials who had the foundations on which an independent Tanganyika may now depend, chiefly helped by grants and loans from external sources, chief among them the heavily-burdened British taxpayer.

### Politicians

"UNITED KINGDOM POLITICIANS are like a bunch of bananas: they stick together, they are yellow, and there is not a straight one among them." —Mr. Jim Hughes, of South Kinangop, Kenya, when interviewed by Mr. Tom Stacey, for the *Sunday Times*.

## Government Defeated on Colonial and Sudan Pensions

### Sharp Speeches by Former Secretaries of State and Government

A GOVERNMENT DEFEAT occurred in the House of Commons last week after a debate on pensions to former members of the Colonial Service.

LORD HASTINGS's reply for the Government that a working party to study the matter had been set up in the Department for Technical Co-operation did not satisfy the peers, and the motion which the Government had opposed was carried by 21 votes to 19.

THE EARL OF LISTOWEL moved: "That this House urges H.M. Government to increase the basic rate of pension paid to former Colonial Service officers and their dependants and to publish the White Paper requested in this House on February 20 last."

Since that date, he said, there had been a further meeting between Ministers and representatives of the Overseas Service Officers' Association, which was still far from satisfied. The question at issue touched the honour of the country and the Government, which argued, however, that it was the concern of Colonial Governments.

Some elderly ex-officials and their widows still received pensions which were based on pre-war salaries and had never been increased, as United Kingdom pensions had been. Altogether 2,830 retired Colonial servants received less than the U.K. rates of increase, and the cost of supplementary pensions to them on the U.K. basis would be only £176,400 a year, to which should be added £110,000 for 2,300 widows. Since for-

mer Colonial Service officers were dying at the rate of about one a day, the cost would rapidly diminish.

It was a moral responsibility, not merely legal. Agreements negotiated with now independent Commonwealth Governments had not referred to pension increases. Before other Colonies reached independence there should be an agreement that ex-officials and their dependants should receive such rates of increase as were granted in this country. That would mean in practice that H. M. Government would have to lend or give the money, for how could Governments overseas be expected to increase pension payments to expatriates without dealing similarly with their own nationals?

Perhaps H. M. Government could compromise by paying increases on all pensions given before some date in the 'fifties.

### Government's Heart Petrified

LORD MILVERTON suggested that the moral responsibility of H.M. Government had been established beyond doubt by the devastating speeches made in the February debate by two former Secretaries of State. There was a special case for widows and orphans. Even if the heart of H.M. Government had been petrified by being kept store to the Treasury, its brain should be touched.

LORD TWINING believed that there was general awareness of the pressing need to top up the pensions of former Colonial servants and their widows and orphans.

At the end of 1961 about 2,900 Colonial Service pensioners out of 11,000 paid by the Crown Agents were still receiving

sub-standard pensions, and of 4,000 widow and orphan pensioners 2,300 had not received increases.

The Government, which had shown no sense of urgency, feared that any admission of responsibility could cause a general default in their pensions liabilities by overseas Governments. But the leaders of those countries knew that they must preserve their credit status if they were to attract badly needed capital. H.M. Government, which accepted liability for compensation to officials whose careers were cut short by the wind-of-change policy, gave substantial aid to territories becoming independent and might well attach as a condition the appropriate adjustment of pensions.

LORD COLYTON, who for four years before the war occupied the Sudan desk in the Residency in Cairo and then spent much time visiting the Sudan, pointed out that former British officials in that country were in a worse position than those from the Colonies.

While negotiations about independence for the Sudan were in train, the Sudan Pensioners' Association received in December 1954 from the private secretary to the Governor-General a letter stating:

"H.M. Government recognize their obligations towards officials who hold or held their posts as a result of having been appointed by the Government-General during the period of the Government-General's administration. It is expected that the pensions and other benefits for which they and their dependents may be qualified under existing laws and regulations shall be guaranteed and that these pensions will continue to be paid at their present value in sterling. H.M. Government in the United Kingdom accordingly make known their intention to determine its future status to ensure observance of this safeguard by securing its commitment in a formal agreement to be entered into between H.M. Government and the Government of the Sudan."

#### Great Shock

H.M. Government had nevertheless failed to get that safeguard put into any formal agreement with the Sudan Government, which had not accepted any of the approaches made later. After seven years of representations the Foreign Office had told the association in July 1960 that the Foreign Secretary "cannot envisage a situation in which the pensions of these officials and their dependents would not be secure". But later the Foreign Office had said that the association must negotiate direct with Khartoum. After exchanges lasting more than three years H.M. Ambassador was told in October, 1960, that the Sudan could not afford to pay increases.

A Foreign Secretary told Sir Duncan Cumming, chairman of the Pensioners' Association, that the Sudan had never been part of the Commonwealth and that its officials were at no time in the service of the Crown. That had greatly distressed men who considered themselves servants of the Crown in peace and war. Indeed, during the last war they were forbidden under penalty of imprisonment to leave their posts to join the forces. It was a great shock to them to find themselves treated as the servants of a foreign Government.

In March of this year there were 932 Sudan prisoners, of whom 244 had received supplements of up to £100 a year and 321 supplements between £100 and £135. About 660 of the pensioners were between the ages of 60 and 80. The total cost of applying the principle of the U.K. Pensions Act of 1959 would be under £70,000 a year.

In 1959 the U.K. had lent the Sudan £5m. Last year there was a loan of £500,000 for aircraft. Three months ago there was one of £500,000 for veterinary services. Should not such aid be accompanied with a request to meet an elementary obligation to former officials? Now the Sudan had a record cotton crop and was receiving compensation from Egypt for the High Dam scheme. But, in the last resort H.M. Government should accept responsibility to both Colonial and Sudan pensioners.

VISCOUNT BOYD OF MERTON suggested that future response to the Government's appeal for recruits for service overseas would be better if justice were done to those who had served so well in the past. About 100 Colonial Service pensioners had died since the last debate, and there was no reasonable excuse for failure to publish the White Paper then requested.

Colonial territories had, of course, a duty in the matter, and many had acknowledged it generously, but ultimate responsibility rested unmistakably upon H.M. Government. If years ago when Secretary of State Mr. Lord Boyd had put the Treasury view, it was at a time when it was hoped that the territories would accept their responsibilities.

Appointments, transfers, salaries, pension conditions, compulsory levies on salaries for widows and orphans, and the retirement of officials had been a United Kingdom responsibility, and it was astonishing that there should be such diffi-

culty in getting proper consideration of an unanswerable case which involves only £265,000. Surely some of the money now being paid to Colonial and former Colonial territories could be allocated for the purpose.

THE EARL OF SWINTON insisted that the moral responsibility was that of H.M. Government. When the pensioners were recruited no Colony had independent financial responsibility and the Secretary of State had dictated salaries and terms of retirement.

#### Oddest Argument Heard in 40 Years

Colonial and ex-Colonial Governments should pay if they could. In 40 years of public life he had never heard an odder argument from the Treasury than the suggestion that our Government should not do its moral duty because some Governments might do less than theirs. Truly a strange Christian doctrine!

When about 80% of the members of the United Nations had failed to pay their subscriptions, he (Lord Swinton) had suggested that they might be encouraged to pay if Britain reduced her subscription and said that she would top it up when others did the same. That idea had been denounced as immoral by the Foreign Secretary. H.M. Government could not have it both ways: if it was right to pay the U.N. subscription without regard to other people, it was our bounden duty to pay the pensions of people whose need was greater, whose claim was beyond question and who deserved well of the country and Parliament.

LORD WOLSTANLEY described the Government's attitude as evasion of responsibility. The Government should not let the conscience as well as the pocket of the taxpayer.

Others replying for the Government acknowledged the strength of feeling on the point of moral obligation, agreed with Lord Twining that it was a matter of policy rather than principle. While under the general direction and patronage of the Secretary of State, Colonial officials had been recruited, trained and paid by the Government.

A Colonial Regulation issued in 1954, which provided that pensions and gratuities will be submitted by the local Governments of H.M. Territory for their sanction and when sanctioned will be paid to the pensioners out of the revenue of the territory. A document of 1957 had said more specifically that no payment should be made from the U.K. Consolidated Fund for monies voted by Parliament in respect of any employment in the permanent civil service of the Colony.

LORD SWINTON: "When those regulations were made the Colonial Secretary told the local Governments exactly what they had to do and was in a position to see that they did it."

LORD HASTINGS: "New conditions may require a change of policy, but to argue that this policy is immoral is not really fair, because it has always been Government policy."

LORD DEWING: "The policy would have been wrong."

LORD HASTINGS: "I can only say: 'Ask Mr. Gladstone.' H.M. Government will continue to insist on the responsibility of overseas territories for their obligations in respect of pensions. While Lord Boyd of Merton was Secretary of State there was no indication that H.M. Government was thinking of taking over the pension increases or topping them up. Just before he retired he invited all overseas territories to do just that."

LORD BOYD: "I sent out that circular seven days before I left the Colonial Office. Had I stayed on and seen the replies I think I should have tried to follow the line I have taken tonight."

#### Considerable Underestimate of Cost

LORD HASTINGS: "At the time of the circular there were 27 dependent territories with schemes inferior to that pertaining in the U.K. After that dispatch nine introduced schemes directly related to the terms of our U.K. Act of 1959 and a further six introduced schemes at least as generous. Negotiations are still proceeding with five of the remaining 12, and the prospects appear pretty good. So the dispatch was a success, not the failure that some noble lords have made it out to be."

The suggested £226,000 as the cost of topping up the increases was probably a considerable underestimate. Moreover, there would be no further increases from territories dependent or independent, and H.M. Government would therefore be taking over an obligation for all time, in respect of officials now serving.

Two-thirds of all pensioners now enjoy pensions as good as and in many cases much better than if they had been paid at the U.K. level. Among the lowest-paid pensioners, on a basic pension of £200 the increase under the U.K. Act of 1959 was £143 above the basic £200. In the middle grade on a basic salary of £700 the U.K. level was an increase of £259. In Nyasaland, which was not rich, it had been made £382, and in Northern Rhodesia £463—over £200 above the U.K. increase.

As to the suggestion that Governments found it difficult to make pension increases because they were saddled with heavy payments for compensation to retiring officials, half of the money in question was provided by H.M. Government as an interest-free loan. Uganda, for instance, had a loan to be repaid over 25 years without interest and without any payment for the first six years. The other half of the total was an outright grant from H.M. Government. Moreover, under the Overseas Services Aid Scheme the Governments were relieved of paying salaries to their expatriate servants above the local level and relieved of paying children's, educational, and travel allowances. They thus made large immediate savings.

The resolution asked H.M. Government to do something impossible and also probably undesirable. The pension of a Colonial officer could be raised only by raising the salary on which it was calculated, and that could naturally not be done with a man who had retired, or by raising the constant

used in the calculation. As a rule a pension was based on one six-hundredth of the final pay for every completed month of service. If there were a change to, say, one five-hundredth per month, unless there were to be discrimination it would have to apply to present civil servants; and local officials employed by independent as well as dependent countries would expect to benefit.

As a result of a recent meeting with the Overseas Services Pensioners' Association, the Department of Technical Cooperation had set up a working party to examine the whole problem, and a report was expected in the autumn; but appointment of the working party did not presuppose any change in British Government policy. Being a departmental report, it would not be published, but after it had been received the question of a White Paper would be reconsidered. The Pensioners' Association, while welcoming the appointment of the working party, retained its reservations about the moral obligations of the Government.

## Deficit of £4m. in Kenya's New Budget

### Acknowledgment of Britain's Generous Help

A DEFICIT OF OVER £4m. is expected for the 1962-63 financial year, the Finance Minister, Mr. J. Gichuru, told the Legislative Council in Nairobi last week when presenting his first budget. Expenditure is estimated at £36,840 and revenue at £31.3m. Stringent economies have reduced the £5m. deficit calculated at the time of the Lancaster House Conference.

Of £1,778,500 to be spent on famine and flood relief and rehabilitation measures, all but £134,000 will be covered by a special grant or loan from H.M. Government. Compensation to retiring officials and related payments will require £534,000, for which British assistance will be sought, and there will be cash shortfall of £110,000 on the Overseas Aid Scheme.

The £4m. increase in expenditure over the 1961-62 figure is accounted for by additional commitments of £585,200 for the public debt, £534,600 for pensions, £64,000 for new ministries, and £39,000 for a census. Savings have covered other increased votes, including £127,000 for education and £90,000 for the police.

### Salary Bill of £18m.

Extracting these savings has been a painful operation. With a salary bill of £18m., normal increments lead to an annual increase of £500,000, which has had to be absorbed by savings. We shall be faced in 1963-64 with even greater problems and must make every effort to balance our recurrent budget before independence, when additional commitments will arise for the armed forces, for diplomatic representation overseas, for contributions to international bodies, and for taking over recurrent expenditure from the development estimates. As we move towards political independence we must be able to cover our normal recurrent expenditure from tax revenue.

Political independence is not consonant with grant-aided status, and although the grant-in-aid rules have been operated in a most understanding way by the Colonial Office and the British Treasury, an independent political Government must be able to decide on how it spends its available resources without the detailed control and scrutiny of expenditure proposals which is essential under the arrangements for grant-in-aid. This does not mean that we should not try to secure assistance to help us absorb over a period the new additional commitments that will fall upon Kenya at the time of independence.

The outturn for the current year is £4,79m., of which £1.3m. relates to famine and flood relief and rehabilitation measures covered by a special grant from the British Government, leaving £3,49m. to be covered from revenue or grant-in-aid. The revised revenue estimate of £31.4m. leaves a deficit of £2,04m., or slightly less than the amount of grant-in-aid agreed with the British Government before the presentation of the estimates over a year ago. It will be covered by grant-in-aid. I expect to end this year with a credit balance of some £800,000. Expenditure, adjusted for the implemation of the Raisman Report, has been kept closely in line with the original estimates, and revenue has slightly

exceeded the target, a shortfall in graduated personal tax being compensated for by an increase from income tax.

We must be most grateful for the generous assistance from the British Government towards famine relief and flood relief, and for the gift of foodstuffs to the value of over £2m. from the United States Government.

More people visited Kenya in 1961 than in 1960, but hotels and other services catering for tourists did not benefit greatly as the length of the stay was shorter.

The construction of the building and construction industry has not only slightly, entirely owing to the imbalances of earnings in the tourist and building from the industry sector was at a very low ebb, and private residential building was virtually at a standstill.

The outflow of money from Kenya does not in any way endanger the strength of our currency, since the Currency Board holds more than adequate sterling securities as backing for the currency in circulation. Its surplus assets at December 31 were in excess of £8m. The strain is taken by the banks, who had to raise their overdraft rates and the rates on deposits to correct the situation. Credit had also to be restricted, although they did succeed in maintaining the level of advances to agriculturists.

The flow was not all one way. A big money inflow from Italy, Switzerland, France, West Germany, and the U.S.A. has gone into various ventures, including some fairly substantial investments in farming enterprises. The amount of investment given approved status since January 1, 1962, has totalled some £34m.—more than during the whole of 1961.

### Maintenance of Common Market

The maintenance of an East African common market is very much in the interests of all the East African territories, and Kenya has recognized this by accepting the recommendations of the Raisman Commission at a cost of some £500,000 this year. I am encouraged to believe that we shall be able to work in agreement with our neighbours by the frank and friendly negotiations which I had with the representatives of Tanganyika and Uganda over the revenue measures that will be reflected in this budget. I am also encouraged by the agreement reached between the territories on a number of protective measures for various local industries.

An independent Kenya will wish to pursue its own monetary policy and have a greater say in credit policy. I must, however, emphasize that we shall seek to find East African solutions to these problems, and shall not act without careful consideration of the most expert advice that can be obtained.

The development programme calls for £14,160,000, more than ever before in the Colony's history. Settlement schemes will take £54m. of this sum in an effort to maintain production in the scheduled areas (70% of exports) and to combat landlessness and unemployment.

Despite the need for economy, the Government will press on with land consolidation, farm planning, and all the other essential agricultural and veterinary services vital to Kenya's economic progress. The Ministry of Agriculture will be responsible for continuing to provide probably the best agricultural extension services in any African country and the best research services. Planting of cash crops will continue on an increasing scale, and more than 2,000 acres of tea will be planted in the African areas.

Educational projects will absorb more than £500,000, to

provide schooling for over 800,000 children, with emphasis on improved facilities for secondary and technical education.

Under general development, the highest priority has been given to localisation and training, and 27 departmental training schemes will be in progress, covering every aspect of Government activity. By the end of March, 1963, 104 administrative officers, 360 executive officers, and 48 local government officers will have passed through the Institute of Administration at Kabete.

The finance for the plan is not yet certain, but I am hopeful that current negotiations with H.M. Government and with the West German Government will be successfully concluded, and that it will be possible to cover the expenditure in full, and to reduce slightly the 1963, the formidable deficit of over £5m. in the development cheque account.

"On development account, the deficit at June 30, 1961, was slightly less than the figure forecast last year of £5m. The revised estimates of expenditure in the current year total £5.6m., and the deficit at June 30 this year is likely to have risen to some £5.4m., mainly because it has not been possible yet to draw on International Bank and Colonial Development Corporation money for settlement schemes. It is hoped to find other sources of financial assistance to be incurred later in the year.

It is always possible to open the negotiations with the West German Government, and it is unlikely to be possible to draw from West Germany before June 30 to cover certain items of expenditure in the normal development programme and for settlement schemes which we had hoped to finance from this source.

The main item of estimated expenditure of over £2m. on the original estimates is that the settlement schemes have got under way more slowly than was expected, mainly owing to the delay in finalizing the terms for land purchase".

#### Output Per Head Has Declined

Gross domestic product showed no change from the preceding year, which meant, after allowing for price changes and population growth, that the real output per head must have declined. The reasons for the stagnation in the economy included the decline in world prices of a number of Kenya's main exports, the effect of pestilence, famine and flood, and the serious decline in capital expenditure resulting from conditions created by political uncertainty.

"In the cash economy the domestic product expanded by nearly 2%, although the greater part of the increase was due to higher wages and salaries in the public service, where the numbers in employment also went up. In the private sector the numbers in recorded employment fell by nearly 40,000 between mid-1960 and mid-1961, the total paid out in wages and salaries remaining about the same. The level of profits remained virtually unchanged.

Lack of investment was undoubtedly one reason for this fall. The continued upward movement in wages—partly in response to changes in the minimum statutory wage—was another. Kenya has at present considerable reserves of unskilled man-power which could and should be employed in increased production, and higher wages not reflected in greater output will inevitably increase unemployment.

#### Strikes Damaging Economic Progress

Strikes—called contrary to agreements previously reached, or before all normal methods of negotiation have been fully explored—are discouraging to new investment and damaging to economic progress. This does not mean that wages at the minimum should not increase progressively to a level which will provide a living for a man and his family, or that skilled and specialized training should not earn just reward.

"Lower export prices for agricultural products led to a drop in the contribution of agriculture to the domestic product. Nevertheless, output of a number of crops expanded, and the rising trend in incomes accruing to African farmers continued with an increase of nearly £1m., which helped to offset the drop of £1½m. in the earnings of farms and estates in the scheduled areas.

"African farmers will continue to make an increasing contribution to the economy, and now produce some 27% of our pyrethrum and 22% of our coffee, but the dangers of marketing difficulties and a further drop in world prices are serious, and emphasize the need to maintain quality and diversify production.

"At £35.3m., Kenya's export earnings were slightly higher than the previous record figure of 1960. An encouraging feature in the growth of Kenya's external trade has been the increase in exports to neighbouring territories and to other markets in Africa and the Middle East.

"The total value of imports into Kenya was only slightly lower than in the previous year, but commercial imports fell by 8%. This reflected the running down of traders' stocks in continuation of a process started in the second half of 1960, and a drop in imports of capital goods, particularly those associated with building activity. The internal demand for consumer goods kept up well, and the level of activity in

wholesale and retail trade was maintained. The transport industry had a reasonably good year, with a continued increase in the use of air travel.

"Government again played an important part in supporting the economy by maintaining the level of expenditure and of employment in the public sector. This, however, was made possible only through continued substantial financial assistance from the British Government.

"We shall before long be receiving the report of the International Bank mission, which will provide us with sound advice on the preparation of our next development plan. But it must be recognized that an independent Kenya will not qualify for C.D. & W. grants and that we shall therefore have to absorb progressively in the recurrent budget expenditure of £1½m., which is now included in our development programme and financed by grant.

"Our ability to add to the public debt is limited, and money borrowed for development must generate sufficient additional income to cover the recurrent cost of the borrowing. We shall seek to tap all available sources of finance, but there is no certainty that we shall be able to finance as large a development programme—excluding settlement schemes—during the next few years as we have been able to finance in the past year of high public debt finance in 1962-63. In addition, some private enterprise companies will have to re-orient themselves. In particular, we shall have to find money to meet payments on the £4½m. contractor finance road programme.

#### Tax and Duty Changes

Tariff and tax increases proposed by the Minister to raise Government revenue in 1962-63 include a shilling more on sugar, to bring in £475,000; beer to cost about 20 cents more, bringing in £400,000; increased duties on spirits and liquors of about 5s. 8½ cents a bottle, to realize £150,000; cigarettes will go up about 20%, bringing in £300,000; an increase of 4½ cents a gallon on petrol, to bring in £200,000; 20 cents on kerosene should produce £200,000; an increase on tyres and tubes, £80,000; a 25% rise on para medicine, £100,000; and there will be increases in duty on records and gramophones, jewellery, cosmetics and other paraphernalia.

Graduated personal tax of 15s. to those earning not more than £120 a year will be abolished in January next year. The statutory rate of distributable profits for controlled companies will be raised by 75% (and to 80% and 90% for those to which the 72½% and 85% rates currently apply), which, together with a corporation tax on the profits of companies other than controlled companies and specified mining companies, will raise £980,000 for 1962-63, to affect the 1961 year of income. Dividend income paid to non-resident shareholders will become liable to tax of 5.50%, and will produce £200,000 for 1963-64.

Capital expenditure reliefs will be applicable to industrial buildings at a new flat rate of 4% a year for 25 years, as from January 1 this year; to machinery for farm works 20%, reducing the write-off period from nine years to five; an investment allowance of 10% on the cost of new industrial buildings and their fixed plant and machinery; and the abolition of the option to write-off capital expenditure on plantation crops.

Summing up, Mr. Gichuru said: "The increase in taxation will provoke criticism, but the Government will be taking in taxation a smaller percentage of the national income than was taken during the emergency in the 1955/56 financial year. It is a little less than 15%, which compares not unfavourably with other countries in a similar state of development.

"The increase in the tax on companies is probably larger than was feared or expected, but I felt that it was better to face now the need for additional money from this source, and the total rate of tax on companies will not be out of line with that of other countries in Africa and elsewhere. I hope that the investing allowances will be an encouragement to new and existing enterprises in Kenya.

"Our immediate problem is to achieve financial independence—at least in relation to ordinary recurrent expenditure—by the time we achieve political independence. My present budget goes a long way towards doing this. The financial problems which we shall have to face in 1963/64 are formidable, but if faced realistically, they can and will be solved".

#### Unnecessary Strikes

Mr. J. MBOYA, Minister for Labour in Kenya, said when speaking at the I.C.F.T.U. Labour College in Kampala: "In the petroleum-oil industry in Kenya we had strikes resulting in the loss of some 3,750 man-days during 1961, and in the first five months of 1962 this industry lost some 6,700 man-days. These disputes were all settled after strike action by the very means which had been available all the time and which could have settled them without strikes occurring."

# Uganda's Independence Conference Meets in London

Text of Speeches by Secretary of State and Prime Minister

UGANDA'S INDEPENDENCE CONFERENCE opened on Tuesday afternoon at Marlborough House.

MR. MAUDLING, Secretary of State for the Colonies, said:

"The importance of this conference to Uganda is that it represents the last stage before independence. The decisions that are taken here will lay the foundation for your country from the time when Britain relinquishes her responsibility. There is therefore a very solemn responsibility on all of us at this stage to ensure that Uganda can embark upon independence and nationhood with a Constitution that all her citizens can trust.

"It is not so very long since last year's Lancaster House Conference, but much has been done since then. In itself the Lancaster House Conference, the last conference over which I presided, was a landmark, a conference on which the representatives of Uganda had come together to plan for the future of your country, and it was fortunate that general agreement could be reached. This proved what is essential for the future of Uganda, namely that all the people and the leaders of the people who live in the country can work together on the whole nation.

## October 9 Promise

"The words I said last year were that provided the necessary discussions were completed and arrangements made in time, Uganda would become independent on October 9 this year. That was a promise by which I am bound. It clearly presented a great challenge to the whole country because much needs to be done before the day of independence.

"A great deal of work has been done in preparation for this conference and I should like to express congratulations to all concerned, and particularly to the new Government, who have tackled their part of the work urgently and effectively.

"If independence is to be achieved on October 9 the necessary legislation must pass through our Parliament before it rises at the beginning of August. This means that we must complete the work of this conference well before the end of June. I can see no reason why this should not be done if we approach our task with determination and with a real desire to agree among ourselves. There are difficult problems to face but they are not new ones.

"The present Constitution, as you know, was worked out in detail last year with the intention that it should stand as the independence Constitution with as little change as possible. The broad scheme of relationships between the Central Government, the Kabaka's Government, the kingdoms, and the administrations is already in existence. We have to fill in the details. In the particularly complicated matter of financial relations we are fortunate in having the report of Mrs. Hicks and Professor Tress, and we are grateful to them for completing their task so well and with such extreme expedition.

"It is in our hands to ensure that Uganda's independence will come on the day for which so many preparations have already been made. But there are problems still to be solved, some of them serious. What I wish to stress is that it is up to you to solve these problems. The Governor and I will do all we can to ensure the success of the conference.

"But if this conference is to lead to the establishment in Uganda of an independent nation with a Constitution that can ensure an opportunity for progress as a modern State and safeguard the rights of individuals, it is of the utmost importance that agreement should be reached among you who are the representatives of Uganda. We have a broad basis of agreement. We have a definite timetable in front of us for the reason I have explained. We must work hard and above all we must work in a spirit of co-operation. In doing so we will be inspired by the prospect of an independent Uganda taking her place among the nations of the world and among the nations of the Commonwealth."

## Prime Minister's Speech

Uganda will be a strong and independent State on October 9, this year only if a relationship of esteem and affection can be established between the different parts of the country, the Prime Minister, Mr. A. Milton Obote said in his opening address.

Whatever the constitutional provisions and agreements

between the delegates, whatever the terms of a Bill of Rights, they would have permanent value "only if based on mutual trust and faith in the words we use; the future of Uganda must ultimately rest on the convictions and ideals of the people, and it will endure only so long as the people of Uganda collectively desire to maintain it".

Mr. Obote said that the conference was a tribute to the British men and women who had gone to Uganda to transform the country in a manner that made it possible to talk of independence. The people of the country also deserved praise for their part in bringing Uganda to its present stage of development.

The conference marked the fulfilment of the oft-repeated policy of Britain in her role of trustee that her territories should be prepared socially and economically for independence, stage by stage. It was a welcome opportunity for the country's delegates to discuss the independence Constitution and the position of each individual in the life of the new nation. The conference should be the last before independence was achieved.

## Divisions Exist

In the new Legislature, members of all parts of the country are represented with their consent—the first time that it has been recognized by all parts of the country as the central legislative body for the whole country. This recognition and consent, given so willingly, are important factors to bear in mind in our deliberations.

"It would have no useful purpose if we were to ignore the facts of responsibility already given to this Parliament Assembly. I should like to point to the important issues left to the Government last year.

"We must complete our discussions and make arrangements in time for independence on October 9 this year. The whole country is eagerly awaiting that day. But although I speak of Uganda as a single entity, it is divided and the divisions may come out in this conference. Despite the divisions and differences of opinion, however, there is a single purpose, a single mission, namely, the achievement of our independence.

## Life with Britain

"The achievement of independence will be a day of joy for British and Ugandans. Their ties are close and very strong. When the people of Uganda attain independence they will inherit many things to their advantage, such as the legal system and the English language, which has become the common medium of intercourse between our peoples with different home tongues.

"It was because of considerations of this nature that the Assembly passed a unanimous resolution that Uganda should seek membership of the Commonwealth on the attainment of independence. We attach much importance to this; we believe that there is no political partnership in the whole world exacting so little from members but giving so much in return.

"The Commonwealth is a unique experience, a unique united political action in essentials between free nations without the sacrifice of our several national identities for the control of national rights. It is a unity based not on the domination of a master State, not on the rigid structure and sacrifice of individual nationality involved in it, but on common ideals. It is something that the people of Uganda believe is well worth their membership.

"What is needed in the conference is a union of hearts for the common good of the whole country. It is said that man shapes his own destiny. We are not here to shape our own destinies, but those of the people who have sent us here. Our responsibility is therefore great.

"Let us produce for them a Constitution which will ensure a general feeling of orderliness and well-being in Uganda as a whole. That is the mission which has brought me here."

Mr. Obote leads the Uganda Government delegation. The other members of the Uganda Cabinet who are attending are: Messrs. A. K. Sempa (Finance), G. Roin-

(Continued on page 1000)

# PERSONALIA

LORD and LADY CLAUD HAMILTON have arrived from Kenya.

MR. ROBERT RUARK has arrived in London from Kenya.

MR. and MRS. A. LE MAITRE, of Tanga, are now in London.

MR. H. ROLF GARDINER will leave England in a few days to revisit Nyasaland.

Uplands Bacon Factory, Kenya, has appointed an African director, MR. T. M. MBEYE.

MR. H. ST. L. GRENFELL returned to London last week from a short visit to the Federation.

MR. P. B. H. WALL, M.P., has returned to the United Kingdom from another visit to the Federation.

MR. J. H. DURR, Commissioner of Roads and Road Transport, has arrived in London from Salisbury.

MR. B. H. HARRISON has resigned from the board of the Imperial Tobacco Company of Great Britain and Ireland, Ltd.

Owing to his imminent departure from Kenya, MR. W. C. NEEDHAM-CLARKE has resigned from Nairobi City Council.

MR. J. K. KAPENI, LESTON MPOSA, who resigned in 1953, has been reinstated as chief in the Blantyre rural district of Nyasaland.

SIR CHARLES MORTIMER has been co-opted to Nairobi City Council for the period of SIR RICHARD WOODLEY'S absence from the Colony.

MR. L. J. VINCENT, manager of the African Housing Board of Northern Rhodesia, and MRS. VINCENT have arrived in England from Lusaka.

DR. G. H. McMORLAND, a medical practitioner in Lusaka, and MR. E. J. NANGLE, a surgeon in Salisbury, are at present in the United Kingdom.

MR. C. W. DUPONT, a member of the last Federal Parliament, who has been in this country for some weeks, will leave for Salisbury on June 21.

MR. JACK A. VIVASO has resigned, as president and from the board of Rull Brothers, Ltd. He has been a director since the company was formed in 1931.

MR. C. ST. L. D'ADHEMAR, vice-president, is acting as president of Nairobi Chamber of Commerce during the absence of the president in the United Kingdom.

SIR ROY WELENSKY, Prime Minister of the Federation of Rhodesia and Nyasaland, was taken ill on Monday and was confined to bed with a temperature.

MR. R. A. BUTLER, Minister for Central African Affairs, and MRS. BUTLER are to be the guests at dinner on July 10 of the Rhodesia and Nyasaland Club in London.

DR. STURE CARL LINNER, lately technical assistant resident representative of the United Nations in the Congo, and now its special representative in Brussels, is in London.

THE DUKE OF EDINBURGH returned to London on Friday from his visit to Canada and the United States. He was accompanied by MR. JAMES ORR, previously of the Kenya Police.

MR. J. K. F. BRAMMAGE is now works director of Dunlop Rhodesia, Ltd., MR. K. J. HICKIN having left the Federation to take up similar duties in a new Dunlop factory in Nigeria.

MR. JAMES H. O. HALWENGE, operations-supervisor in Tanga for the Landing & Shipping Company of East Africa, Ltd., is attending a course at the Port & Shipping Training Centre established in Copenhagen by the Danish Government in co-operation with the U.N. Technical Assistance Organization. Instruction covers all aspects of modern port development and cargo handling.

MR. and MRS. ARMAND DENIS of Nairobi are in London to discuss their future television programmes.

MR. A. J. A. DOUGLAS, a senior district officer in Bechuanaland, is now Government Secretary in that High Commission Territory.

MR. DAVID MILLAR, manager of the Shire Highlands Hotel at Limbe, who had been accused of racial discrimination by the Nyasaland Government, has said that he will not return to Nyasaland when his contract expires in October.

LORD CRANWORTH and SIR CHARLES PONSONBY, founder members of the Joint East and Central African Board, have been re-elected to its council, on which SIR ROBERT ARMITAGE, lately Governor of Nyasaland, now represents the Nyasaland Chamber of Commerce.

MAJOR-GENERAL LORD THURLOW sailed in the UGANDA last Thursday on his way to South Africa and New Zealand. In October he is to take up the appointment as G.O.C. in Malta. LORD THURLOW commanded the brigade in Kenya during the Mau Mau rebellion.

CANON R. M. GIBSON and MRS. MARY GIBSON, formerly of Ntshaki, near East London, received their medals "For Dedicated Service to Africa" at last week's meeting of the Royal African Society. They both appeared in EAST AFRICA AND RHODESIA some weeks ago. MR. G. TEMMEY, Australian Trade Commissioner in East Africa, has returned home on account of his father's serious illness. Pending the appointment of a successor, his duties are being performed by MR. R. G. TALLBOYS, who has been transferred from Johannesburg.

SIR PATRICK RENISON, Governor of Kenya, who has been on leave in the United Kingdom since the end of the Kenya Constitutional Conference two months ago, will return to Nairobi on June 20. LADY RENISON, who has been unwell, will remain in England for some weeks to convalesce.

MR. JOHN MWAKANGALE, Commissioner for the Southern Highlands Region of Tanganyika, who has been touring the Mbozi and Rungwe areas, has at several meetings called upon the people to stop drinking during the day and to drink only moderately in the evening after work. He charged chiefs and other leaders to cease drinking in public.

CAPTAIN B. A. ROGERS, D.S.C., R.N., R.N.R., (Retd.) has been appointed Commodore of the British India Line, in succession to COMMODORE R. H. A. BOND. COMMODORE ROGERS joined the line as a cadet nearly 40 years ago. His D.S.C. was awarded for the sinking of a German submarine off the Lizard when he was in command of a Royal Naval frigate.

DR. BANDA, who arrived in Accra on Sunday for a week's visit, said that he hoped Ghana would be able to help Nyasaland establish her own university. He would also talk to PRESIDENT NKRUMAH about problems of African unity and Nyasaland's fight against colonialism. He is accompanied by MR. KANYAMA CHIUME, Minister for Education and Social Welfare.

SIR ANDREW MACTAGGART, chairman of the East African Power & Lighting Co., Ltd., and MR. DONALD C. BROOK, a director of that company and chairman of the British Central Africa Co., Ltd., left London last Thursday to revisit Kenya and Tanganyika. MR. BROOK will go on to Nyasaland and Southern Rhodesia before returning to London at the end of the month.

MR. DEREK TREMAYNE, national athletics coach in Nyasaland, left yesterday with 10 months of his two-year contract still to run with the Nyasaland Amateur Athletic Association because that body has been forced to abandon its activities following an instruction to missions and schools to boycott it issued by the Minister of Education, MR. KANYAMA CHIUME. The work of the association has been mostly for the benefit of Africans.



## Tourists Spent £6m. in East Africa

### Points from the E.A.T.T.A. Report

THE UNSETTLED POLITICAL POSITION over much of East Africa and the repercussions of the Congo tragedy are stated by the East Africa Tourist Travel Association in its annual report to have been responsible for the loss of about 10,000 visitors last year and a reduction in tourist expenditure of £13m. It is estimated, however, that at least £6m. was spent in East Africa by "documented visitors".

The total of such visitors for 1960 is given as 50,652 (compared with 60,343 in 1959), 7,579 having arrived by sea, 7,646 by road or rail, and 35,426 by air. In 1959 arrivals by sea had been almost 10,000 higher, totalling 17,330.

The categories of visitors are given as 22,553 on "short-term" holidays, 6,448 on business, and 228 others. The nationality table shows 13,412 in the previous year, 6,380 Americans (6,835), 2,191 Belgians, 1,612 Italians, 1,393 Germans, 1,312 French, 1,279 Scandinavians, 900 Dutch, 226 Swiss, 396 Greeks, 176 Austrians, and 118 Israelis.

There were no fewer than 6,433 Rhodesians, of whom 6,155 arrived by air, 1,741 by road and 557 by sea. More than half 4,419 were on "short-term" visits—a term used for holders of in-transit visas or passes permitting a stay of at least seven days and renewable; 2,819 were on holiday and 1,111 on business. There had never been so many visitors from the Americas and Nyasaaland.

Research by the East African Statistical Department from forms completed by nearly 38,500 persons suggests that visitors spent about 71% of their time in Kenya, 19% in Tanzania, 9% in Uganda, and 1% in Zanzibar. The average length of visits to East Africa was just under 20 days.

## Commonwealth Scholarship Winners

THE COMMONWEALTH SCHOLARSHIP COMMISSION in the United Kingdom has announced its awards of Commonwealth scholarships, tenable in Britain from October. Following is a list of winners in the Federation and East Africa, these being followed by the place of graduation, with the place at which the scholarship is to be held in brackets:

Federation of Rhodesia and Nyasaaland: Berridge, M. J., London (Gonville and Caius College, Cambridge); Curtin, T. R. C., London (London School of Economics and Political Science); Waister, P. D., Edinburgh (Nottingham); Wagnmouth, R. H., London (Imperial College, London).

Kenya: Coge, O. S., Roorkie (Imperial College, London); D'Gujia, A. B. J., Bombay (Edinburgh); Hacker, J. B., Reading (St. John's College, Cambridge); Mungeam, F. H., Oxford (Wadham College, Oxford).

Tanganyika: Henriques, Miss W. L., Bombay (King's College, Newcastle); Kayumbo, H., London (Imperial College, London); Modi, J. R., Dublin (Edinburgh).

Uganda: Joyce, D. C., Institute of Education, London; Kanyago, P. S., (Ruskin College, Oxford); Patel, M. R., Manchester (Trinity Hall, Cambridge); Tejani, Mrs. N. A., Bombay (Charing Cross Hospital and Medical School and Institute of Obstetrics and Gynaecology, London).

Zanzibar: Omar Abdulla, London (Oriol College, Oxford); Al-Mar Ashi, S. S. A., Baghdad (School of Oriental and African Studies, London); Carvalho, A. P. A. D. D., Lucknow (Edinburgh).

## Nairobi

AN UNFLATTERING DESCRIPTION of Nairobi was given prominently recently by *The Times*, whose special correspondent had cabled that it is one of the most over-administered cities in Africa, that there is sadness behind its frenetic gaiety and preententious activity, and that the unquiet atmosphere is in striking contrast with the stolidity of Salisbury, where people still believe in the foundations of their European world. In houses a little way from Nairobi's city centre, the dispatch concluded, hundreds of officials who have worked hard for Kenya sit and grumble and wait for the day of their release.

## Duke on Status-Seeking Game Killers

### African Animals Threatened with Extermination

THE DUKE OF EDINBURGH, speaking in New York last Thursday at a dinner arranged to launch a United States fund for the World Wildlife Trust, roundly condemned "status killers" of animals, killers for profit, poachers, and the "get-rich-quick-at-any-cost-mob". Since the time of Our Lord, said Prince Philip, about 100 animals and 100 birds had become extinct, and now another 250 species of animals and birds were threatened with extermination by the sheer callousness of man.

"African poachers in East Africa were rapidly killing off the rhino because illegal dealers wanted the horn for export to China, where for some incomprehensible reason it was thought to act as an aphrodisiac. Yet in China, of all places, the population statistics should have provided a hint that rhinos were obviously an anachronism."

In East Africa killers for profit were also slaughtering some 600 elephants a year because the ivory laws could not be enforced, people wanted ivory for chess-boards and new billiard balls, and because poachers could sell ivory at 3s. 6d. a lb. to unscrupulous who passed it on at double the price to receivers who got 14s. from illegal dealers who sold at 35s. a lb.

### Bridges of Death

Among the "status killers" were the great hunters of North America and the young car-borne Arrians who were slaughtering the oxys because some of them thought they were killing that now rare animal they would inherit its legendary courage and spirit. "Parties numbering up to 300 go out together in cars to get brave quickly by blowing down oxvets with tommy guns."

The supposed symbols of achievement were in fact byes of barbarity. All over the world were status killers who boasted in club or office of their hunting prowess. "You may condemn killing for sport, but the sportsman is at least concerned that the source of his sport is not destroyed. The status killers don't care less. They merely advertise a pathetic immaturity."

The moral reasons for game conservation were obvious. "We quite rightly collect vast sums and go to endless trouble to preserve man-made treasures, most of which serve no practical purpose. Surely we should pay some attention to the living God-made treasures of the world."

"Noah was commanded to build an ark and take into it a pair of every living creature to save them from the Flood. Today a different kind of deluge threatens the earth's creatures, and the World Wildlife Fund is the ark built by men and women and children throughout the world to give them a chance to survive."

"The problem is particularly acute in Africa, where the economics of the emerging countries are under very considerable strain. It is not as if their leaders did not understand. What is needed, above all, are people all over the world who understand the problem and really care about it, people with courage to see that the letter and the spirit of the conservation and game laws are obeyed and where necessary improved."

The World Wildlife Fund has its headquarters in Zurich. Its international president is Prince Bernhard of the Netherlands, and Prince Philip is the president in Great Britain. President Kennedy agreed last week to become honorary chairman. It is hoped to raise about £1.6m. a year.

## Milking A Rhino

COMMONWEALTH TODAY, issued by the Central Office of Information, has published a photograph of a rhinoceros in Bristol Zoo being milked by a keeper while its calf stands by. The milk was required for analysis in order to help find a substitute which may be fed to baby rhinos whose mothers have been killed by poachers in African game reserves. The keeper spent months making friends with the rhinoceros, before it was considered safe to begin milking, an operation not known to have been performed anywhere previously.

## African Earnings in S. Rhodesia

### Mr. A. E. Abrahamson's Statements in London

AT LEAST 2,000 AFRICANS, themselves employers in small industries and commercial undertakings, are earning £1,000 a year or more in Southern Rhodesia. Mr. A. E. Abrahamson, Minister of Labour, Social Welfare and Housing, told a news conference in London before leaving for Geneva at the beginning of this week.

The 1961 census had shown that some 10,000 Africans employed in industry were receiving above £25 monthly, that 14,000 in the £20-£25 bracket, and that 31,500 received between £15 and £20 a month. Present figures would undoubtedly show an increase.

Since May 1960 the statutory minimum wage had been raised from £7 10s. to £11 5s. a month in most of the Colony's industries and manufacturing concerns, and by the middle of next year the consolidated minimum wage including the present housing allowance, would be £13 10s. a month, a figure estimated to be the cost of living for a married African man with two children in an urban area.

Reporting on the territory's progress in providing a "social and economic uplift for the masses of the people," the Minister said that the expenditure on education had risen from £800,000 in 1958 to £5m. this year. Housing for married Africans in towns had been financed with £5m. from a variety of sources, including £1m. from Britain, to provide another 10,000 units. Since employers subsidized this housing, occupiers earning less than £22 a month contributed rent of only 6p. a week, whereas the true economic cost was from £4 to £4 10s. Home ownership was also being encouraged.

### Little Difficulty in Raising Wages

It had not been difficult to prevail on most employers to pay higher wages, for they appreciated that their interests were best served in a good domestic market, which in Southern Rhodesia alone could be providing for 31m. consumers of their goods. A rising purchasing power rose present industries would expand and labour would be started.

He had not had to argue for a wage award, in 40 of the 49 industrial boards and industrial councils there had been unanimous employer-employee agreement for increases, and in the others a majority had favoured higher wages.

The rapidly growing African population, which doubled every 21 years—presented a grave employment problem. With some 380,000 children leaving school during the next five years to look for work, related to the working population of 750,000, a 50% increase in jobs was clearly needed. About 130,000 Nyasaland Africans and 60,000 from Northern Rhodesia were working in Southern Rhodesia.

The registered figure of unemployed Africans was 6,000, but more did not register, and the real total would probably be near 25,000; and there it would exclude those in the rural areas who did not bother to come to the towns for work, though they would like to do so. It could be said that the African unemployment ratio was between 6% and 8%. For non-Africans, the latest registered figure was 800, but 1,600 would probably be more accurate, representing about 14%.

### "Patchy" Trade Unions

Trade union organization was "patchy." The 33 registered unions were based on the members' spheres of employment, not on colour, but it so happened that the "labourer" unions were African, the skilled European, and the semi-skilled composed of both races.

A battle was being waged between the Southern Rhodesian Trades Union Congress, affiliated to the I.C.F.T.U., and the breakaway African Trades Union Congress. Members of the former, though as individuals they might sympathize with Mr. Nkomo's Z.A.F.U., resented the intrusion of politics into their attempts to better workers' conditions under the Conciliation Act. The breakaway union did not worry about the rules, and seemed to be much mixed up with Z.A.F.U. and with even greater forces further afield.

Since only 18% of the Africans were in the towns, rapid development of the rural areas was necessary to maintain balance. Measures needed would include irrigation, and to settle one family on four acres of irrigated land would cost

£100 an acre plus £200 for a house. Then they could participate in a cash and not merely subsistence economy. There were half a million such families.

### Investing in People

"I have stressed these fundamental requirements during my visit," said Mr. Abrahamson. "The economic uplift of the people needs massive funds. We want understanding and investment, but, above all, investment in people, in their education, welfare and housing, to give them the prospect of a better life. This will be the finest investment in the long run, and it is the only answer to the extremism which opposes us."

"The elements that seek to destroy what we are doing have one less argument to wield against us with each new school built, each wage increase, every building erected, every time a form of discrimination is repealed. Racial discrimination is almost a dead letter in law, and when we win the forthcoming elections those remaining will disappear."

"In my talks with the employers and others, I think I have induced a greater interest in the possibility of us to get more finance to go ahead with our plans, and I have shown the gravity of the situation if we do not do this, and it is not forthcoming."

Mr. Abrahamson had discussions with Mr. Butler, Minister for Central African Affairs; Mr. Sandhu, Commonwealth Relations Secretary; Mr. Maudling, Colonial Secretary; and Mr. Hare, Minister of Labour. On Sunday he left for Geneva to address the plenary session of the annual conference of the International Labour Organisation. This was the first time that Southern Rhodesia, an associate member, had been invited.

## Nyasaland African Education Report

BRITAIN "will not fail to shoulder a moral and material responsibility" to provide £1m. for a five-year plan for the development of secondary education in Nyasaland, states the report of the Phillips Committee.

Low standards at all educational levels and lack of finance are considered the major problems, and priority is recommended for the development of secondary education. Primary education expansion should be financed by loans raised by local authorities.

"Voluntary agencies, i.e. the missionary societies, though playing a vital rôle, should be relieved of the staff and financial burdens which they can no longer bear."

Universal primary education is accepted as the ultimate objective, but the cost is said to be far beyond the country's productive capacity. An annual admission figure of 75,000 children to primary school is suggested, with an anti-wastage campaign that would allow for 40,000 pupils reaching Standard III in 1967. Accelerated senior primary school intake should make for at least 20,000 pupils in Standard IV by 1968. All junior secondary schools should be expanded as full secondary schools.

## Teacher-Journalist Expelled

MR. RODERICK J. MACDONALD, a 29-year-old teacher with dual British-American nationality, who arrived in Nyasaland on May 23 on a temporary entry permit, has now been told by the Federal Government that his application for a residence permit has been rejected by the selection board. He considers himself suspected of Communist sympathies because his passport shows that he visited Russia two years ago. He said in Blantyre on Sunday that he then went to Russia, Poland, and East Germany for a holiday trip with a party of students from Edinburgh University. Mr. MacDonald has recently written several articles advocating the dissolution of the Federation.

Apart from helping the local chief to serve beer at parties, the local government asked do not play a great part in the life of the community," Mr. C. B. Katiti, speaking in the Uganda Legislature.



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## Thousands on Strike in Kenya Intimidation and Political Pressures

AN AFRICAN DOCTOR and his nursing staff, while they were attending patients, were dragged from a clinic by a group of strikers in one of Nairobi's African locations last week. In another incident an ambulance was stoned. Police had to intervene, and 13 arrests were made.

Last Wednesday the Local Government Workers' Union called out 4,000 Nairobi City Council staff without prior warning; among them were those responsible for such essential services as water supply, refuse collection, fire prevention, maternity work, and health. Only two months ago the same personnel struck for three weeks, demanding higher pay and the dismissal of European supervisors. Increases agreed after arbitration were due to come into effect last week, but the union called the second strike on the grounds of dissatisfaction and minor new demands.

After meeting union leaders, the Minister of Labour, Mr. T. J. Mboya, stated that they had agreed to return to work and accept the arbitrator's interpretation of his award. Union officials angrily repudiated that statement later the same day, and were cheered when they said that the strike would continue.

The City Council workers returned to duty on Saturday, after several hundred of them had decided to form a break-away association and had reported for work. On the same day a six-day strike of about 2,000 printing staff in Nairobi, Mombasa, and Nakuru ended with agreement by the employers to grant an interim pay rise of up to 12%. A spokesman for the strikers had stated that they were prepared to stay away from work until 1972 if necessary. Daily newspaper sales had had to be greatly reduced in size, and publication of other journals was suspended.

On Thursday some 1,100 shoe factory and leather workers

struck on a nine-point demand to their employers. They returned to work on Tuesday, although after a meeting with Mr. Mboya on Friday it had been stated that they would go back the next day.

A stoppage threatened by 5,000 food and distributive workers unless granted a 50% pay increase was not carried out, the union leaders deciding to postpone action pending conciliation moves.

About 400 food milling workers and 200 dockers and crane-drivers at Mombasa are still out, and on Monday African employees of East African Airways threatened to strike.

### Ninety Strikes This Year

There have been 90 strikes in Kenya this year, 12 of them in the past six weeks.

The correspondent of the *Sunday Times* cabled at the weekend that "despite Mr. Mboya's denial that there are political implications behind the industrial unrest, there is reason to believe that his rivals in the political as well as the labour field have been behind the strike action. Significantly, in every instance existing negotiating machinery has been ignored, and strikes have been sprung without warning and almost simultaneously".

He had cabled a few days earlier: "While this sudden rash of strikes may be more concerned with a good deal of speculation here than there may be, a political element is there. The industrial crisis presents a grave challenge to Mr. Mboya, and it is no secret that some of his political enemies find sardonic amusement in this. Makhan Singh, a well-known Communist, and secretary of the printers' union, is believed to sympathise with the political philosophy of Mr. Oginga Odinga, Mr. Mboya's main rival in the Kenya African National Union".

Mr. Odinga, vice-president of K.A.N.U., of which party Mr. Mboya is secretary general, issued a statement at the week-end declaring that if the workers found themselves in distressed circumstances it was Mr. Mboya's fault.

The president of K.A.P.U., Mr. Mbatia, gave the warning that unless the workers were told firmly that they were being paid by a mainly political party, Kenya's economic position would become chaotic.

Mr. Mboya has called for a full meeting this week between his Ministry, the Kenya Federation of Labour, and the Kenya Federation of Employers. "Union leaders are going to have to learn patience, the employers are going to have to be less arrogant, and we in the Ministry are going to be tactful but firm" he said a few days ago.

### Inquiry into Kenya Expenditure

THREE COMMISSIONERS appointed by the Secretary of State for the Colonies arrived in Nairobi yesterday to examine the problem of Kenya's recurrent expenditure, which is likely to exceed revenue by £4m. in the forthcoming year. The commissioners are Mr. S. S. Menneer (chairman), Under-Secretary in the Ministry of Pensions and National Insurance in the U.K., Sir Gordon Hadow, a former Deputy Governor of the Gold Coast; and Mr. K. C. Jacobs, who was for seven years Financial Secretary in Sierra Leone. They have been asked to pay particular attention to the size of departmental establishments, to consider what reductions can be made, and to recommend means of bringing the recurrent budget into early balance.

### Unified Teaching Service

THE GOVERNMENT OF KENYA has decided to establish a Unified Teachers' Service outside the civil service; it will embody all new locally-recruited teachers and such existing locally-recruited teachers as may opt to join. Expatriate civil service teachers cannot, however, be included, for that would involve the forfeiture of £375,000 per annum which H.M. Government contributes towards the emoluments of such teachers. All racial anomalies which exist on racial grounds alone are to be removed, including those differences in salary which exist between African and Asian K.T.1 teachers and between European and other untrained teachers holding the school certificate and the higher school certificate.



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# Tanganyika's Tax Changes

## Mr. Bomani's First Budget

HIGHER DUTIES on drinks, tobacco, perfumes, petrol, diesel oil, kerosene, cosmetics, gramophones, tape-recorders, tyres, and sugar, a corporation tax on limited companies of 2s. in the £; a hotel levy of 2s. per adult per night towards the cost of establishing a Tanganyika National Tourist Board; and an embarkation charge of 7s. 6d. at airports—these are the main features of the Tanganyika Budget which estimates revenue at £22,893,000 and expenditure at £24,400,000 more.

Mr. Paul Bomani, Minister of Finance, said when introducing his first budget last week that a position of economic strength could be assured only by greater effort, increased production of best quality crops, and larger sales in the best markets.

Personal tax would remain at £22 10s. for persons with incomes between £600 and £700, but it would become £26 5s. for incomes between £700 and £800, and £30 thereafter.

A corporation tax at 5s. 6d. would remain the same for 1961 and subsequent years, and trade licensing fees would be raised. Implementation of income tax legislation was intended.

Duty on cigarettes and manufactured tobacco would rise from 33s. to 44s. per lb. and on cigars, cheroots, and cigarillos from 44s. to 55s. per lb. On wines and spirits the rate would rise from £8 to £10 per proof gallon; on liquors from £9 to £10 per imperial gallon; and on ale, beer, sherry, cider, and stout from £6 to 14s. The increase in the case of spirits would be to 83 cents per bottle of whisky. Local beer would cost an estimated 20 cents a bottle.

### Higher Import Duties

The rate of duty on perfumes would rise from 66% to 75%; patent medicine would pay 45% ad valorem; gramophones and tape-recorders would pay 33% instead of 25%; cosmetics and hair dyes, 75% instead of 66%, and sugar an extra five cents a lb.

A hotel levy of 2s. per adult per night was to be made towards the cost of establishing a Tanganyika National Tourist Board, and there would be a charge of 7s. 6d. on passengers embarking at airports.

The Minister thanked Great Britain and the U.S.A. for providing more than £1m. of free foodstuffs during last year's floods, when more than 40,000 people were receiving famine relief.

Tanganyika's population were skilled people and capital for development, but she had little of either and must rely on overseas help until she could develop her own supplies of both. If that help was not forthcoming there must be a deterioration in the economic position.

The estimates of recurrent expenditure for 1962-63 reached nearly £32m., compared with just under £26m. in 1961-62, but appropriation-in-aid of nearly £9m. more than £1m. gross expenditure down to £23.1m. Rather more than £1m. was provided for subscriptions to international financial agencies; nearly £2m. would be required for compensation to retiring officials, and £2.5m. would be needed for pensions and gratuities. For the first time Tanganyika would have to bear a full year's costs of its Foreign Service and Army, namely £600,000. Development expenditure under the three-year plan would need £8.3m.

## Uganda Faces Deficit of £9½m.

UGANDA faces a total deficit of £9½m. on her recurrent and capital budgets for 1961-62, the new Finance Minister, Mr. A. K. Sempa, told the National Assembly in Kampala last week. For 1962-63 he estimated a deficit in the recurrent budget of £2.4m. The £9½m. gap would be bridged by running down the general revenue balance and the capital development fund and by raising additional revenue.

Increased excise and customs duties will be levied on a wide range of articles, including spirits, tobacco, radios, gramophones and patent medicines, and higher duty on petrol and diesel oil is expected to yield £1.9m.

In order to accelerate agricultural and industrial development, higher allowances are to be granted, with a shorter write-off period for capital expenditure on industrial building, mines, and farm works.

Mr. Sempa said that political independence would be a great achievement, but its fruits would be small without financial and economic independence. "For 60 years we have been a Protectorate with a benevolent protector, but within a few months that protection will be a thing of the past. Britain will, I hope, remain our closest friend, in spite of new friends who may appear soon after independence. With their good will and assistance, we can look forward with optimism to the successful achievement of our primary objective, raising the standard of living of our people."

That standard will not, of course, be raised solely by the formulation of Government policy or debating in this Chamber. It requires a concentrated effort by everyone, from the farmer in the field, the worker in the factory, the craftsman in his workshop, the clerk in his office, and even the children at school, to increase their output and improve their performance. "Our aim is higher production, greater productivity."

The past year's cotton crop had been a "melancholy failure" with only 179,000 bales instead of the 500,000 expected. But the Government intended to set its sights to break the record and achieve production of 420,000 bales this year. There was every prospect of a good coffee crop. Quickening of major building activity in the private sector and increased trade could be expected to follow independence, as had happened in other territories.

The major problem would be to obtain adequate finance. The five-year development programme would require £1m. of which about £311m. was available to us right now.


But another bar to expediting development would be the retention of experienced professional administrators and staff needed for the execution of an expanded programme. There can be no doubt that the effect of resignations under the new compensation scheme will in some departments be rather serious. If this trend is not countered, a serious rather than an expansion in the rate of development is to be expected.

### Accountant Jailed

ALAN SIDNEY BENNETT, aged 32, has been sentenced to three years' imprisonment in Kampala after having pleaded guilty to three charges of stealing cheques worth £2,885 from Agricultural Enterprises, Ltd., of which he had been chief accountant. Arrested in England last April, his application against extradition was refused by the court, and he was recently sent to Uganda for trial.

### Imports from Japan

HOW JAPANESE TRADE with East Africa has grown is shown by statistics issued by the Colonial Office. Last year's imports from Japan into Kenya, Uganda and Tanganyika were valued at £13,774,000, and in the previous year the figure had been £14,576,000, both totals showing a great increase on the £10.4m. of 1959. In 1958 the value had been £10.9m. Two years earlier, however, it had been no more than £6.2m. Piece goods made of synthetic fibres represented nearly £4.8m. last year, when cotton piece goods had a value of £3.4m. Other clothing and footwear totalled £1.1m. Other major items were pottery, machinery, metal manufactures, and cement.

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## Uganda Conference in London

(Report continued from page 993)

gira (Justice), W. W. K. Nadiope (Internal Affairs), C. J. Obwangor (Regional Administrations), D. B. Magezi (Minister of State), M. Ngobi (Agriculture and Cooperatives), and G. Binaisa (Attorney-General).

Mr. B. K. Bataringaya, Leader of the Opposition, represents the Democratic Party, with Messrs. D. A. Patel and A. A. Latim.

Buganda's representatives are Messrs. M. Kintu (Katikiro, or Chief Minister), A. K. Mayanja (Education), A. D. Lubowa (Local Government), L. Basudde (the Omulamuzi or Minister of Justice), and N. Sebunyawo (the Omuwaniika, Minister of Finance).

Mr. L. H. Kwebiika, the Katikiro, and Dr. F. K. Mangu, chairman of the Constitutional committee, represent Basuto; Mr. T. Kabaireho (the Enzangi or Chief Minister) and Mr. J. W. N. N. represent Ankole; Mr. S. Ruzibiza (the Omuhikwira or Chief Minister) and Mr. S. Katama represent Toro.

Buganda's two delegates are Mr. T. B. Walukamba, the secretary for agriculture and forestry, and Mr. D. L. K. Lubano.

The other districts are represented by their respective general assemblies, namely: Messrs. W. Lutana (Acholi), K. B. (Bugisu), T. M. Kitya (Bukedi), E. Athio (Karamoja), K. K. Kikira (Kirazi), J. W. Olwol (Lang'o), D. Luga (Madi), D. B. (Mabai), S. Fobwe (Toro), and M. Bokera (West Nile).

Mr. J. Lewis, chairman of the Urban Authorities Association, represents the colonial local authorities.

The Uganda Government's advisers are Messrs. C. Powell, E. H. A. C. Badenoch, C. P. S. Allen, J. A. Burgess, J. G. (Lindsay), and M. Davies.

Mr. G. G. Foot, Q.C., J. G. Foster, Q.C., E. H. N. Gratner, Q.C., T. O. Kellogg, D. S. Downs, J. G. M. Flegg, and J. J. Pearلمان attend as legal advisers.

## Staffs Inadequate for Independence

### Qualified Men "Drained Away"

MR. ABO MAYANJA, Minister of Education in the Government of Buganda, has emphasized in a letter in *The Times* the great difficulty of finding competent staff for African territories approaching and attaining independence. He wrote:—

"The staffing problem of such countries is dangerously acute. Independence almost always seems to take everybody by surprise, with the inevitable result that there are hardly any local officers with the necessary experience by the time of the handover.

"Secondly, the general compensation scheme inevitably results in an exodus of expatriate officers (especially the younger and more capable), who not unnaturally choose to accept a generous lump sum and return to the United Kingdom.

"Thirdly, independence has a habit of draining away even some of the few qualified local men from their previously held jobs. Teachers, doctors, and others enter the National Assembly, the diplomatic service, and so forth.

"Finally, the additional expenses of running an independent State mean that there is comparatively less money available for expanding educational and training facilities.

"Thus a country like Uganda will attain her independence in extremely difficult conditions. At the end of June, 1961, there were 1,700 Europeans in gazetted posts in Government service, as against 800 Africans. There was no African in what is called the super scale, i.e., for top administrators. Yet the operation of the compensation scheme is such that by the end of this June, of the 11 Europeans who were in the super-scale in the Education Department in 1961 only three will be left.

"We must step up the training of our own people to run the country, but this is extremely difficult to achieve. We have places for only about 4,000 pupils in the secondary schools, which is just under 1% of the total number of youngsters of the appropriate generation. In order to raise the number of secondary school places to say 40, we need an extra 1,000 teachers as well as £10m. capital expenditure. The outflow of secondary teachers from Makerere College is less than 20 per annum. We already spend 20% of our budget on education

and our efforts to boost up the economy have been practically nullified of late by the combination of floods which destroy the cotton crop and by the slump in world coffee prices.

"In these circumstances it is difficult to see how—unless substantial outside aid is poured into Uganda—we can maintain our present sadly inadequate educational efforts. Our need for expatriate personnel is thus likely to be both great and prolonged, and I trust H.M. Government will, besides making appeals to other bodies, find more positive means of meeting our requirements.

## U.N. and Southern Rhodesia

DESPITE STRONG OBJECTIONS by the United Kingdom and the United States, the General Assembly of the United Nations decided on Tuesday to have an immediate debate on Southern Rhodesia. Voting was 62 for and 26 against, with 15 abstentions.

Sir Patrick Dean (Great Britain) said that the situation in Southern Rhodesia was such that the debate could not be postponed until the next General Assembly in September. Southern Rhodesia's general election was not expected to take place in October as expected until recently; it would not be held until March of April, 1963, and time could now be better spent on discussing the situation in Rhodesia-Drum.

## U.N. Criticism on Zanzibar

IN DAR ES SALAAM last week the United Nations Committee on Colonialism took what a British representative, Mr. J. A. Sankey, called "the most undesirable" course of issuing an appeal to the United Kingdom to release all political prisoners arbitrarily held in custody in Zanzibar and to end the state of emergency. British delegates voted against the decision, five others abstained, but 11 favoured the issue of the appeal. Mr. Sankey, objecting that there had been no discussion, said Britain could make a statement in New York on the return of the committee for the current session of the General Assembly. Sir James Plimsoll (Australia) said that the subject had not been examined; indeed, the question of Zanzibar had not even been on the agenda. Mr. R. O. Blake (United States) urged hasty action.

## Policies in Tropical Africa

AN ANGLo-AMERICAN CONFERENCE on policies in tropical Africa is being held this week at Ditchley Park, Enstone, near Oxford. Lord Perth, lately Minister of State for Colonial Affairs, has taken the chair. Among the British participants have been Mr. Thomas Balogh, Lord Colyton, Mr. Aidan Crawley, M.P., Professor S. H. Frankel, Mr. H. St. L. Grenfell, Mrs. Elspeth Huxley, Mr. H. V. Hodson, Mr. J. H. Lascelles, Lord Listowel, Sir Duncan Oppenheim, Mr. F. J. Paddy, and Miss Margery Perham.

## In Bandaland

"I DID NOT MIND conceding the rights to the non-Africans in this country to have a lawyer if they want one to defend them in the African courts, but I must warn my learned opponent across the table that he will be prejudicing his client's case if he goes to Kasungu or Mzimba to plead for his client, a European, because the minute an African knows that someone is bringing a lawyer they take that as an admission of guilt." — Dr. Banda, speaking in the Legislature on the second reading of the Nyasaland Local Courts Bill.

"The standard of living in Kenya is artificially high. We are travelling at jet speed when all we can afford is the pace of the cart." — Mr. Peter Okondo, Parliamentary Secretary to the Ministry of Finance.

## The Booker Group of Companies

**BOOKER BROTHERS, McCONNEL & Co., LTD.** report consolidated profit for 1961 at just over £3m. £3,296,804 in 1960), from which tax of £1,672,678 has to be deducted.

Reserves are increased by £753,944, amounts written off total £252,462, dividends of 1s. per £1 share take £590,299, and the amounts carried forward are £7.2m. by the parent company and £3.9m. by subsidiaries. The issued capital is £3.9m. in 10s. ordinary shares and £600,000 in 6% cumulative preference shares. Fixed assets stand in the books at £15.9m., net current assets at nearly £9m. and trade investments at £574,594.

Interests of minority shareholders in subsidiaries amount to about £3.5m., and the net assets of the group are £18.2m.

Sir Jock Campbell is the chairman, Mr. D. Powell deputy chairman, and Mr. J. R. M. Roche vice-chairman. The other members of the board are Sir Henry Hancock, Sir Frederick Seaford, Colonel F. C. Drake, and Messrs. N. P. Collock, C. W. Tyrrell, W. M. Pabst, G. M. Eccles, A. R. Woodley, P. Parker, G. S. Bishop, and R. R. Collett-Smith.

The group is accompanied by a comprehensive and extensive machinery with a wide spread of operations in Central Africa.

## Dwa Plantations

**DWA PLANTATIONS, LTD.** report a profit for 1961 subject to tax of £26,453 (£65,778), and £17,473 (£37,990) after tax. The general reserve is increased by £4,926 and the provision of pensions by £2,500, and ordinary dividends of 10% take just over £6,000. The balance forward is £18,372 (£17,858).

The company has an issued capital of £99,776 in 2s. ordinary shares and £54,900 in 10s. 6% cumulative participating preference shares. Fixed assets stand in the books at £218,311 and current assets less current liabilities at £33,618.

Owing to severe drought and then floods the year's output of sisal fell from 2,306 tons to 1,782, and in the first four months of this year it has been 546 tons (668 in the corresponding period of 1961). Rainfall on the estate during the year totalled 38.4 inches, compared with a 47 years' average of 24.5 inches; but only 4.8 inches had fallen in the first nine months and more than 24 fell in November, the highest fall ever recorded in a month.

The company has 3,895 acres of mature sisal, 662 acres planted since 1959, and 1,450 acres of old sisal, giving a total of just over 7,000 acres.

The directors are Mr. S. R. Hogg (chairman), Rear-Admiral R. E. Portlock, and Messrs. S. A. Dehm, R. A. Collet, and W. H. Heley.

## British and Commonwealth Shipping

**BRITISH AND COMMONWEALTH SHIPPING CORPORATION** report group profits for 1961 after meeting all charges except depreciation at £6,454,000, compared with £8,312,000 in 1960 and £10,000 in 1959. Depreciation required £4.6m., but realisable tax brought in £1.8m., leaving for appropriation almost exactly £3m. (£2.1m. in 1960). The 20% dividend is repeated. The 1962 trading results so far show little variation from the corresponding figures during the early months of last year. Sir Nicholas Cayzer, the chairman, had forecast for 1962 a profitable level lower than for 1961. On publication of the report the price of the shares on the London Stock Exchange rose about 13 to 24% at which price they return 8 1/2%. The group's shipping programme since the war has cost £105m.

**John Mowlem & Co., Ltd.**, report profit for 1961 after tax at £303,692 (£421,146). The 12 1/2% dividend is repeated.

**Compagnie des Katanga**, a holding company, reports net profit for 1961 at 107,480,000 Belgian francs, against £14,600,000 in the previous year. The dividend is reduced from 130 to 80 francs.

The four major marketing unions in Tanganyika are henceforth to sell through a central marketing organization. C. J. Valentine (Tanganyika) Ltd. will act as brokers for the sale of mild arabicas and C. G. Patel & Co. Ltd. for all hard coffee.

**Turner & Newall, Ltd.**, in announcing an unchanged interim dividend of 4%, state that profits for the first half of the current financial year are appreciably below the record figures of the previous year. It is hoped, however, to maintain last year's dividend of 8%.

The **Kenya Sisal Growers' Association** has decided to forego the annual subvention of £2,500 from the Government and to relieve it of the costs of the third officer at the sisal research station. Kenya now provides 11% of world sisal production. The Colony's output has risen by 50% in the past five years, though the acreage has increased by only 20%.

**The Rhodesian Bata Shoe Co., Ltd.**, has raised its capital from £10,000 to £11m.

**Consolidated Mines Trading (Rhodesia), Ltd.** has increased its capital from £4,000 to £525,000.

**Diamond sales through the Central Selling Organization** in the first five months of the year amounted to just under £41m., compared with £38.7m. for the same period last year.

**Assam and Africa Holdings** report a 10% increase in profits in Assam and Africa in 1961, increased from £220,000 to £379,329, and that net profit after tax is £220,000 (£29,543). The dividend is being raised from 3% to 10%.

**Bank of Rhodesia and Nyasaland** had a surplus on March 31 of 1961 of £178,993 off property and equipment. Deposits exceeded £2.2m. (1.7m.), investments stood at £19.4m. (£18.7m.), and bills at £28.3m. (£22m.).

**Metal Box, Ltd.**, a group with subsidiaries in East and Central Africa, report net profit after tax to March 31 at £4,878,000, compared with £4,843,000 in the previous year. The dividend is unchanged at 12%. Overseas companies produced 35% of the profits.

**Lloyd & Co., Ltd.**, U.K. food manufacturers and caterers with a large tea estate in Nyasaland, report net profit to March 31 after tax and all charges at £1,185,271 (£1,139,485). Fixed assets exceed £26.5m., investments exceed £1m., and current assets less current liabilities total £11.4m.

**John Laing & Son, Ltd.**, civil engineering contractors with large African interests, report net profits for 1961 at £680,829 (£762,301), but the dividend is raised from 9% to 10%. Mr. W. K. Laing, the chairman, states that political uncertainties seriously affected the volume of work on offer in Africa.

**Blackwood Hedge, Ltd.**, a group with East and Central African subsidiaries, reports that in the year to October 31 last group net profit totalled £317,381, against £16,730 in the previous year. The dividend is raised from 6% to 10%, and there is to be a scrip issue of three shares for every 17 now held. Political conditions in Africa are stated to have made trading very difficult. Net assets exceed £1m.



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## Chairman's Statement

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
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# IMPORTANT NEW DEVELOPMENT OPPORTUNITIES AHEAD

## *Mr. H. F. Oppenheimer Stresses Need for Rapidly Rising Living Standards in Southern Africa*

THE FOLLOWING is from the statement by the Chairman, Mr. H. F. OPPENHEIMER, which has been circulated to members:

The situation of the South African economy has improved in many ways since I wrote my last statement to shareholders a year ago. Now there are signs of increasing business activity in some sectors of the economy, and during May the reserves reached their highest level for more than fourteen years. This upturn bears witness to the basic strength of the economy, and to the effectiveness of the stringent measures taken by the Government to prevent the outflow of capital. It would, however, be unwise to regard the improvement as a reason for complacency. While I believe that there is now a better understanding overseas of our problems than there was a year ago, it is extremely difficult to raise risk capital abroad for investment in South Africa.

If capital is not available from abroad it will be even more important for us than it is for other developing countries to make the most efficient use of our own resources, both of labour and capital, and there is reason to apprehend that the Government's policy of job reservation on a racial basis, and of locating industry so as to effect the greatest possible measure of separation of the races, may not be easily reconcilable with these economic needs.

### **Fortunately our resources are substantial . . .**

The difficulty of raising new equity capital abroad has thrown our Group back on its own resources and on the securing of loans to a greater extent than would probably have been thought desirable in the past. Fortunately our resources are substantial, and there is no reason to fear that our new enterprises will be hampered by lack of capital. Indeed, we have been able to use the credit and the overseas connections of companies of our Group in a manner which has, I believe, been helpful to the country at a difficult time.

Thus in the middle of last year Rand Selection Corporation succeeded in raising a loan of \$30,000,000 in the United States of America. The whole of this sum was brought to South Africa, where it made a significant difference to the reserves of foreign exchange, and it is now being used by Rand Selection for its business in Southern Africa.

At a later stage further loans were raised in the United States in order to finance an important new investment in Canada; and finally, negotiations are being concluded to raise a loan of 50 million Swiss

francs (approx. R8,100,000) to fund our own new 5-year Loan of a like amount which expires in July, 1962.

In the Federation of Rhodesia and Nyasaland the economy has so far shown up well in the face of political uncertainty. The association of the three territories has brought economic strength to the whole, and a dissolution of the economy would probably result for all of the territories in a slowing down of their economies and with it, of course, a check in the rise in living standards and an increase in unemployment.

Effective economic union, however, cannot in my view be maintained without a central political authority, although a case can be made for a redistribution of some of the present federal and territorial functions. I accept, as do most people concerned with Rhodesia, that the present concept of federation has not commanded wide African support, in spite of its economic merits. There are many reasons for this, but the most important I believe is that the Constitution at the present time gives comparatively little participation in the Federal Parliament to the African people.

What is required is an immediate substantial share for Africans in the Federal Parliament and a progressive approach to a full system of common-roll franchise open on fair and equal terms to all citizens without distinction of race.

I cannot emphasize enough how important it is that the present uncertainty should be brought to an end as soon as possible. The Federation has progressed in a remarkable manner in spite of constant political uncertainty both in the territorial and federal fields, but the cumulative effect of this uncertainty is how undermining confidence and stultifying external investment and, as a result, giving rise to growing unemployment, particularly of Africans.

I regard the development of the rural economy of the Federation as being of major importance. Not only should it lead to the raising of the Africans on the land above subsistence levels, it should also halt the drift to the towns, where there is already considerable unemployment and, by increasing the living standards of a large section of the inhabitants, it would stimulate secondary industry. Our Group has undertaken to make a long-term loan to the Government of over £5.1 million with the object of helping to promote schemes for rural development.

We continue to have confidence in the economic future of the Federation and in the prospect it offers, in spite of all criticism and difficulties, of becoming, given time, a State in which there will be genuine co-operation between the races.



Since Federation, companies of our Group have invested in Northern Rhodesia, including profits ploughed back, about £190 million. We have not hesitated to undertake any project through political fears.

#### 'We are not afraid of change ...'

We are not afraid of change, and we believe we shall be able to work successfully with the governments of the future. I recognize, however, that our confidence is not widely shared at present by overseas institutions, and until it is made clear that the pattern of political development is to be followed by the governments concerned show their determination to adhere to this pattern, the Federation will have to rely mainly on its own inadequate resources for the development of the country and the raising of living standards, which to my mind remains the major problem in Africa.

In South Africa the gold mining industry continues to earn increased profits as the newer mines of the Orange Free State and the Far West Rand approach maturity, their expansion substantially outweighing the inevitable decline of the older mines. Provided inflation can be avoided, there is no reason why the present prosperity of the gold mining industry should not continue for many years.

The Orange Free State goldfield ceased to require the major part of the Corporation's technical and capital resources we have turned our attention to the Western Deep Levels project. This mine has now come into the first stage of production, with ore being drawn from the Ventersdorp Contact Reef. During the first two months of operation the company milled 216,000 tons and earned a working profit of R662,352, both of which figures were well above expectations. Plans are in hand to expand the plant to handle 160,000 tons a month. In due course the mine will also draw ore from the deeper-lying Carbon Leader Reef, which will become its principal source of tonnage.

#### '... new avenue for promotion of the abler Africans ...'

After a full investigation, we have started to make a number of changes in the way in which African labour is used on the gold mines. New personnel organizations have been established on certain mines of our Group, which will give greater guidance and assistance to Africans in their work than has been done before, while at the same time enabling the evaluation of performance of individuals to be undertaken more accurately than formerly. Within this organization a number of African personnel assistants have been appointed. These posts call for high qualities in the holders and carry appropriate rates of pay. This will create an important new avenue for promotion of some of the abler Africans on the mines.

The jobs done by Africans have been carefully reclassified, and, in order to distinguish clearly between different levels of skill, and particular aptitudes, some new categories have been created. A residential training school has been established on the Far West Rand for the training of our African employees for the more responsible jobs. We have taken steps, using work study and conventional efficiency methods coupled with moderate capital expenditure which will reduce the total number of Africans employed and so make possible the payment of increased wages to the more highly skilled Africans without affecting profits to any material extent. These measures have been introduced experimentally on three of our mines over the last nine

months, and we hope to introduce them on all the gold mines of the Group.

These measures by themselves will not make possible increases in wages for all classes of African workers on the scale which we consider to be desirable. We are accordingly studying other measures, and present indications are that, it may be possible, through improved techniques, to increase the rate of face advance, thus allowing concentration of mining with higher productivity.

The copper mining industry is still suffering from an excess of productive capacity over demand. However, the steady upward trend of world consumption has not abated and the gap between productive capacity and demand is narrowing. By regulating their production and sales the producers have had considerable success in eliminating wide fluctuations in the price of copper, which in the past created uncertainty among consumers of copper and tended to encourage substitution of other materials. Work on research and promotion is taking place throughout the world to develop the greater use of copper in all its applications. In these circumstances, I regard the long term future of copper with confidence.

#### 'We have embarked on a number of new ventures ...'

Since the end of the year an opportunity arose for us to extend our base metal mining interests into new territory by the acquisition of a 100 per cent share in the Hudson Bay Mining and Smelting Company, Limited, a large-scale producer of copper and zinc in Canada. Companies of the Group acquired 100,000 shares, equal to 14.5 per cent of the capital, in the Hudson Bay company, for a total cost of \$20,000,000, equivalent to approximately R14,000,000. No money was remitted from either South Africa or the Federation for this purpose, and the funds required by the Group for investment in Southern Africa have therefore not been depleted.

The diamond industry enjoyed an exceptionally high level of demand for its products, resulting in record sales and record profits. Although the pattern of the past suggests that minor setbacks may well occur in particular years, there is no reason to doubt that the steady upward trend in the world demand for diamonds, which has been maintained since the end of the war, will continue.

Recently we have embarked on a number of new ventures connected in different ways with the iron and steel industry. In Swaziland we plan to open up an iron-ore mine, as a result of which the first railway across Swaziland is to be built. These developments should have far-reaching effects on the whole economy of Swaziland.

In South Africa we have entered the field of ferro-alloys and alloying materials. Transvaal Vanadium Company is already producing vanadium for export on a profitable basis. This metal is a constituent of special steels and has an important part to play in the rapid industrialization taking place in many parts of the world. In partnership with Avesta Jernverks Aktieförlag, a Swedish producer of stainless steel, we have formed a company called Transalloys, Limited, which will produce ferro-chrome, also for export.

#### A Favourable Year

The year under review has been, on the whole, a favourable one for our Group. The consolidated net profit of the Corporation for 1961 amounted to R16,914,211, which is R1,225,309, or 7.8%, more than

the figure for the previous year, and just over two-and-a-half times the profit of R6,083,596 earned nine years ago in 1952. Solid progress has been made, and we have important opportunities for new development before us, of which some are in the fields which are new to us.

There is therefore good reason for optimism provided that the major political, social and racial problems of Southern Africa are tackled in a spirit of co-operation. A policy of co-operation, not of separation of the races, remains essential, because even the South African Government's efforts to speed the development of the Native reserves are as successful as I hope they will be, the majority of the non-white peoples of South Africa will inevitably continue to live outside the reserves in what are sometimes referred to as the "white areas".

These are not simple matters, but one thing at least seems clear: there can be no real solution to be established in an environment of poverty. Government policies which aim at social and racial solutions at the

cost of economic development are sure to be self-defeating. We cannot afford not to make the best use of our limited capital resources and of the abilities of all other sections of our population.

If living standards can be rapidly raised the other problems that face us will become much more tractable. Such things have happened in other countries. One of the most striking examples of this type of change is the way in which the belligerent nationalisms of Europe, which were the main cause of two world wars, have given way to the co-operation of the Common Market. Given wise policies in the interim, and a sufficient rate of economic growth, the same thing can happen in South Africa: but only if all people living in South Africa are consciously and deliberately encouraged to participate in the growth of the country to the fullest extent to which they are capable.

*The full statement and report and accounts of the Corporation are obtainable from the London office, 40 Grosvenor Place, E.C.4.*

The United Nations has received \$1,257 worth of U.N. bonds for the Congo operation.

Tanganyika's cattle losses from the recent drought are officially estimated at 250,000.

Export earnings into the Federation last year were valued at rather more than £7.4m.

Bulawayo City Council plans to spend more than £10m. on development over the next four years.

According to the latest official estimate, the Sudan cotton crop for 1961-62 will be just over 1m. bales.

Opening of the Commercial television station is said to have been the cause of reduced liquor sales.

More than £18m. was collected by the East African Income Tax Department in the year ended June 30 last.

The new Rhodesian factory of the Reckitt & Colman group is expected to be in production in a few weeks.

Nyasaland's first residential trade union course, lasting three weeks, has been held at Mpemba, near Blantyre.

Whereas net imports into Kenya in 1961 had a v.i.f. value of almost £69m., domestic exports were valued f.o.b. at only £33.5m.

A joint consultative council has been agreed to by the Nyasaland Employers Association and the Nyasaland Trades Union Congress.

Southern Rhodesia's TV tax, introduced in the last budget, has been suspended until next January to allow for a full fiscal review meantime.

National and Grindlays Bank is prepared to train suitable African university graduates for executive posts in its branches in Africa.

The current season's cashew nut crop in southern Tanganyika is expected to be over 26,000 tons, of which 23,250 tons have already been shipped.

At its Dainy property in Southern Rhodesia Falcon Mines, Ltd. had a working profit in May of £23,149, from milling 22,300 tons for 4,962 oz. gold.

A German currency expert is to visit Tanganyika to advise the Government on safeguarding its interests under the present East African Currency Board system.

The Imperial Board of Telecommunications of Ethiopia has received a further \$2,900,000 loan from the World Bank for extending the country's telephone and telegraph network.

Kenya's Egerton Agricultural College will next year start a two-year dairy diploma course for Africans. In October this year the college will open East Africa's first forestry diploma course.

Elgeyo and Tugen tribesmen in Kenya queued all day to put down their names for smallholdings being made available for 500 families in the East Aimbokoi area of Rift Valley Province.

As a precaution against border incidents, the Uganda Government is to move about 10,000 refugees from Ruanda and 16,000 of their cattle to reception areas further from the frontier.

Monthly calls at Seychelles have been made by two British India ships on their voyage between Mombasa and Bombay in July, August, and September there will be additional calls in both directions by the AMRA.

A Tanganyika Development Corporation is being formed. It will join with the Colonial Development Corporation and a West German agency to form a Tanganyika Development Company, each partner providing £500,000.

Fifteen Northern Rhodesian Africans, trained at the Hodgson Technical High School, Lusaka, have passed their City and Guilds examinations. They include the first to be federated to qualify in electrical installation and motor vehicle mechanics.

More than 95% of the banana crop of Kenya's Pokomo tribe on the Tana River was destroyed in last year's floods, and the Department of Agriculture has applied to the British Government for Hunger Campaign funds to help the victims.

Substantially higher exports from Portuguese East Africa are reported for a number of crops compared with other years (unshelled) in 1961 amounted to 84,352 metric tons (against 55,248 tons in the previous year); of tea, 9,905 tons (8,066); of sisal, 28,421 tons (27,930); and of tobacco, 1,083 tons (454).

Officials in the Kenya Federation of Labour have alleged that opposition from the Tea Plantation Workers' Union in the Kericho district is Communist-inspired as part of a plot to take over the K.F.L. and link it with the World Federation of Trade Unions, the Communist counterpart of the I.C.F.T.U.

The new Central African Office under Mr. R. A. Butler is to have transferred to it £1,636,000 from other Departments and will receive an additional £10,000 of which £100,000 will go to Nyasaland as a grant-in-aid. £20,000 is assigned for the team of advisers whom Mr. Butler is about to send to Central Africa.

Owing to continuing financial difficulties, Machakos African District Council, Kenya, has dismissed 172 of its employees and more are expected to go at the end of next month. The public health, veterinary, forestry, and road services of the council are being greatly curtailed and the community development services drastically cut.

Reduction of iron ore to sponge iron instead of pig iron at an initial cost of £1m. has been suggested to the Southern Rhodesian Government by a Bulawayo mining engineer, Mr. M. Smith, who feels that the new method could revolutionize the Federation's iron and steel industry. Not less than £10m. would be needed to establish the usual blast furnace method, he has estimated.

Sisal output for May: Bird & Co. (Africa), Ltd., 1,711 tons, making 15,280 since July last; Central Line Sisal Estates, Ltd., 455 tons, making 3,867 for 11 months (3,399 in the corresponding period of the previous year); East African Sisal Plantations, Ltd., 187 tons, making 1,496 for 11 months (1,694); Dwa Plantations, Ltd., 171 tons, making 747 for five months (856 tons).

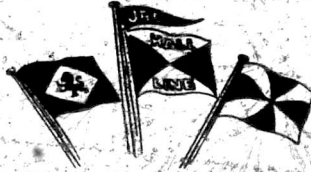
Barclays Bank D.C.D. had at March 31 investments of £127.6m., advances to customers totalling £329.3m., cash and bank balances £75.4m., bills discounted £73.5m., money at call and short notice £51.7m., and remittances in transit £16.2m. Bank premises stood at £18.2m. Current, deposit, and other accounts amounted to £266.1m. The issued capital is £17m. and the reserve fund £13.8m.

Japanese-made spare parts for British cars are being sold in East Africa at 40% below prices quoted by the U.K. motor manufacturers, a special correspondent of the Daily Mail has reported from Nairobi. A spokesman for Nairobi Chamber of Commerce told him that the Japanese were seizing their chances while British manufacturers were sluggish. British goods were too often held up by strikes or inefficiency. In the last five years Japanese exports to Kenya, Uganda and Tanganyika have increased by £8m. while British sales have dropped by £1m. U.S.A. exports rose by £21m., those from Germany by nearly £2m., and those from France and Holland by upwards of £1m. each.

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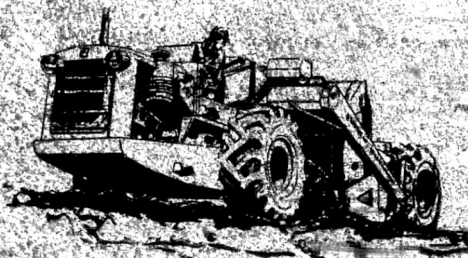
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