

EAST AFRICA AND RHODESIA

Thursday, November 22, 1956

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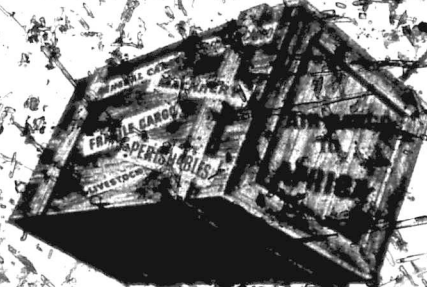
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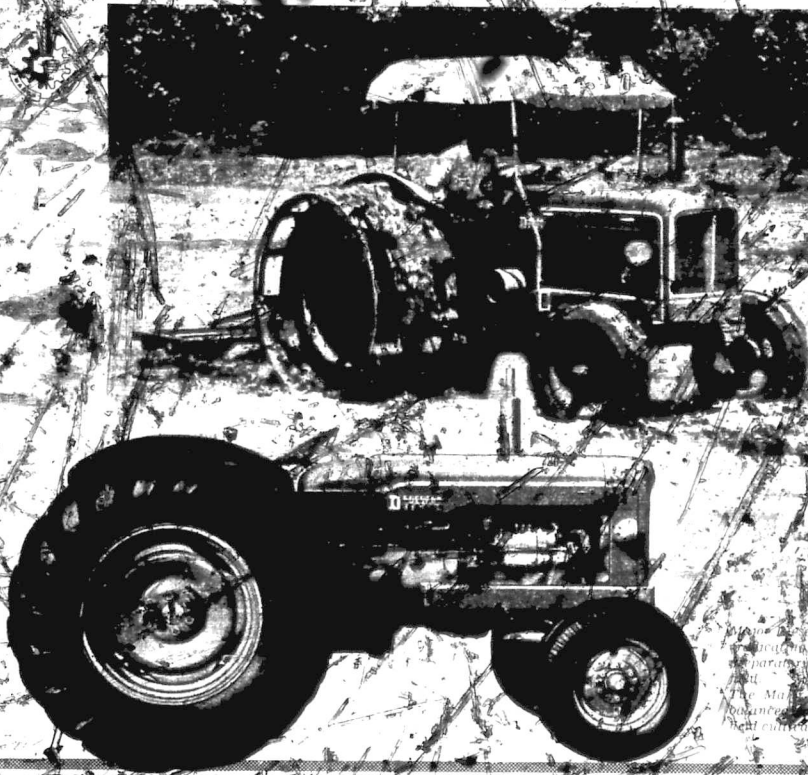
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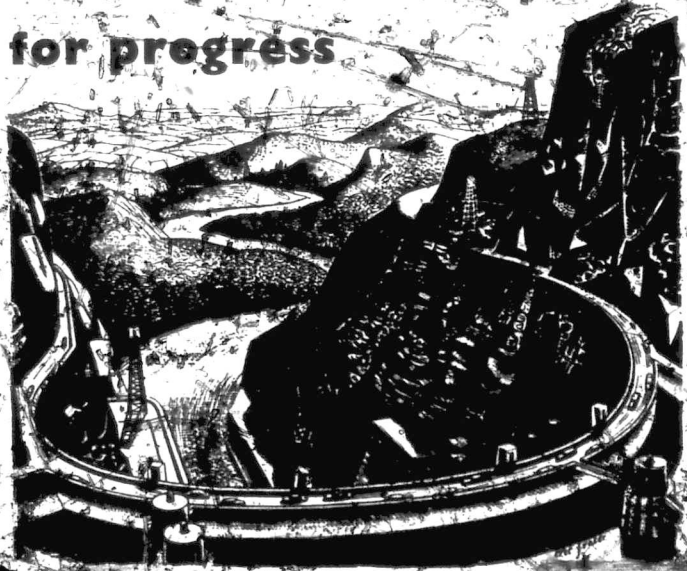
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Founder and Editor

S. Dawson

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MATTERS OF MOMENT

THE PRIME MINISTER said on Saturday that Her Majesty's Government in the United Kingdom could not have refrained from ordering a cease-fire in Egypt as soon as the Israeli and Egyptian Governments had agreed to discontinue all military action and accept the international force offered by the United Nations. That is a disingenuous argument, for it ignores the unfortunate fact that the United Kingdom Government phrased its communication to the United Nations so impudently as to deprive itself of the virtual certainty of occupying the whole length of the Suez Canal within another few hours. Secondly, the Prime Minister's statement took no account of the fact that the extra day needed for that purpose would not have been lacking if the landings at Port Said had been made with that promptitude which was generally expected of British forces. In making a sense of urgency in the first place and needless phrasing later were the real obstacles, and both were of the Government's own making.

Fruits of Imprudence

Senior British officers engaged in the operation have made no secret of their conviction that another day would have enabled the British and French forces to take possession of the whole of the waterway from Port Said to Suez, and it is already very clear that the impetuous order to the troops to discontinue their advance constituted a grave blunder psychologically, politically, and militarily. It has enabled Nasser to claim, and with good cause, but nevertheless acceptably to large sections of the Arab world, that the resistance of the gallant Egyptian army has brought invasion by the Western Powers to a standstill. Dissemination of that fantastic falsehood by every organ of Egyptian and pro-Egyptian propaganda has immensely strengthened the position of Nasser at the very moment when, if British political leadership had been a little more realistic and persistent, his folly, his vain boastfulness, and his damage to Egypt and the Arab States in general would have been exposed for all to see. Moreover, by leaving three-quarters of the canal unoccupied and unprotected, we left the Egyptian dictator free to sink many more ships, of which opportunity he promptly availed himself. That is why the politicians who early this month were talking airily of the canal being cleared within a month or so are now saying publicly that it is probably closed for six months — and admitting privately that the period will be at least half a year again and perhaps about a year.

This is partially of the price to be paid for calling off operations when a few more hours would have made all the difference to the relative positions of the Allies and the military junta in power in Cairo. It is almost certain that American pressure was strongly exerted, but there is also little doubt that, had it been resisted by the Cabinet for the further day necessary to finish the task given to the troops when they set out, the Americans would quickly have recognized the great gain to the whole free world. Dispassionate analysis compels the conclusion that intervention, once decided upon, was undertaken at too leisurely a pace and called off prematurely to the great detriment of Western Europe.

Paying for A Grave Blunder

The East African territories, which have always been so dependent upon the Suez Canal for the transport of their imports and exports, will be seriously handicapped for the next year or so. They will be put to heavy

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expense, and neither Africa nor Europe will find that the additional cost will disappear with the eventual reopening of the canal.

By failing to topple Nasser from his self-made pedestal we have left him to stir up trouble through the Middle East and many parts of Africa. Only the other day Ministers were declaring that the Anglo-French purpose was fourfold: to stop hostilities between Israel and Egypt because of the risk that they would set the Middle East alight; to take possession of the Suez Canal on behalf of users of all nations; to clear it of obstructions

and allow the oil traffic in particular to flow freely again within a few weeks; and to curb Nasser's capacity for international mischief. One only of those four purposes, the first, has been achieved. The canal is closed for many months, and is still liable to further wanton damage. Oil supplies, probably dislocated until at least the end of next year, will be maintained on a reduced basis, meaning only by heavy expenditure in dollars which Europe cannot afford. Nasser is, temporarily at any rate, the recipient of more sympathy than ever before. How, then, can it be claimed that the decision, made by the British and French Governments — quite possibly with justification in the circumstances — has been competently implemented?

Kenya on the Edge of Middle East Whirlpool

Mr. Lennox-Boyd on Kenya, Northern Rhodesia and the Middle East

MR. LENNOX-BOYD, Secretary of State for the Colonies, opened for the Government on the sixth day of the debate on the Queen's speech.

He spoke of the situation in Kenya and Northern Rhodesia, announced that he would visit Central Africa during the Christmas recess, and then dealt with Russian arms in the Middle East.

In the course of his speech Mr. Lennox-Boyd said:

Kenya is on the edge of the Middle East whirlpool and deeply involved in all that goes on in the Suez Canal area and elsewhere. As even those critics of Kenya who have been very vocal will agree, Kenya has recently shown very welcome signs of stability, of capacity for working together, and of economic strength. After four years of brutal challenge to peace and orderly evolution by the Mau Mau conspiracy, the shadow is now lifting.

This morning in Nairobi Sir Evelyn Baring has announced the withdrawal of all military forces, in Kenya from active operations and the assumption by the administration and the police of full responsibility for law and order throughout Kenya. This is very heartening news.

Duped by Mau Mau

On some other occasion I should like to say something more on what I feel about the courage, sagacity, and patience of the Governor and of many who have been working with him in recent years. In thanking the Governor and all the Administration, the thanks of the House should go to General Lathbury for his skill and ingenuity, which have undoubtedly brought the military operations to an earlier solution than at first seemed likely.

At the end of 1954 over 3,000 active terrorists were at large in Kenya, and their bushery of fellow-Africans who refused to shake their evil ways was at its height. Now the remnants left number only a few hundreds. The Africans in the Central Province are returning with relief and energy to the constructive tasks of peace. All the problems of the emergency are not yet solved and the Governor is still responsible for the peaceful return to society of over 30,000 detainees and about 10,000 people imprisoned for Mau Mau offences.

The process whereby those who have been duped by Mau Mau are released from its curse has now been

effectively developed. In increasing numbers they are returning to an outlook on life which fits them to play their part in a peaceful society to which they can be returned without causing anxiety to their law-abiding compatriots. Already 30,000 have passed through this process by which we hope we shall continue to redeem as many as possible of the remainder until we can say with confidence that the emergency has really passed away.

Multi-Racial Government

The multi-racial structure of government in Kenya has stood the test of a general election, and has, I am thankful to say, emerged strengthened from that test. I am also very glad to be able to announce that today in Kenya constitutional changes have been made and published to enable the Governor to appoint one additional African Minister and one additional European Minister. He is also inviting the Lwali of the Coast, the leader of the Arabs, to participate fully in the work of the Council of Ministers.

Under these changes the Governor is also today appointing two additional African Representative Members to the Legislative Council, one to represent some of the peoples of the Nyanza Province and one to represent the Kamba, whose staunchness in the emergency deserves the highest praise. This is striking proof that under our own system, and despite the ordeal through which Kenya has passed, it is possible for various races and peoples to work together for the achievement of a better life.

I should like to say a few words about Central Africa. We have, as from last week, a new Prime Minister of the Federation of Rhodesia and Nyassaland. I am sure that the House will wish to join with me in sending to Lord Malvern our best wishes for a long and happy retirement. I, all my colleagues, and I know many others, hope that retirement is not the end, and that public affairs, both in the Federation and in this country, will continue for many more years to benefit from his unique combination of realism and idealism, and the wisdom he has gained through long experience.

I should like also on behalf of my colleagues to do publicly what we have done privately, to welcome as the new Prime Minister Sir Roy Welensky. We wish

prosperity and success to the Federation under his leadership.

No doubt hon. members will have seen what Mr. Roy said recently about the Suez dispute. The Federation aligns itself fully with Australia and New Zealand in their support of the Anglo-French action. It was with a feeling of relief that I learnt of Britain's decision to take firm action.

Mr. Roy takes over a time when there are difficulties, also great possibilities and hopes in the Federation. Many on both sides of the House have urged me from time to time to pay an early visit to the Federation. I have long been anxious to do this, and I am glad to be able to say that I hope to do so during the Christmas recess.

Emergency in Northern Rhodesia

Mr. JAMES JOHNSON: "Will the hon. gentleman say a word about the emergency in Northern Rhodesia? I am interested to know the emergency soon or was it the same as the emergency in Kenya?"

MR. LENNOX-BOYD: "The hon. gentleman has displayed an active and understandable interest in the situation in the Copperbelt, and I should like to thank him for the continued help he gives by sensible criticism and useful information. I hope that will not do him any harm with his colleagues."

MR. JOHNSON: "Regarding that comment, may I ask the hon. gentleman to answer my question?"

MR. LENNOX-BOYD: "I was about to get on to the business side of my observations on the Copperbelt, quite apart from the purely courteous ones. I know that many members are uneasy about the declaration of emergency in the Copperbelt. I am satisfied that the Acting Governor took the necessary steps. He is to be congratulated on taking those steps neither before they were necessary nor too late to prevent serious disorder and loss of life."

"It will be necessary to keep away from the Copperbelt for some time those who are seeking to foment disorder. However, I hope it will soon be possible to allow the majority of them at any rate to go to their villages in the rural areas."

MR. PENNER BROCKWAY: "Does that announcement apply to the 70 trade union leaders who are representative of the African Mine Workers Union and have been deported from the Copperbelt to a distant village?"

MR. LENNOX-BOYD: "Trade union leaders, like everybody else, are subject to the ordinary processes of law and cannot be treated differently. I am conscious of the need to encourage trade union activities, and we are anxious to do so, but there is always a danger in territories such as this that politics and indeed sedition, can be introduced into so-called industrial organizations, with disastrous consequences for the wages of the leaders."

Trade Union Activities

MR. JAMES JOHNSON: "The Secretary of State knows that it has been the desire not only in this House but, for example, of my own trade union, the National Union of Mineworkers, to promote a better understanding between the two great trade unions in the Copperbelt, the African and the European. Will he give an assurance that these emergency regulations are not being used to intervene in a peaceful industrial dispute? It is important that the Secretary of State should bear in mind that this causes anxiety, and will affect the attitude of people who have been helpful both to him and to his predecessors in promoting a better understanding between the two unions."

MR. LENNOX-BOYD: "I am aware of the need not only to see that happens but also that it is made clear. I give assurance that there is no intention to use this or any other power to interfere in legitimate trade union activities, or in legitimate differences between one union and another."

MR. JOHNSON: "Will the hon. gentleman confirm that the only people he is now holding in Mumbwa Camp in Northern Rhodesia are of trade union leaders? None of them is a political member of the African National Congress?"

MR. LENNOX-BOYD: "It does not follow necessarily that by failing to belong to a political body one ceases to be engaged in a seditious purpose. I accept the view of the Governor that the people now detained should be detained in the interests of the peace of the Copperbelt and of Northern Rhodesia. But I hope it will be possible for the majority to go to their villages in the rural areas."

"While we have been guiding and directing the tide of nationalism in British Colonies, and not running counter to it, we have been subjected to monstrous charges overseas and a good deal of ignorance even at home. What we have been engaged in doing is in vivid

contrast to the continual and increased suppression of liberty and the economic servitude imposed by Soviet imperialism on its subject peoples.

Soviet Machinations

"The Soviets are always striving to enlarge their sphere, the sphere, and the extent of their empire, not least in the Middle East. I am deeply aware that the work to which we have honourably set our hand could easily be undone if a conflagration should once more challenge the world. It must therefore be our duty at every stage to anticipate events, and where troubles do break out to take resolute action to stop small troubles from growing into great ones."

"From all the controversy aroused by the Government's action in the Middle East there has emerged a growing understanding, whereas the object of the Anglo-French intervention was to stop a war which already existed from spreading, other forces were at work in the Arab world to exploit the situation in the interests of Soviet imperialism. Indeed, since the beginning of the debate over the past 40 days has imperceptibly widened in the realization of the basic issues has grown."

"The effect of our action, first and foremost has been to cease fire. It has uncovered the extent of Russian penetration and designs. It is clear that Egypt was already deep in the toils, so far committed by her dealings with the Soviets that she could not draw back. We know from Colonel Nasser's utterances and innumerable other indications that Egypt planned to establish a hegemony over her neighbours, and Egypt was no longer herself a free agent. The domination of the area would have fallen in practice into the hands of the Soviet Union."

"All this depended, however, upon the immobilization of the United Nations and the belief that Britain and France would hesitate to act without prior international sanction. Such hesitation was taken for granted. Instead, the Anglo-French action has stimulated the creation of a United Nations police force. This in itself can be of incalculable benefit for the future."

Threat Repeated

"The House will have heard something about Soviet volunteers, a favourite Communist method of pursuing localities. Once again the Soviet Union threaten that volunteers are to be brought into Egypt. We had the spectacle of the time of Colonel Nasser's seizure of the Canal. The threat is repeated. Just as there was an intervention of the Communist Chinese volunteers in the Korean War, and before that similar movements in the Greek civil war."

"This technique of intervention, first by arms and then by volunteers, is deeply disturbing, in the sense that it attempts to combat with legality the employment of private armies whose only object is to lay about the States that they are professing to assist. That has been going on in Egypt, and it may now be going on in Syria. Without the external Communist intervention in the wars in Greece and Korea would have been immeasurably shortened."

"By introducing the same pose in the Middle East Russia thereby provides irrefutable evidence that this so-called episode in Egypt is not an episode at all, on the contrary it is a deliberate development by the Soviet Union in its continuous process of infiltration at the least and of conquest at the most."

MR. ROBENS: "The Government claim that they have stopped the war and separated the combatants. The Arab States believe that it was Russian intervention and the threat of Russian rockets on Britain which stopped the war. Loyal members of the United Nations believe that the decision of the United Nations stopped the war."

"The Government claim that their military action produced a United Nations police force. Yesterday the Joint Under-Secretary of State for Foreign Affairs revealed that at no time had the British Government raised the question of a police force at the United Nations."

"Britain has broken her solemn pledge as enshrined in the Charter of the United Nations. The Triguarte Declaration has been destroyed and it will be a long time before the United States Government put its signature alongside Britain to another declaration of that kind. Our action has split the nation and split the Commonwealth."

"One aim of the Government was to ensure the continued and unfettered operation of the Suez Canal. It is blocked; possibly many months will elapse before it is open to traffic again. Our oil supplies have been jeopardized."

"The Bagdad Pact was one of the two pillars on which rested the Government's Middle East policy. The Bagdad Powers meet without us and censure us for our actions. The Arabs regard the Russians as their friends and us as their enemies. We have created a legacy of hatred among the Arab States that may not be dispelled in our lifetime. We have

aroused deep mistrust throughout Asia and the Colonies — probably the worst disaster to befall this country has ever had."

MR. PHILIP NOEL BAKER: "There have been three points of maximum danger in the last three months: (1) the Government's decision of August 2, revealed to the press but not to this House, to resort to force; (2) the proposal of the Users' Association as an excuse for doing so; (3) the Government's 12-hour ultimatum of two weeks ago."

"Did the Government inform the Commonwealth Government in advance of any one of these decisions, which involved the paramount issue of peace and war for all the subjects of the Queen? If so, did they get one single answer that gave them even a shadow of support?"

Failure to Consult Commonwealth

"If in no messages passed during these last three months they ever before, have the Government gone obstinately ahead with their plan for war knowing that the Commonwealth was overwhelmingly against them? That is the question for the Commonwealth has known it for 30 years. They have done the work of generations of British and Dominion statesmen into shreds."

"Professor Keith Feiling, an eminent authority on Commonwealth relations, who started in public life by organizing Young Conservatives, sums up the Government's policy like this: 'Ministers have acted as if the Commonwealth were negligible. They have brushed aside its doubts, and often life and death decisions without consultation. Most unfortunate. All to remind has been their treatment of Canada, and India — Canada oldest and most wisely-governed of Dominions, our link with America, who measureless sacrifices for us in two world wars earned our lasting gratitude, India has been cold-shouldered. And what soldiers from Palestine will raise a finger for now?' That is a Conservative speaking."

"When he made his first statement about his ultimatum of October 10, the Prime Minister said: 'We have been in close communication with the United States Government.' Who could guess from that odd, calculated, disingenuous, deliberately misleading phrase what really happened?"

"After Israel mobilized, President Eisenhower called two meetings in Washington — on October 28 and 29. The 28th was the day of the Israeli attack. On the morning of October 30 the Prime Minister told us that there was a communication between the Foreign Secretary and the United States Ambassador in respect of action to be taken in the Security Council that very afternoon. At four o'clock that afternoon the ultimatum was dispatched. In none of those three meetings did our spokesman give a single hint to the United States that an ultimatum could be delivered and war conditionally declared within a matter of hours."

"Is that accurately described as being in close communication with the United States Government? What had happened and what was to happen in the most dangerous crisis in Middle East affairs? It still sounds hardly credible that the Government should have treated President Eisenhower and the American nation in that way."

"Impotent and Blinded Samson"

"In the last three weeks the Prime Minister has been in an impotent and blinded Samson, striving — happily — to pull down the international temple about his ears. Alas, he has succeeded in littering the world with the wreckage of British interests which he has damaged or destroyed."

"The whole British position in the Middle East has suffered a shattering blow — a rupture with Saudi Arabia; the stoppage of Saudi oil to the refinery at Bahfein; the triumph of the anti-British party in Jordan; the total disruption of the Baghdad Pact; hostile demonstrations in Bahrain, Kuwait, and Omer against Britain, places from which so much of our oil supplies have come. Our bases in Jordan and Libya are gravely compromised; our immense prestige in Asia has largely gone; and the very step which we used to exercise in the United Nations will be impossible for many a day to come."

MR. IAN A. BUTLER, Lord Privy Seal, said in winding up the debate:

"It has been said that the Commonwealth has been torn into shreds. The Canadian Foreign Secretary, Mr. Lester Pearson, has said that, although their views have not always been the same as those of other members of the Commonwealth, this position has not affected friendly relations with those members, and added especially with the United Kingdom."

"Mr. Menzies took the 18-Power plan to Cairo and was more disappointed than any man that it was not carried through. He said: 'I believe the United Kingdom and France have pursued their intervention not for territorial conquest; not for any purpose of domination; but to produce peace where the world

needs peace; so that when the United Nations produces an international body in this area it will not have to fight its way into it will be in such a shape and in such a position that they will first bring belligerents apart and then bring them together to a sensible and honest solution of their differences."

New Zealand's Support

"Similar statements of support were made by Mr. Keith Holyoake of New Zealand when he said: 'I have no doubt that both the United Kingdom and New Zealand have as their main objective the maintenance of peace in the Middle East.'"

"I have a statement from the New Zealand Government saying a situation has been created in which the Commonwealth, perhaps, may well tender political and financial assistance acceptable to the Arab States. Mr. Holyoake said this regarding the Commonwealth: 'The Commonwealth is a body of free nations, each of which has the right to determine its own foreign policy.'"

"To that selection I may add that the New Zealand Government, in the person of the Central Government, has expressed a feeling of relief that I learn from the New Zealand press."

"Although there have been some differences of opinion, the Commonwealth has carried out a policy which is satisfactory as well as just. Australia, New Zealand, India, and the United Kingdom are prepared to contribute towards the maintenance of peace in Egypt."

Services of the Kenya Regiment

Of Inestimable Value to the O' Company

LIEUTENANT SIR GILBERT LETHBRIDGE, G.O.C. of the East Africa, said in a speech at the farewell parade of "O" Company, The Kenya Regiment:

"The reputation and splendid record of "O" Company and the Kenya Regiment are well known for it is necessary for me to list your achievements, but I would like to say that your company has done so very well on operations in spite of numerous commitments, varying tasks, and ever-changing personnel, as well as meeting the many demands for district operations, intelligence officers, and the many others who are found in almost every part of the security forces."

"In spite of the contact with terrorists during the last six weeks, you have been common to all units of the security forces. You have been impressed by the cheerful and positive attitude which you have continued to carry out operations. It is a great credit to all concerned, and I feel that your company has done a great job for Nightingale, who has commanded the company almost continuously from the time it was formed two years ago."

"The Spirit of Service"

"To your early training and to the spirit which you have shown your fine spirit of service, which has been a great asset ready from the very beginning of the emergency to supply only the many leaders needed, but an immediate striking force for the whole of East Africa."

"All the hard work of the Kenya Regiment was the result of your own efforts, and the result of your own initiative. You have placed the security forces in a position to be able to deal with the situation without the assistance of other units."

"The Kenya Regiment during the early operations of the emergency and in the face of the high value, and helped to set the pattern for the use of the methods of fighting the terrorist, including the technique of tracking, which was later adopted by all units, and the use of pseudo-gangsters."

"Most of you have wanted to complete with the other companies. I hope you will continue to show the spirit of enthusiasm you have shown in "O" Company. The task of the regiment is to be prepared in an emergency to operate as a unit until reinforcements arrive from outside, and thereafter to provide the leaders and the wealth of knowledge and experience that are centred in the regiment, and are required for any expansion of forces. That is a most important task and one which the regiment has performed with great distinction during the present emergency."

"Thank you for all that you have done, and for your great contribution to the security forces."

By a unanimous vote the General Assembly has admitted the Sudan to membership of the United Nations.

Canal Out of Commission for Many Months

Graceless Stages of Failure to Occupy the Whole Zone

WHEN THE SUEZ CANAL is occupied by Anglo-American forces, it is Egypt? That question has been in the public and the press mind during the past few days. The Suez Canal, it was written in last week's *Observer*, is a "strategic operation" which had been regarded as "a tactical failure" in the "length" of the zone. "It is possible" as "quickly as the tanks could move" the "length" of the zone "not more than 30 miles." "It is possible" that "effective" military action "by British and American troops" was left "to British and French with all the equipment and material" with "scarcely enhanced prestige?" "It is possible" to "intrude" to "force" "men" "to withdraw" from "military operations" "in the Canal zone" "without" "any" "loss" "of" "the" "army" "equipment" "task" "which" "imposes" "heavy" "calls" "upon" "the" "armies" "of" "two" "of" "the" "Great" "Powers." "Yet" "an" "irrational" "is" "public" "opinion" "there" "have" "been" "no" "traces" "of" "joy" "at" "the" "idea" "that" "this" "shall" "be" "done."

Canal, and scarcely any criticism of those who are throwing away the baby with the bathwater. In France neither *Le Monde* nor *Le Figaro* there the United Nations press is of the opinion that the decision that it can bring the Egyptian dictatorship to book?"

Next day *The Times* gave a great prominence to a telegram from a British correspondent who declared that British intervention in Egypt had been announced only on the advice of nearly all the Governments' diplomatic representatives in the area, that it was a "effect on British relations with the Arab States" and "military operations" "the" "break" "off" "without" "any" "consultation" "with" "the" "commanders" "of" "the" "armies." "It" "was" "hard" "to" "find" "a" "responsible" "British" "officer" "who" "did" "not" "admit" "his" "own" "mistakes" "and" "frustration."

The dispatch continued: "Failure to allow the Allied forces to complete the operation has produced a sense of frustration and confusion among many senior officers here and their associates. This frustration at the way in which the Allied operation was conducted has produced a degree of bitterness and criticism in private conversation which is as widespread among responsible Service officers as is the criticism among Foreign Service officials connected with Arab affairs of the manner of its launching." "Senior officers in excellent positions" "to" "judge" "say" "that" "it" "is" "probable" "that" "within" "another" "18" "or" "24" "hours" "the" "whole" "length" "of" "the" "canal" "would" "have" "been" "in" "Allied" "hands" "—" "with" "all" "that" "that" "would" "have" "meant" "diplomatically" "and" "in" "freedom" "to" "get" "ahead" "with" "clearing" "operations" "—" "and" "that" "if" "they" "had" "been" "allowed" "only" "another" "eight" "or" "12" "hours" "they" "would" "have" "been" "in" "or" "beyond" "Ismailia" "and" "have" "had" "several" "useful" "airfields" "in" "their" "hands."

"Instead, they say, as a consequence of the failure to consult local commanders and consider the military timing of the operation the Allies find themselves in the following tactical difficulties:—
(1) The canal is blocked, and for three quarters of its length we are in no position to do anything to clear it.
(2) We have no airfields able to take jet aircraft, with the consequence that all fighter cover would still have to come from carriers or from Cyprus at nearly the extreme limit of modern fighters range.
(3) We are confined to a military island from which the only means of advance is a narrow causeway road across which the cease-fire gave the Egyptians an opportunity to create defences.
(4) The prematurely imposed halt gave Nasser the opportunity to spread the myth that it was the Egyptian Army which prevented the Allies from completing their military aim of securing control of the canal.

Cafo Radfo again has the most powerful voice in the Middle East particularly as the 'Voice of Britain' station in Cyprus has been put out of operation by the resignation of its Arab staff.

The myth of an unvanquished Egyptian Army, which officers feel was nourished by the premature end of the operations, and the Arab belief that the Allied intervention was to aid Israel — which British diplomats consider to be part of the world scene — will be the speculation even by the Arabs from the manner of the intervention — threatened to be formidable obstacles to British policies in the Arab Middle East for many years.

Nasser's Prestige Enhanced

The actions of the British and French Governments have created a situation in which our bargaining power is weak. Colonel Nasser's prestige has been enhanced by a successful defiance of Britain and France, whereas it might have been diminished by a defeat inflicted on Egypt's forces. Britain has felt hardly used, and in the world's eyes the stock of Britain and France remains low. The maximum offence has been given to Arab nationalism, and the maximum opportunity for Nasser and the Arab Union to extend their influence throughout the Middle East. The position of the British Government has been that of a man timidly refusing to have a poisoned finger traced and then taking credit for his courage in presenting it as amputation of the entire arm."

Ancus Mardian, a member of the so-called Conservative back-benchers, wrote in *The Standard* a commentary on the Anglo-Egyptian Agreement of 1956. "The British troops were progressively withdrawn from the Canal Zone. We made the following mistake:— We were not strong enough in Jordan and Iraq to prevent the vacuum which would be filled either by Russia, which would be probably hostile and certainly ineffectual, or by the United States, which would be probably hostile and certainly ineffectual, or by the United States, which would be probably hostile and certainly ineffectual."

"I thought then and still think that if we had been prepared to hold out in Egypt even for six more months we should either have secured a better agreement or have brought down the Egyptian Government."

"It certainly was no part of the policy of the Suez Canal, not at Port Said. Are we not now in danger of losing everything we risked without anything to show for it?"

"Nasser's prestige is very little diminished among the Arabs. He has explained away his defeat in Suez and is about to tell the Israelis out of court, and he is now laying down the law to the United Nations like a righteous householder telling the Arabs not to touch the carpets and flowers when they come to arrest the burglar."

Government Supporters Bewildered

"Masses of the Government supporters are utterly bewildered. Why did we stop? It was because of the Russian threat. Then Russia will be irrevocably entrenched in the Middle East. It was because of an American threat to have us off, then responsibility for the ultimate destruction of Western interests in the Middle East — and perhaps of the Atlantic Alliance — is squandered. Mr. Nasser's power and we admit to the world that we are now an American satellite."

"When the canal is under Nasser's control it is still running, it will have to be. We shall have sustained a staggering defeat. There is no doubt that progress on our hand is still not far enough, and we shall have to play it. It is necessary to play it. It is necessary to play it. It is necessary to play it."

The Church Times, London, October 15, 1956.
"Why did Britain and France suddenly withdraw their troops from Egypt? According to reports, the United States threatened Britain and France with economic sanctions if they did not withdraw their troops. At one point the United States threatened to cut off its aid to either to order the closure of the Mediterranean to intercontinental shipping. This, too, was rejected."

There has been made soon after the Egyptian seizure of the canal. The British and French will be able to supply the necessary equipment and supplies. It is expected that the fighting will stop soon. The British and French will be able to supply the necessary equipment and supplies. It is expected that the fighting will stop soon.

Mr. Paul Williams, M.P., said when speaking in the House of Commons on November 15, 1956, that the British and French will be able to supply the necessary equipment and supplies. It is expected that the fighting will stop soon.

Why did we not take the whole canal? It is a question that has been asked many times. The British and French will be able to supply the necessary equipment and supplies. It is expected that the fighting will stop soon.

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Prime Minister's Statement

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The canal is the central link has conferred far greater benefits. The military and political on the Egyptians than on ourselves. The main length of the Suez Canal and 12 trapped merchant ships remain exposed to further Egyptian sabotage.

Against Egyptian tanks an infantry position 26 miles south of Port Said is impregnable. From the air it is vulnerable to the extreme. Because of the cease-fire we have abandoned our aerial watch over Egyptian airfields. The only Egyptian command in our hands, El-Camil, on the eastern bank of Port Said is unusable for operations. Only effective tactical cover is provided with precision driven by the British planes.

Nasser's Plans

Viscount Hailsham, the new First Lord of the Admiralty, said in Chester on November 15, 1956, that Nasser has had no opportunity to announce his intention to destroy Israel.

On June 4, 1955, he said: "The Egyptian, Syrian, and Saudi Arabian armies will fight with determination to exterminate Zionism in the second round of the Palestine war. They will not be deterred. We emphasize once more that Israel will not be left in the land of Arabia, and that there will be no negotiations between the robbers and their victims. On June 12, he added: 'We have sworn an oath before Almighty God that we will fight to drive you out, that we will tear you across every inch of Palestine.'

On August 30, 1955, he declared that Egypt is preparing to use its military force to be used against you. On October 1, 1955, he said: 'There will be no stability until this small island is completely stifled. On April 11 this year he said: 'I will be back every day, for the Badayeen (commandos) will be back.'

The situation has suddenly broken out in the vicinity of the Suez Canal. It can be quite certain that if it would have been American, not British and French troops in action. There has been the same sort of interest in the Panama Canal. The Suez Canal is no more the U.S.A. It is now the U.S.A. Our American troops have often been in that area. It is no good President Eisenhower telling me anything to the contrary because my mother's father, my Uncle General Lytle Brown of the U.S. Army, commanded the American troops there.

There was their original intention was to separate the command. The blocking of the canal is a second and important objective in view of the unblocking of the canal is an object to which we are entitled under the Canal Convention of 1888, which guarantees free passage in war and peace.

Sheer Sabotage

The blocking of the canal was a sheer act of sabotage by Nasser. He has broken the convention and his repeated assurances that he would protect the canal. It was not the result of military action. For months Nasser has had a blockade of the canal in 1956. This is for the purpose of getting his way. He deliberately blocked one of the main waterways on which the world's Western trade is largely dependent. They have scattered 27 ships, 10 of them in the channel of the canal, destroyed two bridges, and damaged the canal equipment. The people of Egypt will be made to pay as much as the people of Britain. It is not only our interests but an urgent duty.

Britain is the only organization in the world capable of dealing with the problem effectively. The problem is so large that all available national and international organizations will be required to deal with it. Our organization is at the disposal of the United Nations. If the United Nations and other organizations, it is a practical and objective way if it can immensely in prestige and authority. If it fails to do so, it is to be expected to introduce logical or emotional reasoning. It cannot be expected to understand all further confidence in its practical capacity for a sensible action.

We know something of the feelings and Arab peoples. I have lived among them and seen them laughed with them. Their main trouble is that they are not in a position to do anything. That is why they are so poor. The economic conditions are so bad that the West will be unable to do anything. The Western world is in a position to do anything. The Western world is in a position to do anything.

The canal is the central link has conferred far greater benefits. The military and political on the Egyptians than on ourselves. The main length of the Suez Canal and 12 trapped merchant ships remain exposed to further Egyptian sabotage.

Oil Pipeline from Mtwara to Walvis Bay Proposed

300m. Trans-African Project Outlined by Major G. T. C. Taylor

MAJOR G. T. C. TAYLOR, of Salisbury, president of the Federation of Regional Development and Publicity Associations of Rhodesia and Nyasaland, has proposed the construction of an oil pipeline across Africa. "The Arab menacing" seems to him to threaten the safety and permanency of all the plans so far announced for the transport of oil by way of the Middle East and the Mediterranean.

His memorandum contains the following passages:

"When oil has reached the shores of the Mediterranean it is in an area that would be almost impossible to defend in war. The whole southern coast could be regarded as hostile. Malta and Gibraltar can be rendered useless by very small versions of modern weapons. The concept that this sea can be again controlled by us does not seem validated."

"Not only is there necessary a new concept of defence in depth that is realistic in relation to possible future warfare, every precaution being taken to avoid being trapped in closed seas, but vital supply routes should where possible also follow the same planning."

"As the obvious base of defence in this troubled part of the world now lies through the Central African Federation, so attention should be directed to the possibility of oil supply routes in this area. The new Angola oilfields may in time provide Europe with much-needed oil, but their extent seems at the moment to be uncertain."

Route Must Lie in the Commonwealth

My proposal is that a route be surveyed now for an oil pipeline from the coast of Tanganyika across Africa to Walvis Bay. To avoid complications and possibilities of excessive taxation it should all lie within territory controlled by the British Commonwealth.

The route must apparently head north of Lake Nyasa to Mbeya, thence down the Luangwa Valley to a point near Lusaka, perhaps across the Zambezi by means of the Victoria Falls bridge, thence out along the Caprivi Strip to South-West Africa. Dar es Salaam might be the suitable terminal on the Indian Ocean, as the new deep-water berths may permit the use of supertankers, which have a draft of up to 45 feet. Another possible terminal is Mtwara, but that might lengthen the route a bit.

The pipeline would have to ascend from the Indian ocean to the Central African plateau, and on that stretch require more booster stations than usual, but on its descent to the Atlantic coast these would be proportionately fewer.

"Shell Company engineers in Salisbury tell me that a 24-inch diameter pipe constructed on this route should be quite feasible, and that it would pump crude oil at the rate of some 250 gallons a second. This would mean a regular delivery from the Indian to the Atlantic Ocean of over 85,000 long tons of petroleum every 24 hours, of nearly half the amount now taken by tankers through the Suez Canal. An increase in the diameter of the pipe might be considered as an insurance against future trouble in the Middle East."

Significant distances, in approximate nautical miles, are as follows:

* Present route, Abadan to Southampton, via Suez, 6,300 miles.

Abadan to Southampton, via Cape Town, 11,250. (On the round trip this means a difference of 9,500 miles, or some 25 days' additional time. Hence the crisis.)

Abadan to Mtwara, 3,500. To Dar es Salaam, 200 miles shorter.

Walvis Bay to Southampton, 4,350.

Walvis Bay to Mtwara, 2,000.

Abadan to Mtwara via Suez Canal, 2,200.

Walvis Bay to Mtwara via Cape, 3,100.

Thus Walvis Bay to Southampton is 1,050 miles less than Abadan to Southampton via the Suez Canal. On the round trip this is 2,100 miles, or six to seven days' sailing time.

On the supposition that super-tankers carrying 85,000 tons each of oil were used to keep the Trans-Africa pipeline fully fed, three of them on the Indian Ocean run could keep five supplied on the Atlantic run, or 14 on the former and 40 on the latter route to give a daily delivery of this amount to Southampton.

Estimate of Costs

The length of the proposed Trans-Africa pipeline should be about over 2,000 miles.

Such Company engineers have given me a very rough estimate of the cost of this 24-inch pipe, including all balance pipes and booster stations, of ground and a foot, which makes a total cost of some £200m. Against this should be set the Suez Canal dues on over 30m. tons of oil passing through in a year. The cost is less than three days' of actual average war costs for the Allies in the last year. Moreover, plans already under consideration for new pipelines must total around this sum.

The pipeline would run for over a third of its length within the territory of the Federation of Rhodesia and Nyasaland. My personal suggestion is that to aid Britain and Europe in its present predicament this pipe-line, in so far as it lies within its territory should be a federal matter and that the Federal Government should not only offer freely whatever physical and security aid it can afford, but also an agreement never to ask any payment for the passage of oil through the line provided that—

(1) When the development of the Federation warrants the construction of a refinery, the Federal Government should be permitted to tap at a balance point near Lusaka all its domestic crude oil requirements at the price of delivery at the Indian Ocean terminal.

(2) That the British Government should grant the Federation, as soon as the pipeline is completed, certain rights within its own territory and a degree of independence to which its present electorate considers it has been entitled for some time.

International Organization

This is on the assumption that no matter what company is engaged to construct the line, it will be financed and be the property of an international organization formed by those countries most vitally concerned in getting the oil flowing on this safe route from the Gulf to Britain and Europe.

The Indian Ocean terminal is splendidly sited for defence, a ring of naval bases being available to build up to greater strength at Dar es Salaam, Mombasa, Madagascar, and Mauritius. These would not only be for actual defence of the terminal but as replacement of our lost bases in India and Ceylon.

They would form a permanent show of strength at no great distance to reinforce efforts by Saudi Arabia to resist unwelcome dictatorship from Egypt or for actual protection of the Gulf oilfields if necessary, and it puts a hand-up of Western naval strength where it should be with a possible new war in mind, in an open sea with room for manoeuvre and with a sound base behind it.

It is difficult to understand why this route has not been thoroughly considered before. Surely it should be brought to the great attention of the Suez Canal Users' Association, one of whose declared purposes is reported to be "to study forthwith means that may render it feasible to reduce dependence on the canal, 40% of whose transit trade is in petroleum."

Losing Opportunities in the Commonwealth

Mr. Brian Macdonald's Call to United Kingdom Exporters

MR. BRIAN F. MACDONALD, general manager of Barclays Bank D.C.O., opened a conference of exportiers in Britain yesterday that in the past decade the home market had been featherbedded. "I think we had brought an excessive demand in the United Kingdom, and British manufacturers would not have been human if they had not done their best to satisfy it rather than exploit the more difficult and tougher markets overseas. But that is the line of change, a line of which the end has already been reached. The terminus has a sign which says, 'All Change Here!'"

Setting on the doorstep, though nice articles, involved imports for which the country would not pay. Before it was too late Britain must do more to explore overseas markets. The British exporter did not strive enough in the Commonwealth to see for himself what was wanted and when. "I mean the top brass, not the tenth down the list. Don't send the deputy assistant export sales clerk abroad. Reach for your hat and go yourself."

The Commonwealth (not including the U.K.) with its 600m. people imported last year goods worth £5,604m., equivalent to about £95 per head. The comparative figure for the U.K. was £3,886m., or £77 per head. All over the Commonwealth development plans were now being put into practice, and the results might within the next decade, or two, quadruple the purchasing power of many of those 600m. people.

Basic Needs

The basic needs of the Commonwealth were more power and better communications. That meant more power stations, more electrical gear, more railway material, more aircraft, trucks, cars, more bicycles, more machinery, metal and plastic goods of every sort. If the Commonwealth could not get those things from Britain it would get them from someone else.

In 1938 about 45% of our total exports went to the Empire. ("It was permissible to call it the Empire then"). In 1955 the figure was nearly 49%, and the value at £1,415m. was a record. But it was nevertheless a fall from the peak of 51.3% of 1951. That fall might please some people, in particular, the folk who said that we exported too much to the Commonwealth and not enough to the dollar countries. It was imperative to export to the dollar countries as much as we could, but we could not expect ever to balance our dollar accounts by ourselves. It was upon the Commonwealth that reliance must be placed to have a dollar surplus and a sterling deficit.

The sterling area as a whole balanced its trade in a triangular manner: Britain paid America, America paid the Commonwealth, and they paid us. There was reason to hope that the Commonwealth would do more to redress the balance for the whole sterling area by taking more from Britain and less from the U.S.A. and perhaps by sending more to the dollar countries as a result of increased production of raw materials.

In trading with the Commonwealth one was pushing at a door which was ajar. The Commonwealth was politically stable, and there was not much chance of a change of regime or of political turbulence which would result in a break of trade relations. There was far less chance of someone doing a Mossadegh on us in the Commonwealth than there was in foreign countries.

Britain had had two good lessons in the past five years. Surely they were lessons worth learning. Although some Commonwealth countries had been very active in the last 10 years in breaking many of the links between their

countries and ours, links which they regarded as largely Max Macdonald's fault. But they had not lost sight of their own local demands for goods. In fact, the reverse seemed to be the case.

Rising Purchasing Power

The main factor in the essential increase in our exports may be the rising purchasing power of the Commonwealth. Britain must also create a greater dealer, as distinct from a buyer, in the part of the Commonwealth to buy from it. The greater proportionate increase of markets in the next few years perhaps would be in Colonial countries, in which some 52m. people lived, most of them with low standards of living. In the period 1955-60 planned development schemes would cost £1,000 to £2,000m., of which about £1,000m. would come from U.K. taxpayers.

Much money was being spent on social services, education, and the like, and not on schemes which would multiply and improve production, such as new ports, railways, roads, bridges, dams and hydro-electric schemes. But the reduced rate of social service expenditure should not be dismissed. A five-man did better work, an educated man had greater needs. Millions of people in the Colonies produced only enough to keep themselves alive. If their lives were made more certain and more interesting they would produce more to provide themselves with cash as well as subsistence. An average additional cash income of only £5 per head per annum would put the purchasing power of the Colonies by over £400m. a year, at the same time the rest of the Commonwealth countries could jack up their purchasing power by a similar amount. The figure of increase would become £3,000m.

Economic development in one direction meant a demand in others. He cited the experience of India. Her per capita income was £642m. By 1954 they had fallen to £444m. a drop of over 30%, largely due to the development of local industry, but the U.K.'s exports to India had also fallen in value. In 1955 they increased by £15m. to £150m. Throughout Africa vast new development schemes were under way. The Volta River Project in the Gold Coast went through the territory would become one of the largest contributors to the wealth of the Empire.

Competition Toughening

Foreign competition was intense, was toughening. The hotels of the Commonwealth were crowded with representatives of foreign suppliers who were using their utmost to weaken our grasp on local markets. British industry must be ready and able to counter that competition and to seize the opportunities for increased exports which would present themselves as the pace of overseas development quickened.

If it did, the Commonwealth would become a stronger and more powerful unit, and those who could see it only as an institution in the process of disintegration would be confounded. If those opportunities were not seized, however, this country might not keep its place as the largest builder of ships and the leading exporter of cars in the world. It would certainly not keep its place as the largest exporter after the U.S.A. of engineering products.

As an example of how British manufacturers neglected Commonwealth markets, Mr. Macdonald said that when he was the manager of a branch of Barclays Bank D.C.O. on the shores of Lake Victoria in Uganda, goods intended for Victoria in West Africa were sent to him. When he pointed out that 500 miles of roadless and railless forest and swamp separated him from the consignee, the exporter "cheerfully" wrote and said that if the chap could not call and collect they would send their local representative to do something about it on the next call. (Their local representative lived about 2,000 miles away in the other direction!)

Ethiopian Emperor in Japan

THE EMPEROR OF ETHIOPIA arrived in Tokyo by air on Monday from Bangkok for a State visit of 10 days. He was greeted at the airfield by the Emperor of Japan to whom he presented his daughter, Princess Tenigene, his young son, Duke of Harar, and his granddaughter, Princess Dejaz. The first State banquet at the palace since the war was given on Tuesday evening. The Emperor is to visit industrial centres, historic towns, and beauty spots.

Providing Stability in Kenya's Agriculture

Minister Addresses on Problems, Prospects and Proposals

KENYA'S FARMING PROBLEMS were discussed by the Minister of Agriculture and Water Resources, who made a recent Address to the General Assembly in Nairobi. In his speech of a total length Mr. H. B. Oduor said:

"As you are all knowing, country agriculture requires three things: stability of prices so that we can secure these in the face of a growing world competition; technical research to raise our efficiency and fitness for our development;

"It is our intention to give the agricultural industry the stability which is inherent in guaranteed prices. We cannot guarantee prices at a level which disregards world economic conditions, but we can use our growing local market with a view to giving us a degree of protection and stability based rather on import than export policies.

"We give this stability to maize, wheat and slaughter products, and to scheduled crops. With increasing competition from overseas and the change from a sellers to a buyers' market, we need to use the factor of price stabilization as a weapon to drive the industry into those spheres of production which are likely to be most profitable to it.

"In other words, I think you should use price stability to achieve the pattern of agriculture which we need to reflect our own local market conditions, work competition, need in some cases for greater efficiency in production and, above all, to maintain the fertility and quality of our soils.

Maize Production

"We have a surplus of maize, a basic foodstuff, not only throughout the country in industry but also for animal husbandry, the complementary side in agriculture to cereal production.

"The pig, dairy and poultry industries are primarily affected by the price and availability of maize. There is therefore much to be said for cheap maize, but without lessening the costs of production for almost every other product in the country. Hence we have a continuous pressure for lower prices and against control of local production of maize does not meet our local demand and on average it exceeds it each year by only 250,000 bags, or the production of a mere 30,000 acres. The cost of imported maize would be very considerably higher than our local price.

"Except in Nyanza Province, no single consuming area can be supplied from its immediate belt of surplus throughout the year. So some organization is required to control storage and movement and to provide the necessary finance. The Government does not therefore intend to depart from the policy of stabilizing the price of maize and providing a marketing organization which will maintain regular supplies. Next year maize control will be replaced by a produce marketing board which may obtain greater flexibility in distribution and marketing.

"We have no surplus of wheat, and our policy is to expand production. At present the danger of rust must affect production, but there is a reasonable hope that in a year or two we shall be over the difficulties and establish varieties which are free from the disease. In the meantime rust, as it is, may be almost eliminated, except for one or two centres.

"About one-third of our production is consumed in the four farming territories where the import price is highly competitive. We must therefore be able to place our own in Kenya and Uganda at prices which can compete reasonably with those from overseas. We can give farmers stability of price around present levels. We must improve yields per

acre by using better varieties and stimulating the fertility of our soils. It is more than expected a high price per bag.

"We must provide an opportunity for the farmer to produce income from alternative uses, such as hedges and hedges and about all animals, and we must try to avoid the loss of fertility and danger of erosion inherent in monoculture. The main scope of improving incomes lies probably in the dairy and goat production.

"The dairy industry is not much room for higher prices. Indeed, it is probable that we must expect a recession. The industry can be helped by raising the level of production through our breeding and training programme, particularly the latter. We shall maintain our present arrangements for artificial insemination stations and extend them with additions to our Herford stock. We our utmost to see that our policy of cereal production does not get out of step with our need for animal husbandry, and I shall continue research into the best aspect of foods for stock, the correct management of pastures.

"The pig industry has been handicapped by the cost of foodstuffs. Meat and carcase being high in price, we cannot expect a great expansion.

Expanding Demand for Beef

All the indications are that there will be a continuing expansion of demand for beef, especially with our programme of development in Africa's areas raises cash incomes generally and expansion of the economy creates better wage levels. Government will continue organized marketing through the Kenya Meat Commission. I believe that more flexibility and contrast in its operations are necessary.

"We need cheaper maize, more wheat prices around present prices, and emphasis on slaughter stock to meet the higher prices of compensate farmers for loss in income elsewhere. In discussion with the industry on price levels for the coming years, however, we shall come to agreement on these problems.

"I can only need imaginative and good research. We are concentrating mainly on the higher level, rainfall areas and the need for irrigation here are rather markedly in our allocations to research. Last year we had to import wheat to the value of £1m. due to the breakdown in our most resistant varieties. But we spent only £20,000 on the plant-breeding service.

"Our programme of pasture research will assist enormously in the swing from purely arable cultivation. Over most of the mixed farming area soil and weather conditions will enable us to develop an intensive production anywhere in the world off grass leys. In fact, our grass is likely to become as in the United Kingdom, a major crop.

"I am surprised that we tell us that there are great difficulties in the production of good quality beef from some areas. In our agriculture is to prosper and the farmer is to develop an interest in some other than that of wheat is a problem which we must solve. The pattern of ranching might allow for the provision of calves produced by an imported beef bull cross on the barren cow for fattening in the mixed farming areas rather than a straight year-old Friesian steer, and today.

"The Veterinary Department has largely overcome the menace of the rather major diseases such as rinderpest and East Coast fever. We have got a number of new and unknown diseases, some of a very serious nature, which develop as our animals reach a higher standard. Thus the Veterinary Department has to tackle.

Let to the High Commission

"I am naturally glad to see the quality of our own men recognized and promoted. But we cannot obviously always finance the High Commission on an increasing scale in order to see our interests taken from us and to the damage of our own industry.

"We have been examining ways and means of setting up an institute for the manufacture of foot and mouth disease vaccine, and negotiations have been going on with a known trust institute. I hope that within the next few years it will be built and functioning.

"Agriculture consumes great quantities of money. Only time can provide the labour and money necessary to change the pattern of a man's land into the intense and productive system of Western Europe. We can, however, accelerate the process by trying to attain a reasonable farm level which will encourage further development and bring back profits, and by attracting new capital into the industry.

Ploughing back of profits and the attraction of new capital can be assisted by a taxation policy which accepts these needs. I gave evidence before the Commission on the Income Tax in order to put the special difficulties and requirements of agriculture before them. I cannot say what the results will be, but any changes in taxation policy must be related to the country's difficult financial position.

The anomaly should look at the system which would operate through the farms and the development of privately financed teams, strong systems by large owners, a portion of which will release new capital for the use of the land, and a system would require proper land use and tenant legislation, and some study has already been given to the subject. Money raised on the land is very much more productive than money locked up in the bank. It can be protected from the full blast of economic competition. Now we are faced with a pile up of agricultural surpluses elsewhere, and a decline in the general spending power of the public, and a severe movement generally of individual products throughout the world. These conditions can be met only by the greatest possible efficiency within the industry. The greatest efficiency is inefficient production. The day of the scrawny dairy cow and the six to seven bags of maize per acre made as a profitable business is gone.

Nationalism that Endangers Africa

An African World Will Be Very Different

MR. PETER MASOR, director of studies in race relations at Chatham House, said in the course of a talk in the General Overseas Section of the B.B.C.

The African peoples are both attracted and repelled by the new way of life. The first missionaries found the people interested in the nature of divine being, of an after-life, receptive of many Christian ideas, but reluctant to change their habits or accept new disciplines. They were attracted by much they heard and by more that they saw — by tables, chairs, curtains, pictures, books — but when a second wife was both the sign of economic success already achieved and the means to achieve more it was hard to adopt a religion which insisted on one wife only. Chiefs pressed missionaries to stay permanently with them, often hoping for technical advice, less often from a genuine interest in religion, always influenced by curiosity and a desire for prestige.

That first attraction has often become restricted to the externals of Western life. There is a passion for Western furniture, clothes, radios, an impatience of the kind of leadership that dictates from a fixed platform of its own values.

There is a contrast between respect, even affection, for certain individual Europeans and mistrust for Europeans in general, and especially, as a class, for those in authority — Native commissioners, missionaries — the very people who have done most for Africans, the people who 50 or even 30 years ago were looked on by the African as his best friends. As a class Europeans in authority today stand condemned by African opinion because they still think of doing things for Africans instead of with them.

Attracted by Externals of Western Life

"Everywhere, though in varying degrees, you find Africans attracted by the externals of a Western way of life, yet in a ferment to find new ways of expressing themselves, ready to put on a Western suit but not the beliefs that go with it. You see new religions, hundreds of new organizations calling themselves separate churches are constantly forming; in all of them you find an attraction by Africans to say something of their own way from Europeans, unhampered by rigid doctrines, by discipline, by the need to wait before teaching the top of the hierarchy.

In East and Central Africa the impact of the new world has been sharper and more sudden than elsewhere, and the situation is complicated by the presence of European settlers who have been used to a world in which power and wealth have been concentrated in their hands, and an alien and complex situation is made more complex by the presence of African colonies competing with the white man for the privilege of teaching or exploiting for their own good Africans who bear

the same, both of them alike with certain similarities. They have to face the prospect of sharing power and privilege with a new class that has been done in England without too many years, but of seeing the country in which they have cast their lot and made their homes turn into something quite different. Because one must face the fact that it will be profoundly different when a majority of the people

The African is in a somewhat suspicious of what other people and the forces of the world are doing to him, and his laughter, his gaiety, are forms of defence mechanism. He is not sure of the world, but he is a realist, and in the charge situation in which we Europeans would be, he is very much more realistic. He is not sure of the world, but he is a realist, and in the charge situation in which we Europeans would be, he is very much more realistic. He is not sure of the world, but he is a realist, and in the charge situation in which we Europeans would be, he is very much more realistic.

Uncertain, Insecure, and Anxious

What perhaps then will be taken by Africa tomorrow? Africa on the threshold of independence? An Africa that is like a pot boiling with indignation, insecurity and anxiety, and the techniques of the West? It may be a mixture of the two, with the inevitable dams, irrigation systems, and the inevitable incinerators.

How can we get them without the West? She may go East and believe either from Western Europe and America or from Russia. She may turn from the devil she knows to the devil she does not. She may then find that the West is too needs re-tailoring for an African climate. But some fusion of ways of life has to be found. The tailor's dummy of Western technique has to be fitted with a new pattern.

We have seen in East Africa the advancing tribe, ahead of its neighbours, one foot on the ladder, easy and the descent too difficult for the fact of a European ruling minority and may turn to bloodthirsty and obscene destruction — frustration taking the course set took with the Nazis in Germany. There are signs of the approach of Northern Rhodesia of fruitless, unconstructive resistance to authority.

Nationalism in Europe we begin to see softens out of date, but the creed of keeping out everyone who does not look like me has a with appeal and is fierce, infectious. Morally that creed is surely no more respectable when it is held by an African than by a German or an American. Moreover, it will scare away free capital.

The task for Africa tomorrow is to avoid the kind of nationalism that shuts other people out that glorifies hatred, that snatches international assets, that frightens away much needed capital and technical help, so to speak on the other hand, to sell their soul for tanks and radio-sets, to find instead a way of integrating what is best in the African temperament with what the West can offer, of reconciling the attraction and repulsion Africa feels for the West, of finding a new mode of self-confidence, accepting the help the West can give and using it for her own immortal purpose.

Character the Chief Qualification

"NO EXAMINATION has yet been devised to test and measure those qualities which we consider absolutely essential in a civil servant — reliability, integrity, courtesy and scrupulous trustworthiness," said Mr. R. G. Turnbull, Chief Secretary in Kenya, when rejecting an appeal by Mr. Chanan Singh, an Asian Member of the Legislature, for the introduction of competitive examinations for candidates for the Civil Service.

His reiterated request did not show fortitude of mind on the part of the Member, he said, but to quote Dr. Johnson, stark insensibility. Mr. Turnbull added:

"I have had experience of young men with diplomas and degrees bulging from every pocket, but of such character that I would not have trusted them with fourpence. I have also known a number of district clerks and cashiers who would probably have had the greatest difficulty in passing the simplest examination but who were models of good manners, probity and uprightness, and everything that a civil servant should be."

Mr. Singh's appeal, gathered by the recollection of a petition which I received some years ago from a group of young men who complained that their careers in the civil service were being prejudiced by the high prices of examination papers and the black market and who demanded that Government should intervene.

Withdrawal of Army from Operations in Kenya

Mau Mau Terrorists Now Number Not More Than 250

THE GOVERNMENT OF KENYA announced the following statement last week:

The withdrawal of the Army from operations at the end of last week marks an important stage in the fight against the Mau Mau movement.

In previous years the anniversary of the declaration of the emergency has been made the occasion for a survey of the present situation. For the first year the initiative lay with the Mau Mau and the security forces had no necessity to adopt a defensive attitude until they were ordered to take the offensive. Two years later by October 1953 the initiative had passed to the security forces and a review showed that the terrorist front had virtually been gradually worn down.

Nevertheless at that time in many parts of the reserves and in Nairobi Mau Mau still had the full support of the African population. Many large, well-armed gangs were still operating, aggressive incidents continued on a considerable scale, and the forests of the Aberdares and Mount Kenya provided hideouts where terrorists enjoyed comparative immunity. Stock thefts continued at the rate of approximately 150 head per week.

By October 1955 the situation had altered radically. In Nairobi crime had been reduced to a level below that before the emergency, while in the reserves and setoffs areas the improved situation had enabled control to be handed back to the administration and police, thus freeing the Army headquarters in the forests, which no longer proffered safe refuge to gangs.

Reduction in Aggressive Incidents

Mau Mau recruiting had virtually ceased and terrorist strength had been reduced by an estimated two-thirds. Gang organization had been disrupted, and aggressive incidents reduced to a third of the previous rate. Stock thefts were down to fewer than 50 per week.

As a result, it was possible to release from operations the equivalent of more than one brigade of infantry in addition to the R.A.F. Lincoln and Harlands.

The last 12 months have seen a further very considerable improvement in the situation. It has been possible to make further reductions in the military forces by releasing from operations a battalion of The King's African Rifles, The Rifle Brigade, The Gloucesters, and the H.Q. of 49 Brigade.

Of the 3,000 terrorists estimated to be at large in October, 1955, a maximum of about 450 remain, and, as many of these have not been heard of for some time, it is more than likely that only about half that number, perhaps not more than 250, are still living as terrorists.

The number of terrorist-injured incidents in August amounted to 23, the lowest then to be recorded, whilst in September the figure fell to 33, and in October to 31.

The situation in the reserves, where the Kenya Police and British police have borne the major responsibility since August, 1953, has progressed satisfactorily, making it possible, on security grounds, to absorb these detainees who are being released from camps.

In 300 cellars a measure taken to deny food to the terrorists and the sowing of farm labour have done much to make the life of the Mau Mau remaining gangs increasingly precarious. The decline in stock thefts to a lower figure of 50 head a month for the last six months has made it possible to start reducing the farm guards, who have protected a considerable part of the farms about the improvement in the forests there is no longer any large-scale existence, and the number of terrorists known to be in the forests amount to fewer than 20 in the Aberdares and about 20 in Mount Kenya.

The work of the African brigades in the large areas has been successfully continued by the police. Their record in the last eight months has been almost very substantially in the policy announced at the end of last year when it was decided that the early elimination of the main leaders and

hierarchy would do much to bring terrorist activity to an end.

Of the 12 leaders and seven other persons named to be hanged in February, 1956 only 10 names are given, which indicates we thought to remain, and of those named only 10 are of any importance.

In present conditions, as a result of operations, the security forces, so far as the reserves are concerned, are able to avoid or minimize such disorders. Terrors of a local character are limited.

Of the leaders who remained to be accounted for, it is not considered that any one constitutes a potential starting-point, nor is it considered that those terrorists who still are after any operations security risks. Final operations will be carried out until they are finally accounted for.

From the point of view of the reserves, the Government has provided a major force of 100,000 men for the police and police reserves. The withdrawal of the Army from operations will no longer justify the retention of the Army in operations, and the remaining troops are presently fulfilling a task. They are therefore capable of being withdrawn from active operations, thus leaving the police and administration with the task of peacefully pursuing and rounding up these terrorists, and finally completing the last stage in the restoration of law and order within Kenya.

It is to be expected that the Government will continue to operate in co-operation with the police and army police, especially against those who remain, at least with the security available to support the present situation.

The withdrawal of the Army will enable the remaining troops to be used in other operations, and the burden of which they have borne throughout the emergency, and re-organized and trained for the future, in which they must be prepared.

Work of the British Council

SIR PAUL BAKER, director-general of the British Council, said in London last week that more than 75 per cent of its income was spent on the three main objects of the council, (a) increasing knowledge of the English language, (b) arranging programmes and contacts of the United Kingdom so that professional men of all kinds might get the best use from their stay, and (c) welfare services in the U.K. for students from territories overseas. The total expenditure of the council in 1954-56 was £2,800,000, and 30,000 overseas students now in this country, more than one-third are from the colonies. Last year 10 representatives of the council met more than 15,000 students (or their next arrival), found permanent accommodation for about 3,000, and transit or temporary accommodation for another 9,000. The council has resident representatives in Kenya, Uganda, Tanganyika, Territories, Northern Rhodesia, and Nyassaland.

Detainee Kimathi Charged

THE TRIAL BEGAN in Nyeri on Monday of the self-styled "commander-in-chief" of Mau Mau, Dedan Kimathi, on a charge of possessing a revolver and six pounds of ammunition, a capital offence. His counsel, a European, entered a plea that he was coming in to surrender when shot by a British policeman on October 21. The solicitor-general, Mr. D. W. Conroy, said that the policeman called on Kimathi to halt, but he ran along a ditch and disappeared into the bush, where he was found wounded. Kimathi was brought into court in an invalid chair.

Uganda Railway Extension

EAST AFRICAN RAILWAYS £5.2m. Western Uganda extension from Kampala to Kasese, 208 miles away in the foothills of the Ruwenzori Mountains, will be officially opened to-morrow by the Government of Uganda. Sir Andrew Cohen, a full report will appear next week.

Lord Malvern Receives Message from The Queen

The Queen has sent a message of appreciation to Lord Malvern, who has served for 22 years of his life as the Minister of Crown Lands and Survey. His Majesty's message read: "On your resignation from the high office of Prime Minister of the Federation of Rhodesia and Nyasaland I send you a message to you my warm appreciation of your long and distinguished service to your country and to the Commonwealth. I send my best wishes for your future happiness to you and Lady Malvern."

Mr. J. C. Strudon, Prime Minister of the Union of South Africa, telegraphed: "I am extremely sorry that circumstances should have made it necessary for you to retire at this stage when your country is on the brink of great developments and in need of your guiding hand. My earnest hope is that your successors will succeed in their efforts to continue on the foundations laid by you. It is a matter of vital importance for both our countries that the Federation should become another bastion in Africa of our European and Western civilization. May you be spared to earn a long and well-deserved rest."

Mr. Dr. Oliveira Salazar, Prime Minister of Portugal, Lord Malvern received this message: "On this occasion it is very gratifying to me to recall the valuable assistance you have always given us for the solution of common problems of our two countries. I feel sure that the co-operation thus established between our two Governments will be continued in the future. Please accept the expression of my highest consideration and best wishes for your personal happiness and the prosperity of your country."

Mr. Gabriel Teixeira, Governor-General of Mozambique, wrote: "I wish to express to you my heartiest thanks for these years of so close, loyal, and unselfish co-operation, which brought such fruitful results to both our countries. Do accept my heartiest wishes to you and Lady Malvern, with the most sincere friendship."

Earlier tributes, including those of the British Government, the Acting Federal Governor-General and the Press, appeared in our issue of November 8.

Lord Malvern Thank You Fund

A LORD MALVERN THANK YOU FUND is to be opened in the Federation as a national mark of appreciation. Sir Robert Bedford, Federal Chief Justice and Acting Governor-General, has agreed to be chairman of a board of trustees and to invite other well-known personalities in the Federation to serve with him. A large number of organizations have already promised their support. When the fund is closed the trustees will divide the consultation with Lord Malvern how it will be administered. One suggestion is that a chair of medicine or surgery for Lord Malvern as a surgeon should be endowed at the new University College of Rhodesia and Nyasaland.

First Engagement

SIR ROY WELLESLEY's first official engagement as Federal Prime Minister was a visit to the University College of Rhodesia and Nyasaland. He was received by the principal, Dr. Walter Adams, the chairman of the University Council, Mr. S. M. Harrison, M.P., and the registrar, Mr. J. D. Angus. Sir Roy spent about an hour and a half touring the new buildings and the grounds.

Development Prospects in Tanganyika

Case for Extension of the Railway

THE PRESSING NEED FOR CAPITAL for development was stressed by Mr. G. W. Baker, chief commissioner of Tanganyika Territory, when he addressed the East Africa section of the London Chamber of Commerce last week. His subject was development in the Territory with special reference to the Southern Province. Mr. Baker, who addressed the section 18 months previously, pointed out that doubts about the status of the territory had hindered investment unless a Trust for its British connexion had been clearly established.

The value of external trade has risen from £10m. in 1938 to £81m. last year, but for the war years that import of sisal, coffee, and cotton had been made possible. Last year, no dramatic increase in agricultural production could be expected, but the mineral resources were still largely undeveloped.

There had been considerable difficulty in persuading the African farmer to change his cash economy and grow crops for profit, this being due to his estimation and history, but he was now largely convinced. His production was to be increased, but he was stimulated to want a wider range of commodities.

Mineral Resources Largely Unexploited

Large sums were being earned by African coffee growers, some of whom had four-figure incomes already. Their tax was still at a low flat rate, and there would be difficulties in changing the system, apart from the impossibility of proving the amount earned.

That mineral resources were largely undeveloped and that there was little secondary industry was another chief factor in communications. An agricultural economy could not provide the heavy capital expenditure involved in quick and great improvement. It was, Mr. Baker said, another case of the chicken and the egg. The East African Union did not want to furnish facilities until the producer was there to carry, but production could not start until there were railways to take it to the coast. The railway system was largely that which the Germans were using at the turn of the century.

Assuming that a rainfall of at least 30 inches a year was necessary for agriculture, the two best areas by far were the north-west and the south-west, were both without railways. The speaker thought the life in the south should be built first, an opinion to which he would adhere unless he got a transfer to the north-west.

The groundnut scheme had provided a port and a railway in the south, but they had proved rather than solve a problem, although the new plan for the former in inland areas would be a long way had been more effective than its predecessor and about 100,000 tons of food for 10 different crops had been raised to Mtwara the port, could not meet in present circumstances to work at more than a quarter of its capacity and the railway at more than one-third.

Railway Extension

Extension of the railway from Mwanza to join Rhodesia Railways somewhere near Broken Hill could be justified, Mr. Baker continued. Coal deposits in the Konga and Njombe districts which the Colonial Development Corporation's survey had estimated at 22m. tons when they withdrew (and there was plenty more) were some 500 miles from the port, of which only 150 miles were now covered by the railways. The coal fields would need £18m. for their development beyond their present deposits of production. If the normal rate of freight the proposition would be economic on a tonnage of 100,000 tons a year. There would be some benefits for an extension of the railway to the coast, for wheat and rice. He thought, indeed, that it might be possible to build a railway in East Africa.

There was a large risk that unless economic development took place among Africans who were already development-conscious, there would be political unrest which would scatter capital away. Perhaps the political quietness of the Southern Province had worked against this. Those who shouted loudest usually were the most

Problems of Africans in Commerce

Colonel H. L. Gordon's Advice

VIRIA GORDON, H. L. GORDON, a Progressive Member of the Uganda Legislative Council and General Manager of the Bank of Uganda, dealt with the problems of Africans in Commerce in a paper with the major premise that Africans should set up in business on their own account.

A member of the chamber having expressed the view that too few Africans of the right calibre were taking part in the industrial and commercial life of the country, the output of the educational system was being controlled by Government and semi-Government bodies.

According to Colonel Gordon, the Government should be asked to create a Commission on Education.

Colonel Gordon said that he would like to see a large number of African men and women taking up the higher careers and in that people were prepared to be the trade and industry of the country in the hands of the management class.

The attraction of a public career might be put, he thought, in the schools and at Makerere College more emphasis would be placed on the fundamental need to create an order of persons of better education, better means, a higher standard of living, and indeed, a better Government structure.

Several Africans have said that their businesses involved funds and that they could not get credit on the scale required. Colonel Gordon replied that if businesses generally credit came with difficulty and honesty in his experience, credit was available to those who had the necessary property.

Sometimes, however, it was a good thing that there was not access to too much credit, he thought, as it kept concerns from burrowing themselves into the ground and defaulting, most of which would be a waste of money. He said today had started to do so. He thought that the credit should be ploughed back a good deal and that the prudent merchant of that sort were not spending the credit on things to give them an investment capital for expansion. He suggested that small traders in order to advise them, and even to set up upon themselves in efficiency, a pile of credit to give credit, the speaker said that that ought to be similar to those among suppliers, and that manufacturers in the United Kingdom ceaselessly perfect their own companies and enterprises to improve their methods and consequently their sales.

Another African member of the Chamber suggested that African businesses might employ repatriated overseas executives to manage their affairs on contract for a limited period, so as to train African executives to the point at which they could take over the business themselves.

Colonel Gordon commented that Africans could do for themselves in Commerce and industry by joining established concerns and working their way up to the top with them, instead of beginning as small traders on their own account. A better balance between those two methods of advancement would be a contribution to Africans as individuals and to the country in general.

Dr. V. D. Fuchs

DR. V. D. FUCHS, who sailed from London last Friday in the motorship MAGGER DAN, leader of the Commonwealth Trans-Antarctic Expedition, and Cambridge University Expedition to the East African Lakes in 1930-32, an expedition to Lake Rudolf and the Rift Valley in 1934, and an expedition to the East African area of Tanganyika Territory in 1937-38, served with the Cambridgeshire Regiment for the three years of the last war, and then on the staff at military headquarters in West Africa, the headquarters of the 2nd Army and the Military Government in Germany. Since demobilisation he has been in charge of scientific work in the Falkland Islands Dependencies, and has made many sledging tours in Antarctica, including at least two of upwards of 1,000 miles each. He has written a good deal on East Africa.

Africans on the Register

THE EGON, a Kenya National District of Kenya, held its first election for the registration of African voters under the multiple franchise system. The date of October 12, 1956, African voters registered in Egong and in other parts of Kenya. In Egong, 6,940 voters registered, and in Kenya as a whole, 1,000,000.

Figures for the remaining districts of Kenya are: Kisumu, 1,200; Machakos, 1,200; Meru, 6,000; Central Kenya, 1,000; and Nairobi, 1,000.

The registration of African voters in the Nairobi area by the multiple franchise system was held at the offices of the Registrar General, Nairobi, Kenya, on October 12, 1956. The Registrar General, Mr. D. F. ... said that the registration was very disappointing, as it was not as high as expected. He said that the registration of African voters in the Nairobi area was only 1,000, which was a very low figure for a district of that size. He said that the registration of African voters in the Nairobi area should be a step towards the registration of African voters in other parts of Kenya.

Hungarian Opinions

THE RHODESIA CHINESE PROTECTION SOCIETY has called the International Red Cross in Vienna that, with the Government of Hungary, it wishes to accept Hungarian orphan children under five years of age and will take them later. The Federal Government has responded to an appeal from the International Committee for European Migration, has given 100,000 dollars towards the cost of transporting Hungarian refugees.



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BRITISH OVERSEAS AIRWAYS CORPORATION

PERSONALIA

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SIR PAUL SINKER, Chairman of the British Council, left London last Friday to spend a month visiting the principal posts in Uganda, Kenya, Tanganyika and Northern Rhodesia.

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Mr. S. P. DUNN, of the Duke of York's Own, and Mr. J. BELLOC, of the Prince of Wales's Own, will probably have received nomination by the Governor of the Rhodesia A.F.C. for service at the 1957-58 Spring and Summer Rifle and Shotgun and Second Crown Agent posts for the Government of Sierra Leone, who have previously served many years in Northern Rhodesia.

Mr. D. H. KENYON, of the Zanzibar, has joined the Theatre De La Rue group as an actor.

Mr. J. C. P. HARRISON, Chairman of the Dominion Students' Home Trust, is to address the Commonwealth Section of the Royal Society of Arts at 7.30 pm on Thursday, November 15, in the Lower House of St. James's Hall, London, as president.

Mr. W. B. HARRISON, for the present a technical manager of the Universal Asbestos Manufacturing Co. Ltd., a company with an East African subsidiary, has been elected to the board of the General Sir JOHN SINGHAI has also become a director.

Mr. C. H. WILLIAMS, Provincial Commissioner of Northern Kenya, will retire shortly but has been presented with an engraved cigar box by the North Nyanza African District Committee in appreciation of his services as district provincial commissioner.

Mr. C. I. MARTIN, Director of the East African Statistical Department and Statistical Adviser to the East African Governments, is attending the African seminar on "Man and health statistics" which opened in Brazzaville, French Equatorial Africa, on Monday and closes tomorrow.

Mrs. EDWARD DE BOER, ANR, has been appointed Consul and Mr. A. H. DOBEVAIGE, Vice Consul, of the United States of Salisbury. Mr. HARRY REEDMAN has been appointed honorary Consul for Turkey in Salisbury where Mr. ERIK ZETTERBERG is the new Swedish Vice Consul.

Mr. ROBERT K. WHEAT, Gladstone Professor of Government and Public Administration at Oxford University, who was adviser in constitutional law in the London conference which prepared the constitution for the Federation of Rhodesia and Nyasaland, has been elected Rector of Peter College, Oxford.

Mr. JOHN MACLACHLAN, the recently appointed Minister of State for Colonial Affairs, left London last week for New York to attend the present sessions of the United Nations General Assembly and Fourth Committee. He will be succeeded in his private secretaryship by Mr. J. A. ABRAHAM-SMITH in the middle of next month. He will represent the Government at a South East Asian conference in Singapore.

Colonel M. L. ROBERTSON, Commissioner for Development and Housing in Tanganyika, who has been appointed Member for Communications, Works, and Development Planning in succession to Mr. J. F. R. HILL, served with the K.A.R. from 1931 to 1936. After being seconded to the Colonial Office at the beginning of the war and serving in Burma and Malaya, he was posted to Tanganyika in 1950 as executive officer for development. He is at present on leave. Mr. Hill has been appointed chairman and director of the Tanganyika Development Corporation.

Mr. J. CHAS. R. LUBR. ROBERTS will leave London tomorrow on a revisiting tour of 10 days.

Sir WILLIAM and Lady HOLSTON-BOWMAN have left England to visit Southern Africa.

Mr. DON SMITH will fly back to Nairobi tomorrow after a brief visit to London.

Lady ROSE M. HERR, wife of Sir ROBERT OPPENHEIM, will be in London for a visit of about a month.

Mr. ARKED CHAPMAN and Mrs. T. W. TUCKER have been elected directors of the First Permanent Building Society.

Mr. LEO PETERLIN, Governor-General of the Belgian Congo, has returned to Leopoldville from his three weeks visit to Belgium.

Mr. S. BATHIE, manager of Sobopac Auctions Ltd., Salisbury, arrived last Friday from Southern Rhodesia in the EDINBURGH CASTLE.

Mr. A. J. LOMAX, deputy chairman of Mitchell, Cass and Co. Ltd., has joined the board of the Leeward Islands Colonies and Estates, Co., Ltd.

Mr. D. G. BROWNE, the new United Kingdom Trade Commissioner in the Federation, is to pay his first visit to Northern Rhodesia next week.

Sir KENNETH BRACKBURN left the Leeward Islands last week with Lady BRACKBURN and their daughter at the end of his extended term as Governor.

MARSHAL OF THE ROYAL AIR FORCE SIR ARTHUR HARRIS was installed a Knight Grand Cross of the Order of the Bath at Westminster Abbey last Thursday.

Sir HERBERT COX, Chief Justice of Basutoland, Bechuanaland, and Swaziland, and High Chief Justice of Tanganyika, sailed last Thursday in the EDINBURGH CASTLE.

Mr. CHRISTOPHER HOWLAND-MARTIN, M.P., has joined the boards of Zambia Exploring Co. Ltd. and its wholly-owned subsidiary, the Zambia Investment Co., Ltd.

The Proceeding of Salisbury has been conferred on ALDERMAN J. H. FREDY and ALDERMAN W. CHARLES OLSON, who have given 10 years and 25 years service to the city respectively.

THE SUEZ CANAL BEING CLOSED

Islands in East and Central Africa would especially appreciate an annual subscription to the 10th Edition of EAST AFRICA AND RHODESIA at 25s. only 25s.

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EAST AFRICA AND RHODESIA GREAT RUSSELL ST. LONDON W.C.1

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Obituary

Mr. Jack Spalding

MR. JACK SPALDING, a well-known mining contractor and a member of the Tanganyika who died at the age of 57, was educated at Zululand College, the Royal Military Academy, Sandhurst, and the Royal School of Military Art, with the Royal Garrison Artillery in France for many years from 1918 to 1920. He was an assistant mining engineer sent to India, and then in 1926 to Victoria, Southern Rhodesia. Three years later he was for a time in practice as a private consultant, but returned to India, and was there at the time of the outbreak of the last war. He went to Singapore with an Indian Army anti-aircraft battery and was a member of the command for two years from 1942. On October 1, 1945, he became mining adviser to an unknown London mining finance house, and in 1949 accepted the appointment to Tanganyika.

MRS. N. W. STAPLEDON, who had lived in Natal for 41 years, died recently at her home in Blantyre. She had been very active during both wars in the cause of charities and in arranging entertainment for Servicemen; she is survived by Mr. Rayner, two sons (Major L. N. Rayner, of Fort Jameson, and Mr. W. E. Rayner of Blantyre), and four married daughters, three of whom live in Southern Rhodesia and one in Nyasaland.

CAPTAIN DAVID MURRAY WEBB PARK, who has died in Umtali at the age of 68, served with the B.S.A.P. for many years, joining the force in 1912. During the First World War, he was in East Africa with the Rhodesia Native Regiment, later he was attached to the Royal Flying Corps. During the last war, he was in the occupation force in Dunkirk. Afterwards he served as a major in the Buffs.

SIR JOHN BOYER, C.B.E., C.B., C.V.O., who has died in his home of cerebroproskia at the age of 77, was one of the heroes of the Royal Air Force, which he commanded in the Middle East from 1926 to 1929. He then visited East and Central Africa in command of an R.A.F. formation which flew from Cairo to the Cape of Good Hope.

DR. WINIFRED COLLIS, C.B.E., Professor Emerita of Physiology in the University of London, who has died in London at the age of 81, did a great deal of research in many countries, and shortly after the last war accepted an invitation of the Royal Air Force to undertake a tour by air of their establishments in East Africa.

MR. CHARLES DOUGLAS TANNHILL, who has died in Kenya at the age of 90, first started farming in Kenya about 25 years ago. He joined the East African Mounted Rifles at the outbreak of war in 1914, and after demobilization managed a coffee estate in the Kisumu district.

MR. STEVE HART, who has died in Livingstonia at the age of 72, settled there in 1911. He served through the East African campaign of 1914-18 and then joined the Zambesi Mills Company, from which he retired in 1937. He leaves a widow and two sons.

MR. ROBERT WILLIAMS HARRY EVANS, C.S.I., C.B., D.S.O., who has died at the age of 80, was an active service in Somaliland in 1903, and during the 1914-18 war. He was a son of General Sir Horace Kioye Evans.

MR. RICHARD DOUGLAS OWEN THOMPSON, who died last week in Salisbury, Southern Rhodesia, was the youngest son of Judge Owen Thompson, Q.C.

MRS. AGNES MARY HARRISON, widow of the late Richard Lake Harrison, died recently in Umtali, Southern Rhodesia, at the age of 94.

MRS. MABEL HEWITT PRETTY has died in Eldoret, Kenya, at the age of 85.

News from New African

Legislative Members Appointed

IN ACCORDANCE with the unanimous agreement recently reached between the various groups in the Legislative Council under which five elected representative members were to be appointed immediately, the Governor, with the advice of several colleges established for the purpose in the Uvira, Uasin and Kapteb constituencies, has appointed Mr. Francis Kiprotich Chuma and Mr. James M'au to be Representative Members of the Legislative Council for those areas.

Mr. Chuma, aged 30, is married, and is a son of a senior chief in the Kericho district. He was educated in Uganda and at Mwanji Mission, and did his studies in 1948. Since 1951 he has been the African Council Chairman in Kisumu African District Council.

Mr. M'au, who lives in the Chamwinda region of the Kitui district, was educated at Government Mission, Kitui and Machakos, the Alliance High School, and at Makerere College. He holds a teacher's diploma and his talent at Kagumo School, Kitui Government African school, and Mombasa Secondary school. He has been a member of Kitui African District Council since 1948, and last year was awarded the badge of honour.

Mr. Stapledon Appointed Governor

MR. ROBERT DE S. STAPLEDON, C.M.G., C.B.E., Chief Secretary of Tanganyika Territory, has been appointed Governor of the Eastern Region of Nigeria, in succession to Sir Clement Pleass, who has resigned. Mr. Stapledon was born in 1909 in Bideford and educated at Marlborough and Trinity College, Cambridge. He joined the Colonial Service in Nigeria in 1933, and after serving in West Africa for 14 years went to the Western Pacific as Financial Secretary to the High Commission. Two years later he became Economic Secretary to the East Africa High Commission, and in 1954 he was transferred to Tanganyika in the office which he is now to vacate.

Tough Negotiator

MR. JOR BOYER-THOMAS, chairman of the Executive Committee of the Historic Churches Preservation Trust, until his resignation some months ago, said when addressing the Church Assembly in London last Thursday, "I have negotiated with Americans over civil aviation, with Russians over Colonial questions, and with Jews and Arabs over the future of Palestine. I do not easily assign my child's play compared with negotiating with the Archbishop of Canterbury for the preservation of historic churches." In his reply the Archbishop said that the only point of difference was between those who said that certain monuments should automatically be preserved, and those who held that there was room for discretion in such matters.

New Prisons Commissioner

MR. GUY HERRAPT, C.B.E., aged 52, who recently served in the post of Commissioner of Prisons in Malaya, has been appointed Commissioner of Prisons in Uganda. Educated at Portsmouth Grammar School and the Royal Military College, Sandhurst, he served in the Army from 1918 until 1928, when he joined the United Kingdom Prisons Service. In 1940 he went to the Gold Coast as a prison superintendent. He was transferred to Sierra Leone as Superintendent of Prisons in 1945, to the Gold Coast as Director of Prisons in 1946, and to Malaya as Commissioner three years later. He is expected to arrive in Uganda in January.

Nasser's Aims in Africa Dream of Egyptian Government

STANLEY BARBER said in the recent broadcast in the *Cherwell Service* of the B.B.C. In his book *The Philosophy of the Revolution*, Colonel Nasser claimed for Egypt leadership of the Arab and of the peoples of Africa. In doing this he broke with Egyptian tradition for the sophisticated citizens of Cairo and Alexandria have been accustomed to thinking of themselves as Africans, indeed when the Khedive Ismail spoke at the signing of the Suez Canal he declared: "My country is not only in Africa, but a part of Africa."

Colonel Nasser seems to be looking in two opposite directions and his dream of what Egypt is destined to be in Africa against Europe was recently developed in the *Eastern Economic and Political Review*. The article called "An African Policy for Egypt" is anonymous but the review is an official publication, its opinions may be assumed to be approved by Nasser.

"The writer asserts that Egypt is called upon to liberate African peoples from what he terms, 'the deep ices into which they have been driven by the forces of foreign colonialism'. It then issues the challenge to Egypt of an institute for African studies, to study African lands and peoples from almost every geographical, racial, historical, religious, linguistic, economical, social, political and scientific point of view. It is to study what the writer calls 'the imperialistic methods which have enabled some European States to maintain their hold on Africa'."

"To promote the plan outside Egypt a propaganda organization is proposed at first to work in the guise of a consular service. Backed by an extensive Egyptian broadcasting into all African languages, the organization would extol Egyptian culture and achievements, the preaching of Islam, and promote the aims of Egyptian policy."

"The author of this ambitious project does not give an estimate of the expenditure involved. It does not seem to him that some African peoples, notably the Southern Sudanese and Ethiopians, have any serious Egyptian claims. In the last century and may not be so enthusiastic about Egyptian leadership. Nor does he seem to consider the extent to which such power as Egypt has enjoyed has derived from her position on the Mediterranean, across which the greater part of her trade is still carried today."

"Had this plan been published in a Cairo journal newspaper it might be dismissed as an Egyptian journalist's dream of employment. But it has appeared in an official review."

"Nasser's vision of nationalizing the Suez Canal Company has been described as a 'transient impulse'. The instinctive reaction to what he contemplates is a serious one. But it is reported that on October 1, 1954, himself told some American journalists in Cairo that he had planned nationalization for 1956 whether he obtained the necessary funds. The Aswan High Dam or not. This could suggest that he is working to a timetable and the publication of this article in this Egyptian review may foreshadow his policy in Africa."

Ethiopia and British Somaliland Statement by the Ambassador

THE ETHIOPIAN AMBASSADOR IN LONDON, Haimanuel Abraham, has written in *The Times*:

"The efforts of your special correspondents in their dispatches from Somali Land, Harar, and other provinces, assess the working of the 1954 Anglo-Ethiopian grazing agreement, have been read with a visible interest in Ethiopia owing to the acute partisan spirit in which they are written."

"The 1954 agreement, read with the 1897 treaty calls for reciprocal grazing privileges across the frontier of Ethiopia and the Protectorate of British Somaliland and British Somaliland respectively. Both countries have the Haal, the water, the pasture and the agreement would seem to be based entirely on the interests of persons who periodically enter the grazing area of the Haal in Ethiopia."

"The burden of your correspondent's analysis of the situation is to suggest that the Ethiopian authorities are at fault in refusing to approach the nomadic and settled Ethiopian sections of the various tribes through traditional British methods of administration. It is stated that by the agreement an area of grazing is to be divided which by the agreement can be applied only to the nomadic groups whose entry into Ethiopia has been prohibited by the British liaison officer. This a sovereign country cannot be expected to do. The task of the authorities is difficult in such circumstances and it is to be hoped that it will not be further inflamed by insinuations of political expediency that appear to have dominated your correspondent's approach to the problem."

"It is true that the approach of the Ethiopian authorities is to be regarded in the frontier and accept permanent residence in British Somaliland and integration into the Ethiopian economy as basic factors of citizenship, while at the same time seeking effective means of co-operation with the British liaison officer with regard to the transitory grazing population coming from the Protectorate. In these circumstances, it is sure your review will appreciate that not only good will and patient collaboration but mutual understanding and confidence are required."

Gross Misrepresentations

"I regret the gross misrepresentations which your correspondent has made pick up and repeat from several publications, judicial trials, and elsewhere, took place over several years. Such interested reports were in the time of their first publication effectively dealt with by my Government and the truth with regard to these allegations is not hidden from those who would so rightly."

"I also regret the necessity of correcting on behalf of the Foreign Minister, Blatta Dawit Ogbazzy, your correspondent's suggestion that the Minister envisaged a possible arbitration by an independent body of 'the facts of tribal life'. The Minister is confident that there is no real evidence of a failure on the part of those dealing with the problem on the spot to tackle and overcome the difficulties on the firm basis of Anglo-Ethiopian friendship."

"[SINCE EAST AFRICA AND RHODESIA has in recent weeks quoted at some length from the dispatches, it is not fair to give the Ethiopian case as stated by the Ambassador, who makes the point that present difficulties can be overcome only by good will, patient collaboration, mutual understanding, and confidence."

"Those, however, are precisely the qualities on the Ethiopian side for which British officials and Somalis have waited in vain. As has been made clear on a number of occasions, at least twice by statements in the House of Commons by the Deputy Permanent Under-Secretary of State for Foreign Affairs, who has had to say that the proposals made by him in person in Harar Ababa last year have not been taken into consideration. Repeated reminders through the British Embassy in Ethiopia."—Ed.]

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Imperial Institute

THE MINISTER OF WORKS, Sir G. Boscawen, said in Parliament last week that the Government realize that it would be possible to introduce legislation in the present session to enable the functions of the Imperial Institute to be transferred to another

M.C.C. Beat Rhodesia

Good Game at Bulawayo

THE M.C.C. TEAM beat Rhodesia on Monday in a three-day match by an innings and 50 runs with half an hour to spare for the visitors. On May 22, the captain, the 124 not out and P. E. Richardson 100, and Lock took five wickets for 12 runs and Bailey four for 22.

The M.C.C. were kept in the field all Saturday, but Rhodesia made only 192 runs. P. N. Mansell, who has played for South Africa in Test cricket, made 50, and D. O'Connell Jones 45.

For the M.C.C., Richardson and Oatman ran up 99 in their opening partnership, one of the Rhodesian bowlers being Wooler, who used to open for Leicestershire. Goupton missed his half-century by one run. The batsmen and Insole ran up 90 in 25 minutes.

In the second innings Rhodesia made only 129, though after tea the score had stood at 102 for three wickets. The three top scorers were Duckworth with 40, B. J. Lewis with 30, and O'Connell Jones with 26.

This is the fifth successive game during the Southern Africa tour which the M.C.C. have won by an innings. The scores were as follows:

RHODESIA—First Innings	
D. O'Connell Jones c Insole b Tyson	45
L. M. S. Baldwin c Oatman b Lock	50
C. Duckworth b Insole	40
D. J. Lewis c Taylor b Bailey	30
P. N. F. Mansell c Compton b Wardle	50
P. Winslow b W. Bailey	0
D. B. Arnott b Bailey	3
R. W. Coventry b Bailey	0
C. Wooler b Tyson	6
H. Paton c and b Wardle	5
G. B. L. Lawrence not out	15
Extras	10
Total	192

M.C.C.—First Innings	
P. E. Richardson, run out	100
O. A. T. Mansell b Coventry	44
Compton c Lewis b Wooler	49
P. N. F. May not out	74
D. Insole c and b Paton	67
T. E. Bailey c Arnott b Paton	12
Taylor c and b Lawrence	2
Lock c Lawrence b Paton	1
Extras (lb 2, law 1, nb 1)	6
Total (for 7 wickets, dec)	317
Wardle and Goupton did not bat	

RHODESIA—Second Innings	
J. M. S. Baldwin c Oatman b Loader	9
D. O'Connell Jones, run out	25
C. Duckworth c Loader b Lock	48
D. J. Lewis c Taylor b Tyson	40
P. N. F. Mansell c Loader b Lock	2
P. Winslow c Insole b Lock	2
D. B. Arnott c Taylor b Tyson	2
R. W. Coventry c Taylor b Lock	0
C. Wooler c Insole b Bailey	1
H. Paton not out	0
G. B. L. Lawrence c Insole b Lock	0
Extras (b 4, lb 5, nb 1)	10
Total	129

Barclays D.C.O.

BARCLAYS BANK D.C.O. will pay a final dividend of 4%, again making 8% for the year ended September 30. The ordinary capital was increased during the year to £12,932,250 by a 20% scrip issue. After meeting all charges and taxation and deducting transfers to inner reserves, the net profit rose from £1,152,101 to £1,261,189. The reserve fund received £500,000 and dividends absorbed £594,884, against £495,736, leaving a carry-forward of £476,420 (£310,115). Mr. Julian S. Crossley is the chairman.

Queen Mother to Visit Federation

QUEEN ELIZABETH THE QUEEN MOTHER has promised to visit the Federation of Rhodesia and Nyasaland next July in order to be installed as president of the new University College established in Salisbury. The Queen Mother will visit all three territories in the Federation during a stay of 10 days. Her Majesty, accompanied by Princess Margaret, visited Rhodesia in June in connection with the Rhodesian anniversary celebrations and she then laid the foundation-stone of the new college. The Queen Mother is Chancellor of the University of London, with which the Rhodesian institution will have in special relationship.

Mr. Garfield Todd's Welcome

MR. S. GARFIELD TODD, Prime Minister of Southern Rhodesia, said in a message of welcome to Sir Roy Welensky on his appointment as Federal Prime Minister: "Sir Roy takes over from Lord Malvern at a stage in our history at which heavy demands will be made upon his leadership. While there will no doubt be room for healthy political criticism and rivalry, even more important for the Federation will be a basic understanding and readiness to co-operate on the part of all our people. Sir Roy will have the good wishes of us all—good wishes for his health and for his administration, and he can count upon the support of Southern Rhodesia and its Government."

13th Century Fort

STRONG FORT, similar to that at Zimbabwe, Southern Rhodesia, and believed to date from the 13th century, has been discovered in the Zumbo district of Mozambique, not far from the border with Rhodesia. The fort is thought to be mentioned in reports of the early Portuguese explorers. Search for it has been made for some years.

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East Africa Tourist Travel Association,
P.O. Box 213, Nairobi, Kenya.

News Items in Brief

Students have been born in Kenya... of the King...
 African teleprinter operators are being trained at the Nairobi school of the East African Directorate of Aviation. Music is used to control rhythm of the typing course.
 Ethiopia's first general election is to be held next year. The life of the elected legislative assembly will be four years. Members of the Senate will be appointed by the Emperor for a term of six years.

Ethiopian silver cross about 150 years old, made from... dollars, has been presented to the Vicar of Calne, Wiltshire, by the Ethiopian Ambassador, whom he met in Ethiopia in 1934.

International talks on "federation" of non-African agriculture in Nyasaland have been held between Sir Robert Armitage, the Governor, and representatives of the Nyasaland Farmers' Union and the Nyasaland Tea Association. The union has for months asked for investigation of the proposal.

An agricultural college has just been opened in the Harar Province of Ethiopia at a cost of nearly £1m. Ethiopian dollars, provided from American funds. The staff are American, from Oklahoma Agricultural College. Instruction will be in English. There is accommodation for 200 students.

Tribesmen of the Coast Province of Kenya have been breaking the padlocks securing the valves on the water pipe-line from Mzima Springs to Mombasa. Most of the interference has taken place in the 20-mile stretch between Mazaras and Mariakani. During the past six months there have been 40 such incidents.

The Royal School of Music has elected John Basil Antoniadis, of Gwelo, Southern Rhodesia, to one of the scholarships which it awards to students in the British Commonwealth. It provides free tuition and a sum towards maintenance (a total of just over £200 a year) for three years' study in London, in this instance at the Royal Academy of Music. Mr. Antoniadis is expected to start next September.

Satisfaction

in every packet



Rhodesia's 23½ m. Tobacco Crop

Mr. Evan Campbell Warns Growers

ON MONDAY the Rhodesia Tobacco Marketing Board announced in Salisbury that the crop from Southern and North-Western Rhodesia during the season just ended had totalled 171,629,668 lbs. and that the sum received was £25,269,142, equivalent to an average price of 32.96d. per lb. The average price for 1,979,258 lb. of North-Eastern Rhodesia leaf was 23.76d.

United Kingdom manufacturers purchased 88,507,236 lb. in all, taking 51% from the main sales and nearly 43% from the output of North-Eastern Rhodesia. Both crops were sold together, but at the request of the buyers leaf from the Fort Jameson area was identified.

This is the first season in which more than five sales were auctioned.

In his presidential address to the Rhodesia Tobacco Association, Mr. Evan Campbell warned growers that it would be most dangerous to increase production beyond the 150m. lb. target at present, because by continual over-production they would create a weak market.

It was difficult, he emphasized, to assess the speed at which an overall increase in markets could take place. Although Rhodesia had been able to sell 171.5m. lb. this year, a drop in grade prices indicated what might happen in another season if production increased too fast for known markets. The purchase by South Africa of from 16m. to 20m. lb. of leaf this year had been a windfall that could not reasonably be expected to be repeated.

To find new markets or increase the present markets required immediate action by the Government, the trade, the Tobacco Marketing Board, and the R.T.A. He welcomed the news that a Federal Trade Commissioner's post had been created for Western Europe, and expressed the hope that the Far East, Australia, and New Zealand would not be overlooked.

Growers must aim to produce a leaf that would compete in every way with the United States product, and one that would become known, not only as an excellent filler, but as a primary ingredient to impart flavour and aroma. It must also be cheaper than that of their competitors, which would not be very difficult to achieve at today's price.

Mr. Campbell urged the U.K. Government to review the present system whereby British manufacturers are allowed to buy 51% of their requirements from dollar countries. Was the manufacturers' policy dictated by conservatism or was it that the United States interests of the companies ran contrary to their saving, which was so essential for the U.K.?

Preliminary estimates of the U.K. consumption of Rhodesian leaf in 1959, so far from showing an increase, provided for a fall of some 3m. lb. Mr. Campbell claimed that there would be no adverse effect on consumption if the 22% of Rhodesian tobacco now used in U.K. blends were doubled. Demand for the lower grades, which were far cheaper in Rhodesia, would increase with the popularity of filter-tipped cigarettes.

The 1956 crop had broken all records for total weight, value, and yield per acre, but the overall average price had dropped 16%, whereas an extra 10% had been spent on growing the record crop of more than 171m. lb.

The association decided to consider the establishment of a third auction floor, and that tobacco bales should be classified before sale.

Another British Kariba Contract

A BRITISH COMPANY, ACROW (Engineers), Ltd., has been awarded a contract for all the steel formwork and scaffolding for the Kariba hydro-electric project. The first part of the contract is worth over £100,000. The order has been placed by the Italian group, Impresit Kariba (Pvt.), Ltd., the main contractors. Mr. W. de Vigier, chairman of the Italian group of companies, has said in London that the Italians appeared to have been 36 places the maximum amount of orders in Britain provided they could obtain the right delivery and prices. The contract covers the steel formwork for the main dam wall and all the tunnels at Kariba. The company, which specializes in steel scaffolding and formwork for moulds in which concrete is poured, has been established in Central Africa for several years, with quarters in Salisbury. The managing director of Acrow (Rhodesia) (Pvt.), Ltd., is Mr. A. Ballingall.



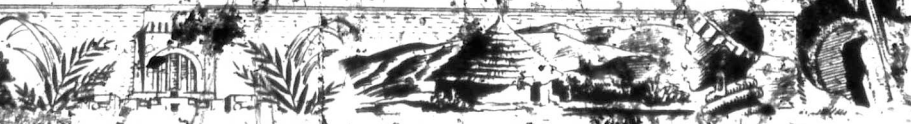
PRETORIA: Since 1910 Pretoria has been the administrative capital of the Union of South Africa. The Union Buildings, which comprise the actual seat of Government, stand high on the Northern hills overlooking the city and are without doubt one of the finest examples of modern architecture in the whole of the African continent. A recent addition to the features of the town is the Voortrekker Memorial, which commemorates those courageous pioneers who were the first to set out from the Cape and open up the hinterland, thus making possible the creation of the Orange Free State and the Transvaal.



Pretoria was founded exactly a century ago and named after Andries Pretorius, the Boer leader, who destroyed the armies of the Zulu tyrant Dingaan at the battle of Blood River, in 1838. Today it is an attractive town with pleasant gardens and streets lined with jacaranda trees; in addition it is becoming an increasingly important industrial centre, and produces steel, chemicals and many other products.

Business men who require information on current commercial conditions in the Union of South Africa are invited to get into touch with our Intelligence Department, 54 Lombard Street, London, E.C.3. Up-to-date reports from our branches in Pretoria and elsewhere are readily obtainable on request.

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Of Commercial Concern

Harman Lines, Ltd. report a group trading profit for the calendar year 1955 of £2.7m., against £2.75m. in the previous year. Repairs, depreciation, and reserves require £3,936,222 and the net profit of the parent company is £141,863 (£135,376). On the privately-held £4m. of deferred ordinary shares the dividend remains 4%. Quoted investments have a market value of £4,47m. The holding in insurance companies is 1% of the value under firm. The company has nine ships building.

At his recent auctions in London 1,613 packages of African goods were sold for an average price of 4s. 8.52d. per lb., compared with 4,532 packages averaging 4s. 4.94d. in the previous week. Total sales for the year to date were 305,484 packages averaging 3s. 0.84d. against 199,692 packages averaging 3s. 9.23d. in the corresponding period of last year. The highest price reached last week was 6s. 21d. per lb. for a consignment from Tanganyika.

Robert Hudson, Ltd., a company with large East and Central African interests, is paying 11½% for the year to June 30 last, against 10½% though group net profits were slightly down from £2,214 to £205,520. The net profit of the parent company after tax is £65,302 (£88,265).

The Copperbelt of Northern Rhodesia is now producing electric power from the Le Mariner station built by the Union Minière du Haut-Katanga. The distance to Kitwe, whence it is distributed to the copper mines, is 320 miles.

Total cargo landed at Mombasa in October was 77,289 tons, against 51,361 tons in September. Estimated exports for the month were 28,000 (65,000) tons. Empty berth days during the month were 32 (67).

Tenders have been invited for the first stage of Lilongwe's new airfield. It will be about three miles from the centre of that Nyasaland township.

India and Ethiopia are negotiating a trade agreement.

Sisal Output for October

Shaha Plantations, Ltd. — 57 tons of fibre, making 193 tons for four months.

Kenya Farmers' Association Report Trading Profit of £193,145

THE KENYA FARMERS' ASSOCIATION REPORTS A NET TRADING profit for the crop year to July 31 last amounting to £193,145 on behalf of members and 19,672 bags for non-members. Deliveries to July 31 amounted to 816,373 bags, valued at £2,680,448. With an estimated 430,851 bags held on farms on August 1 this year, the total was £2,427,224 bags, against 806,806 bags in the previous year. Deliveries of barley were 63,157 bags, worth £129,445. With grain held on farms a total of 81,077 bags, valued at £24,884 in the previous year. The corresponding figures for oats were 17,200 bags, £26,790 and 24,622 (17,970) bags and for maize 1,908, £1,352,200 and 1,805 (1,256,631) bags.

Trading profits amounted to £193,145, dividends receivable at £42,154, bad debts recovered at £3,445, transfer from general reserve for new issue of shares at £2,189, transfer from tax reserve at £47,000, reserve for preference share redemption no longer required at £300,000, and tax equalization reserve no longer required at £100,000. Bad debts to the value of £8,544 have been written off.

£77,100 is provided as bonus on purchases, £28,636 for preference dividends, £90,695 for ordinary dividends, £10,000 for income tax, £11,186 for the managing agents' fees for Tanganyika Farmers' Association, Ltd., and £24,189 for valuation, stamp duty, and new issue expenses. General reserve received £28,016 and dividend and bonus equalization reserve £113,538.

The issued capital consists of £488,348 in 'A' ordinary shares, £478,598 in 'B' ordinary shares, and £200,000 in 7½% cumulative preference shares, all in units of £1. General reserve stands at £494,257, dividend and tax equalization reserve at £125,038, and current liabilities at £659,625. Fixed assets are valued at £817,443, investments in subsidiaries at £847,801, and current assets at £3,717,347.

Membership increased during the year from 3,803 to 3,861. The ordinary dividend has been increased from 8% to 10% and the bonus on trading purchases is 2%. Notable increases have been made in reserves, general reserve being raised by roughly £50,000, and dividend and bonus equalization reserve from £11,500 to £125,038.

The directors are Captain D. A. Vaughan-Hart (chairman) and Messrs J. MacKay (vice-chairman), J. Dykes, A. C. Ebbesen, W. B. Hamilton, C. D. G. A. Kuehn, H. S. Smith, L. Stern, and G. M. Pain (managing director). The secretary is Mr. G. A. Mawhood.

The 34th annual general meeting will be held at Nakuru on December 6.

Report of Dalgety and Company Record Profits in East Africa

MESSRS. DALGETY AND CO., LTD., after providing £897,402 for taxation, earned a net profit of £756,925 in the year ended June 30, compared with £781,633 in the previous year.

Special depreciation reserve receives £200,000 and long service leave reserve £100,000. Interest on the preference shares requires £37,437, and dividends totalling 12½% £231,840, plus £115,289 profits tax on distributions for the year, leaving a carry-forward of £519,583, against £480,691 brought in.

The issued capital of the parent company consists of £4m. in 5½% cumulative preference shares of £1, £2, and in 'A' ordinary shares of £1, and £960,000 in 'B' ordinary shares of 8s. Capital reserves stand at £3,353,783, revenue reserves at £3,545,188, staff reserves at £1,093, and loan capital at £3,691,002. Fixed assets are valued at £5,155,304, subsidiary companies at £1,367,464, deferred liability for future taxation amounts to £1,019,779 and the current account £1,672,719, including £1,089,233 in cash.

The company has branches in Kenya at Nairobi, Mombasa, and Nakuru; in Tanganyika at Dar es Salaam and Tanga; and in Uganda at Kampala.

East Africa business was "much better than we could have dared to hope" the net profit being the highest since operations started in the territories nearly 30 years ago.

The directors are Mr. D. Abel Smith (chairman), Lieut.-Colonel F. C. P. Dawnay (deputy chairman), Sir Patrick Duff, Sir Eric B. Speed, Lord Tweedsmuir, and Messrs M. F. Briston Smith, A. C. Graham, G. S. Hunter (managing director), and B. Sanderson. The secretary is Mr. G. W. Taylor.

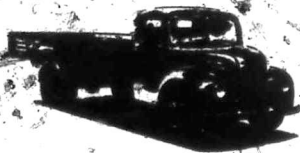
The 72nd annual general meeting will be held in London on December 6.

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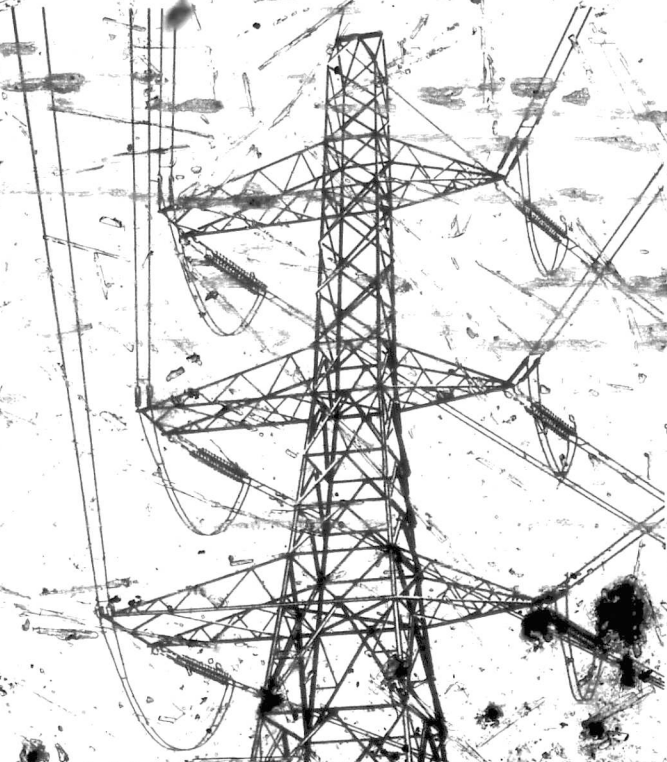
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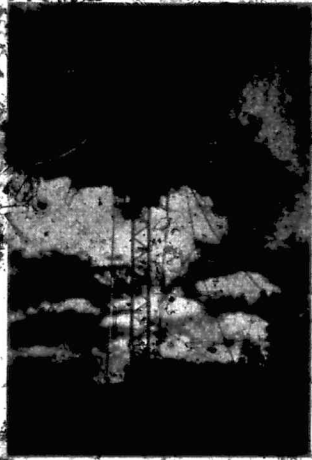
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Rhodesian Selection Trust Report

RHODESIAN SELECTION TRUST, LTD., after providing £6,563,655 for taxation earned a group profit of £9,443,793 for the year ended June 30, compared with £8,741,249 in the previous year. Taxation adjustments add a further £125,385. Interest in a subsidiary prior to production requires £182,777 and dividends totalling 6s. per share, less tax £4,241,130. General reserve receives £1,576,382, loan stock redemption £22,128, leaving a carry-forward of £71,030, against £35,832 brought in.

Issued capital of the parent company is £5,654,840. Share premiums stand at £882,589, capital reserve at £63,893, revenue reserves at £1,495,000, and current liabilities at £4,272,504. Fixed assets are valued at £7,794,300, and current assets at £4,575,090, including £111,415 in cash.

The company's subsidiaries include Mufulira Copper Mines, Ltd., Chibuluma Mines, Ltd., Baluba Mines, Ltd., Chambishi Mines, Ltd., Rhodesian Selection Trust Exploration, Ltd., Rhodesian Selection Trust Services, Ltd., Vainona Estates, Ltd., and Chema Estates, Ltd.

The directors are Sir Ronald L. Prain (chairman and president), Sir Harold F. Cartmel-Robinson (deputy chairman), Sir William L. Murphy, and Messrs. H. R. Finn (administrative vice-presidents), H. K. Hochschild, W. Hochschild, C. Kirkpatrick, J. H. Lascelles (executive vice-president), A. B. MacLaren (technical vice-president), T. G. Moore (alternate, J. Payne), R. M. Peterson, and L. Tucker (resident director in Salisbury). Mr. G. B. Brebner is controller and Mr. R. H. Page secretary.

The London committee consists of Messrs. A. Chester Beatty (chairman), C. W. Boise, C. F. S. Taylor, and Brigadier R. Micklem.

The 28th annual general meeting will be held in Salisbury, Southern Rhodesia, on December 14.

The text of the chairman's statement appears on another page.

Mufulira's Profit £9 1/4 m. after £6 1/2 m. Tax

MUFULIRA COPPER MINES, LTD., after providing £6,583,000 for taxation, earned a net profit of £9,289,793 for the year ended June 30, compared with £6,393,958 in the previous year. Taxation adjustments add £214,000 to the total. General reserve receives £24m. and loan stock redemption reserve £34,588. Dividends totalling 25s. per share require £6,886,554, leaving a carry-forward of £125,516, against £2,861 brought in.

The issued capital is £8,814,790 in shares of £1. Share premiums stand at £1,333,274, revenue reserves at £8,462,744, loans at £869,590, provision for replacements at £2,302,290, and current liabilities at £1,872,952. Fixed assets are valued at £9,041,993, trade investments and other assets at £4,241,098, and current assets at £7,426,049, including £1,571,158 in cash.

The record production for the year amounted to 97,098 long tons of molten blister copper, against 86,027 tons in the previous year. Output of saleable copper amounted to 27,623 tons of blister cakes and 66,877 tons of electrolytic copper. Revenue from sales averaged £340 per long ton, compared with £273 in the previous year.

Ore reserves on June 30 were calculated at 133,102,000 short tons averaging 3.3% total copper and 0.01% oxide copper.

The directors are Sir Ronald Prain (chairman and president), Sir Harold Cartmel-Robinson (deputy chairman), alternate, A. M. Vere, who is also vice-president in charge of sales, Sir William Murphy (alternate), Mr. G. B. Brebner, who is also controller, Colonel Sir T. Ellis Robins (alternate), Sir Charles C. G. Cummings, and Messrs. K. C. Acutt, D. O. Beckingham (alternate), D. A. Etheridge, W. Marshall Clark (alternate), C. P. Nichols, H. K. Hochschild (alternate), J. Payne, Jnr., W. Hochschild (alternate), C. Kirkpatrick, D. D. Irwin (alternate), H. R. Finn, who is also administrative vice-president, J. H. Lascelles (executive vice-president), alternate, F. E. Büch, H. F. Oppenheimer (alternate), J. M. P. Philimore, R. M. Peterson (alternate), A. B. MacLaren, who is also technical vice-president, K. Richardson (alternate), D. A. B. Watson, and L. Tucker, M.L.C. (alternate), J. Thomson). Mr. H. B. Page is secretary.

The London advisory committee consists of Mr. A. Chester Beatty (chairman), and Messrs. E. C. Baring, C. W. Boise, J. N. Buchanan, D. P. C. Neave, A. C. Wilson, and Brigadier R. Micklem.

The text of the chairman's statement appears on another page.

Roan Antelope Copper Mines Report

ROAN ANTELOPE COPPER MINES, LTD., after providing £3,650,000 for taxation, earned a net profit of £8,359,513 in the year ended June 30, compared with £5,922,759 in the previous year. Taxation adjustments of previous years add a further £265,000. General reserve receives £3m. loan stock redemption reserve £2,274, and dividends totalling 5s. per share, less tax require £5,617,305, leaving a carry-forward of £26,542, against £1,000 brought in.

The issued capital is £8,987,688 in shares of 5s. Share premiums amount to £750, general reserves stand at £8,435,572, loan stock redemption reserve at £603,149, loans at £1,197,982, provision for replacements and obsolescence at £7,701,914, and current liabilities at £16,018,562. Fixed assets stand at £6,866,760, investments and loans at £4,925,611, and current assets at £26,219,783, including £5,831,279 in cash.

Output for the year constituted a record of 88,714 long tons of blister copper, against 82,696 in the previous year. Sales amounted to 85,833 tons and disposals of copper purchased from stocks released by the United Kingdom Government amounted to 9,245 long tons. The average revenue from sales per long ton was £336 11s. 8d., compared with £276 11s. 8d. in the previous year.

The estimated tonnage of ore reserves on June 30 last was 89,287,000 short tons containing 3.14% copper.

The directors are Sir Ronald L. Prain (chairman), Sir Harold F. Cartmel-Robinson (deputy chairman), Sir William Murphy, Colonel Sir T. Ellis Robins (alternate), Sir Charles C. G. Cummings, and Messrs. H. R. Finn, H. K. Hochschild, W. Hochschild (alternate), L. Tucker, D. D. Irwin, C. Kirkpatrick, J. H. Lascelles, A. B. MacLaren, J. Payne, Jnr., (alternate), T. G. Moore, and R. M. Peterson. The officers are Sir Ronald L. Prain, president, and Messrs. J. H. Lascelles, executive vice-president; A. B. MacLaren, technical vice-president; H. R. Finn, administrative vice-president; A. M. Vere, vice-president in charge of sales; G. B. Brebner, controller, and R. H. Page, secretary.

The London advisory committee consists of Messrs. A. Chester Beatty (chairman), C. W. Boise, J. E. W. Lomas, C. F. S. Taylor, and Brigadier R. Micklem.

The 29th annual general meeting will be held in Salisbury, Southern Rhodesia, on December 13.

The text of the chairman's statement appears on another page.

Chibuluma Mines Report

CHIBULUMA MINES, LTD., produced 4,156 long tons of blister copper between March 1 and June 30 this year, at an average cost of £153,885 per ton.

The directors are Sir Ronald L. Prain (chairman and president), Mr. J. H. Lascelles (deputy chairman and executive vice-president), Colonel Sir T. Ellis Robins (alternate), Sir Charles C. G. Cummings, and Messrs. R. H. W. Bruce, W. Marshall Clark (alternate), K. C. Acutt, A. B. MacLaren (technical vice-president), T. G. Moore (alternate), H. K. Hochschild, J. Payne, Jnr., (alternate), W. Hochschild, R. M. Peterson (alternate), H. R. Finn, who is also administrative vice-president, K. Richardson (alternate), D. A. B. Watson, and L. Tucker, M.L.C. Messrs. A. M. Vere, G. B. Brebner, and R. H. Page are respectively vice-president in charge of sales, controller, and secretary.

The London advisory committee consists of Messrs. A. Chester (chairman), J. B. Dennison, and A. C. Wilson.

The text of the chairman's statement appears on another page.

Ndola Copper Refineries

Ndola Copper Refineries, Ltd., a subsidiary of Roan Antelope Copper Mines, Ltd., have an issued capital of £1m. interest receivable at £4,977, and current liabilities at £211,320. Fixed assets appear at £700,856, preliminary expenses at £100, and current assets at £509,604, including £278,145 in cash.

Mining Reports

THE ANNUAL REPORT AND ACCOUNTS OF Rhodesian Anglo American, Ltd., Rhokana Corporation, Ltd., Bancroft Mines, Ltd., Rhodesia Copper Refineries, Ltd., and Wankie Colliery, Ltd., were received too late for inclusion in this issue. They will be fully reviewed next week.

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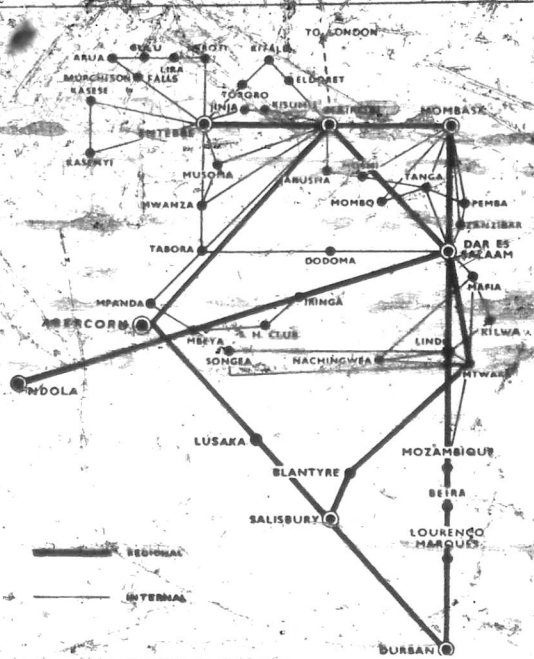
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(Incorporated in Northern Rhodesia)

Prosperity of Federation and Copper Industry Indivisible

SIR RONALD L. PRAIN ON OPPORTUNITY AND RESPONSIBILITY

THE TWENTY-EIGHTH ANNUAL GENERAL MEETING OF RHODESIAN SELECTION TRUST, LIMITED, will be held at Salisbury, Southern Rhodesia, on December 14, 1956. The following is the statement, dated October 15, 1956, by the chairman, SIR RONALD L. PRAIN, O.B.E., which has been circulated to the members with the directors' report and accounts for the year ended June 30, 1956.

I propose to begin this statement by a brief review of the main companies in which we are interested.

Mufulira

I said last year that our confidence in Mufulira as one of the great copper mines of the world remains unchanged.

Striking evidence of this may be found in the current production and in the plans for increasing the capacity, to which reference may be found in the directors' report and chairman's statement of the Mufulira Company, which are attached to the accounts of your Company.

Briefly, the position may be summed up as follows: Mufulira is now capable of mining and milling about 400,000 tons of ore per month which would yield about 400,000 tons of copper in a full year. This position has been attained as the result of a gradual expansion in the post-war years, the main features of which have been a change-over from conventional stoping methods to block caving methods, in which the three superimposed orebodies are mined as one. This has reduced mining costs but lowered the grade and rendered necessary the provision of increased milling capacity. In addition to mine and mill developments, there have been large additions to the smelter, engineering workshops and townships, and the building of an electrolytic refinery which can deal with practically the entire output of the mine. Towards the cost of these post-war developments we have provided £16 million out of profits.

Mufulira West

More recently the discovery of additional ore to the west of the existing mine has led the directors of that company to contemplate the development of "Mufulira West", which might increase the productivity and capacity of the whole enterprise by as much as 50%. Such a programme, which would make Mufulira the third largest underground copper mine in the world, will require very large sums of capital, and for this reason, added to the fact that drilling is continuing on Mufulira West, we have not yet received from the Mufulira Company more details of this project than I have given here. It is obvious, however, that our investment in Mufulira is a most important one. Our holding in that company is now 63.98% and whatever plans are announced by that company for financing the expansion project will no doubt require us to subscribe substantial new sums, which in turn will necessitate our advising our shareholders how it is proposed to raise these sums.

Chibuluma

A chairman's statement on Chibuluma has this year been presented for the first time and is attached to the Chibuluma accounts, which form part of the

accounts of your company. From this statement you will see that the bringing of Chibuluma into production has been successfully achieved and that the prospects for that company are promising.

Our holding in Chibuluma is 64.29% and we do not at present contemplate having to provide any finance for that company out of our own resources.

Chambishi

The directors of Chambishi have during the past year announced that they have under consideration the opening up of this property on a scale which, initially anyway, would be similar to that of Chibuluma. No further details have been announced, and the scheme is dependent upon the Chambishi Company being able to arrange the necessary finance. Whether or not this will involve your company in having to find part or all of its share of the financing remains to be seen, and will in turn depend on whether the Chambishi Company will be able to finance its project partly or wholly on the basis of loans, or whether it will call on its shareholders for a contribution. Our holding in Chambishi is 64.29%. We expect during the coming year to receive a notification of further details and that will be the time when we shall be able to advise shareholders in this company as to our possible commitments both in Chambishi and Mufulira.

It may here be appropriate to recall that Chambishi was one of the earlier deposits to be discovered in the Copperbelt, and our interest in it goes back nearly 30 years, when we began detailed prospecting. By 1931 ore reserves amounting to 25 million tons at an average grade of 3.46% copper had been outlined and three shafts were sunk, one to a depth of nearly 600 feet. In the same year, however, it was decided for various reasons, not the least of which was that the effects of the world depression were then being keenly felt, to discontinue all development work. Further drilling has been done and ore reserves have now been re-calculated at 35 million tons at 3.37% copper.

It would be premature for me at this stage to offer comment on Chambishi's prospects, but its strategic position in the Copperbelt is worthy of note; it is at a rail junction, on a main road and within a mile of the Copperbelt power interconnexion system.

Baluba

Our holding in this company remains at 64.29%. Exploration work is continuing with a view to increasing the extent of the knowledge about the characteristics of the orebody.

Rhodesian Selection Trust Services

This company continues to render services of an administrative, technical and managerial nature to other companies in the group. It is responsible for the conduct of the prospecting programmes in Northern Rhodesia. The research and development centre at Kalulushi continues to prove of value to several companies in the group, and is intended to increase the range of research work by the construction of a gravity concentration pilot plant.

Rhodesian Selection Trust Exploration, Limited

This company has had an active first year in the past which it has begun the investigation of several prospects in Southern Rhodesia and Nyasaland. It has also been building up a staff and a field force and has recently decided to build a small laboratory in Salisbury for geological test work.

Financial

Our income, as hitherto, came predominantly from dividends of Mufulira Copper Mines, Limited. These amounted to £4.4 million and represented dividends totalling 25s. 6d. per Mufulira share. This enabled us to pay in July an interim dividend of 2s. 0d. per share, less taxes, and your directors have now recommended a final dividend of 4s. 0d. per share, less taxes.

If this recommendation is accepted, in general meeting, the distribution for this year will cost £4.2 million, and this will allow the cash position of the company to be further built up after making provision for all commitments, and after transferring £75,000 to general reserve.

The slight build-up in the free cash of the company during the last two or three years has been designed to enable us to have cash for various investment purposes of a minor character. To leave no doubt on this matter I must add that this build-up of cash has never been intended to provide us with anything like the sums which would be necessary if and when we might be called upon to take up any of our financing obligations for the development of Mufulira West and/or Chambishi. This would have to be the subject of special new financial plans for this company in the light of what we may be advised by Mufulira and Chambishi.

Prospects

The general manager's report and chairman's statement for Mufulira, which are attached, give the present picture and outlook on the subject of labour and power on the Copperbelt.

It is to be hoped that the labour position will now settle down and enable everyone to get on with the job of producing copper. The coal/rail/power position, which has created so many problems for us since the end of the war, looks better now than for some time past.

Granted freedom from interruption on either of these scores, Mufulira should have a successful year, and Chibuluma should come to normal operation on a profitable basis. It appears unlikely, however, that Chibuluma will pay any dividend until it has repaid its loan to the United States Government. Its equity value to your company, however, will increase annually, even if no dividends are received in the near future.

The Mufulira chairman's statement sounds a note of warning as to the possibility of lower profits this year than the previous year, due to the present price of copper being at a substantially lower level, and to costs not being appreciably reduced.

Mufulira has its expansion plans and the Chambishi Company has announced the possibility of opening its mine. Both these important developments will inevitably have implications for your company, though the nature and extent of these implications cannot yet be determined. It is hoped, however, that the coming 12 months will serve to clarify this position.

Merchant Bank of Central Africa

Your company announced during the past year that it had joined with several other sponsors in creating the Merchant Bank of Central Africa.

In this way the company hopes to secure a position to play a part in the development of the Federation in spheres not necessarily connected with mining. The other shareholders in the Bank include important banking institutions of world repute. This is the first bank of an international character formed to operate exclusively in the Federation, and its shareholders are drawn from the United Kingdom, the U.S.A., France, Belgium and the Federation.

Stock Exchange Listings and Shareholder Relations

Your company has applied to the Rhodesian Stock Exchange for the listing of its shares thereon, and it is hoped that this may assist in the gradual building up of a body of local shareholders. Your shares were listed on the Paris Exchange and negotiations recently been completed for them to be introduced officially to the Amsterdam Exchange through the facilities afforded by the Nederlandsche Handel-Maatschappij, N.V.

At the beginning of this year informal shareholders' meetings were convened both in London and New York. This was the third consecutive year in which we had tried this experiment, and the attendances have increased with each year. As it is, therefore, evident that these meetings are of interest to, and carry the support of, a considerable number of shareholders resident in Great Britain and the U.S.A., I propose once more to call such meetings within the next two or three months.

Conclusion

The interests of your companies rest exclusively within the Federation of Rhodesia and Nyasaland and at present predominantly in copper.

It seems unlikely that geographically our interests will spread, but on the other hand we would hope that over the years we shall be able to diversify our business so that it no longer depends exclusively on copper, though this will probably remain predominant. Your companies, since they emigrated from the United Kingdom and more particularly since they moved to the capital of the Federation, have tried to associate themselves more and more with the general development of this young and virile country. It is my conviction that the prosperity of the country and the prosperity of the copper mining industry are indivisible, and that your companies must inevitably face duties and responsibilities which go far beyond those which normally concern the management of a mining enterprise.

Our responsibilities for the future are matched only by our opportunities and shareholders may rest assured that your board is fully alive to the unique part which this industry can play in the future of this multi-racial community.

Uniform Import Duties

THE FEDERAL MINISTRY OF COMMERCE AND INDUSTRY announced in Salisbury at the beginning of this week that, as a result of decisions made in Geneva by members of G.A.T.T., Rhodesia and Nyasaland are now free to negotiate uniform import duties, although there has not been one universal federal tariff, for Nyasaland and a large part of Northern Rhodesia are within the conventional basin of the Congo, and so covered by the Congo Basin Treaties. The Federal Government asked that the matter should be reviewed at the G.A.T.T. conference. Subject to the conclusion of negotiations with countries which may be adversely affected, the Federal Government will now be able to apply preferences to the whole of the area of the Federation.

Company Report

Mufulira Copper Mines, Limited

(Incorporated in Northern Rhodesia)

Ore Production Exceeded Four Million Tons

THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF MUFULIRA COPPER MINES, LIMITED, will be held at Salisbury Southern Rhodesia on December 14, 1956.

The following is an abridgment of the statement, dated October 15, 1956, by the chairman, SIR RONALD L. PRAIN, O.B.E., which has been circulated to the members with the directors' report and accounts for the year ended June 30, 1956:—

Production and Costs

The production of ore grade exceeded four million tons, and at the same time grade was the lowest since the commencement of operations the output in terms of molten blister copper was 97,098 long tons, which is easily a record. Saleable production totalled 94,500 long tons, made up as to 27,623 tons in the form of blister copper, 42,335 tons as anodes and 9,542 tons as wirebars.

When we turn to costs of production, the picture is not quite so satisfactory, the average cost per long ton of copper in all forms delivered buyers having increased from £133 per ton to £153 per ton. It must be pointed out, however, that just about half of this increase of £20 a ton is represented by an increase in mineral royalties based on the higher price of copper which prevailed during the year compared with the previous year. This same increase is counterbalanced by an increase in the operating cost schedule of the mines, and if this is compared with the corresponding figures for comparison, it will be seen that the operating cost increase was about 20 per cent, represented by increased costs of labour, power and supplies.

Financial Results

The average price at which our copper was sold amounted to £340 per ton, an increase of £66 over the average for the previous year. The profit margin per ton of copper thus increased from £141 in the year ended June, 1955, to £187 during the year under review, and gave us a profit of £16.8 million, to which has to be added the increase in the value of copper stocks and interest earned.

Tax on the trading profit amounts to £6.6 million and substantial appropriations have been made to replacements reserve and general reserve.

The appropriation to the former is £2.3 million, compared with £1.56 million the previous year. The latter figure, equivalent to over £15 per ton, is nearer the average amount which we estimate will have to be added to the replacements reserve each year for many years, but since we are in the middle of a period of exceptional heavy expenditure you will have considered it wise to appropriate this year's amount which bears a more realistic relationship to the amounts which will actually be spent during the current year.

The transfer to general reserve of £11.3 million compared with £11 million last year, has been accounted for mainly by realising for the loans to be made to the Federal and Territorial Governments, which I shall refer to later. These loans are estimated to amount to about £6.4 million, between now and 1960. We have taken one part of this, namely £1.3 million

into the general reserve this year. The balance going to the general reserve covers the increase in the value of copper stocks, amounting to £835,500, and a final instalment towards the cost of the refinery.

Dividends

The interim dividend of 8s. 0d. per share, last year paid last July, and the final dividend now recommended by your directors of 17s. 0d. per share, less tax, will make a total dividend of 25s. 0d., less taxes, equivalent to an increase of 25% over the distribution for last year.

At this point I must enter a note of warning as to the possible results for the current year. The price of copper since July 1 has been much lower than the average realization for the year under review. On the cost side, furthermore, we know of forthcoming increases under various headings which, in spite of the effect of a lower price on the reduction of mineral royalties, may mean that our overall cost is not appreciably lower. We expect that our production will reach the 100,000 ton mark, but even this factor will not compensate for the reduction in profit margin based on the present price of copper. Our commitments under the heading of replacements reserve and general reserve will continue heavy. Therefore, unless the price of copper should undergo some very appreciable and at this stage unexpected upswing, our dividend for the current year will be lower.

What I have said above is predicated on the maintenance of full production and should this unhappily prove not to be the case, the picture might be still further affected.

Mine Position and Future

The general manager's report, which is attached to the accounts, gives full information about developments at the mine. You will notice that considerable progress has taken place in the casting section of the refinery. For the first time Mufulira produced electrolytic wirebars and from now on these will constitute the major part of our output.

The value of capital and replacements work authorized by the board and still on hand at Mufulira at June 30 was £35.5 million.

Exploration by surface and underground drilling to the west of the mine has disclosed the continuation of the 'C' orebody to an extent not yet defined but well beyond the previously anticipated limits. This has led to the decision to embark on an expansion programme for the development of "Mufulira West".

Drilling has disclosed ore in areas hitherto outside the well known calculations. The extent of this additional ore is not fully calculated, but it is known to be of sufficient magnitude.

Mufulira operations, as we hope will be of a nature of 25% of our intention in due course. Notification of shareholders giving more details about this development than is possible today. To be complete, this must await the results of further drilling, which is now in progress. It is intended that this notification, in addition to giving ore reserves, shall give more details than are possible at present on the subject of expansion, and the methods proposed for financing

Labour Position

Constructive progress was made during the year in implementing the practical aspects of the African advancement agreement signed between the copper mining companies and the European Mine Workers Union in September, 1955.

Unfortunately, towards the end of the financial year, the African Mineworkers Trade Union began a series of strikes which continued into the months of July, August and September. The direct cause of these strikes was the wish of the African union to eliminate the Mines African Staff Association. This association, which came into being in 1953, was recognized by the companies and the African union in 1955 as representing certain senior categories of African jobs. The existence of such an association is in fact a necessary part of the scheme for African advancement. The African union, in staging these strikes some nine months after signing the recognition agreement, was trying to force a reversion to the position before the union agreed to recognize the Staff Association, so that the African union would once more have the right to represent all categories of African employment.

Commission of Inquiry

The strikes which the African union called, while not being illegal, were unconstitutional in that the union had not gone through the procedure laid down by its agreement with the companies. For this reason, the companies on August 1, 1956, declared a dispute with the African union and asked Government to set up a board of inquiry to investigate the whole position. In August the Government appointed a commission of inquiry, which is sitting at the time of writing. African strikes continued throughout August. Early in September circumstances became such as to bring about on September 11th Government declaration of a state of emergency, followed by prompt Government detention of some of the officers of the African union. Since then work has been resumed at all mines, and operations have reverted to normal.

There is much on which I could comment in the events of the last three months, but owing to the continuance of the state of emergency, and to the fact that the commission of inquiry is still sitting, it would, I am advised, be improper to comment on the situation at this time. It would, on the other hand, I believe, not be out of order to express regret that some of the leaders of the African union have been so misguided as to create this regrettable situation, which can only serve to retard the progress of African advancement and thus to damage the interests of the members of the union themselves.

During this difficult period the conduct of members of the African Staff Association has been admirable and I should also like to pay a tribute to the European employees, residents and management officers on the Copperbelt for their excellent and restrained behaviour under the present trying circumstances.

During the year the Government completed its arrangements for the financing of the Kariba hydro-electric scheme, to which reference has been made in previous statements. The four major copper producing companies agreed to lend the Federal Government the sum of £20 million by means of subscriptions to Federal Development Bonds carrying maturities varying from one to 28 years, and carrying an interest rate of 4½% per annum. The share of each company in this total sum, part of which will be earmarked for railway development, is a subject for discussion, and that of your com-

pany is tentatively put at £5 million. The companies entered into this arrangement with Government willingly, realizing that without the Kariba scheme the Copperbelt would be faced with having to provide alternative and costly methods of producing more power than the firm cost, is also closely tied up with the future of coal deliveries and the effects which greatly increased deliveries would have had on the economics of the Rhodesia Railways.

There were no interruptions during the year, to supplies of fuel. Seventy-eight per cent. of the coal requirements of the Copperbelt were met by deliveries from Wankie Colliery and the remainder by imports of coal from overseas, woodburning, and some oilburning.

Power from the Belgian Congo

During the last few weeks the Copperbelt electricity power system has been interconnected with the Belgian Congo system, and power is now flowing the 320 miles from the Le Marais installation on the Lualaba River to the central switching station of the Copperbelt system at Kitwe. This development is the outcome of the agreements signed in 1953 between the Rhodesia Congo Border Power Corporation, the Union Minière du Haut-Katanga and the Comité Spécial du Katanga, and constitutes a major engineering achievement, not only on account of its magnitude, but on account of the close adherence to the cost and timing estimates made some years ago.

Miscellaneous

Inspecting and exploration under the aegis of the companies formed for this purpose, and in which your company has an interest, continued on an increasing scale during the year.

During the year Rainona Estates, Limited, in which your company has a financial interest, decided to proceed with an experimental agricultural scheme on the Kafue Flats. This takes the form of a pilot polder which will, during the next five or six years, test to prove whether or not some of the engineering problems of a greatly extended scheme on the Flats can be solved, and whether the soils can produce a rotation of wheat, rice and barley which would make a major contribution to the territory's food supplies.

Conclusion

To sum up, it is our hope that after the unsettled labour position of the last three months, conditions may now settle down to enable us to get on with our job of producing copper, and of continuing thereby to provide some of the sinews necessary for the development of the Federation.

Owing to the developments in hydro-electric power the immediate prospects for our power supplies seem better than for some years past.

So far the copper price for the current year is much below last year's average. This situation if it continues, coupled with no expectation of any appreciable reduction in our costs, indicates a lower profit margin per ton, hence lower profits, and therefore a lower dividend.

However, in the case of your mine the position is intrinsically a most sound and promising one. Provided adequate financial arrangements can be made, it would appear that your mine is in for a period of expansion, which should in due course greatly increase its potential earning power.

(The chairman's remarks under the headings Northern territories and copper price are similar to those contained in the abridgement of his statement to the Roan Antelope members, on another page).

Company Report**Roan Antelope Copper Mines, Limited**

(Incorporated in Northern Rhodesia)

Completion of 25 Years of Blister Production

THE TWENTY-NINTH ANNUAL GENERAL MEETING OF ROAN ANTELOPE COPPER MINES, LIMITED, will be held at Salisbury, Southern Rhodesia, on December 13, 1956.

The following is an abridgment of the statement, dated October 15, 1956, by the chairman, SIR RONALD L. PRAIN, O.B.E., which has been circulated to the members with the directors' report and accounts for the year ended June 30, 1956:

Production and Costs

The production of ore for the first time exceeded 3 million tons, and although the mill grade was the lowest since the commencement of operations the output of blister was 88,714 long tons, constituting a record.

When we turn to costs of production, the picture is not quite so satisfactory, the average cost per long ton of copper in all forms delivered buyers having increased from £142 per ton to £167 per ton. It must be pointed out, however, that over £10 of this increase is represented by an increase in mineral royalties based on the higher price of copper which prevailed during the year compared with the previous year. This same factor accounted for an increase in the cost of employees' bonus scheme on the mines, and if these two factors are eliminated from the cost comparisons, the operating cost increase was about £10 per ton, represented by increased costs of labour, power and supplies.

Financial Results

The average price at which our copper was sold amounted to £336 per ton, an increase of £66 over the average for the previous year. The profit margin per ton of copper thus increased from £128 in the year ended June, 1955, to £169 during the year under review, and gave us a profit of £14.1 million, to which has to be added the increase in the value of copper stocks and interest earned.

Tax on the trading profit amounts to £5.7 million, and from the resulting net profit two substantial appropriations have been made, one to replacements reserve and the other to general reserve.

The appropriation to the former is £1.5 million, compared with £1.0 million the previous year. The transfer to general reserve is £3 million compared with £1.4 million last year. This increase is accounted for mainly by reserving for the loans to be made to the Federal and Territorial Governments, to which I shall refer later. These loans are estimated to amount to about £5.5 million between now and 1960, and we have taken one-fifth of this, namely £1.1 million, into the general reserve this year. The balance going to the general reserve covers the increase in the value of copper stocks, amounting to nearly £1 million, and a further instalment towards the cost of the refinery.

Dividends

The interim dividend of 1s. 9d. per share, less taxes paid last July, and the final dividend now recommended by your directors of 3s. 3d. per share, less taxes, will make a total dividend of 5s. 0d. less taxes, equivalent to an increase of 25% over the distribution for last year.

This is the point at which I must enter a note of warning as to the possible results for the current year. The price of copper since last year has been much lower than the average realization for the year under review.

On the cost side, furthermore, we know of forthcoming increases under various headings which, in spite of the effect of a lower price on the reduction of mineral royalties, may mean that our overall cost is not appreciably lower. Moreover, our production is unlikely to be as high as last year, when we were producing virtually to capacity. This year our operations have already been affected by strikes. Our commitments under the heading of replacements reserve and general reserve will continue heavy this year, unless the price of copper should undergo some very appreciable advance at this stage unexpected, because our dividend for the current year will be lower.

What I have said above is predicated on the maintenance of full production from now on, and should this unfortunately prove not to be the case, the picture might be still further affected.

Mine Position

The gross ore reserves have been increased by more than one million tons. This is due almost entirely to exploration on surface and underground boreholes in Roan Antelope.

The long-term outlook for Roan Antelope will continue to be good, on the exploration results on the Muliashi Special Grant. In the meantime Roan continues to be one of the largest operations in the mining world, and it is not impossible that the mining and milling rate during the next 12 months might reach a rate of six million tons per annum.

This operation is most efficiently conducted, and it is of interest to record that this month sees the completion of 25 years of blister production at Roan Antelope. Mining began at Roan in June, 1931, and the first blister was produced on October 20, 1931. During the 25 years Roan has produced more than 1.6 million tons of copper to a total value, in historical pounds, of about £186 million.

The value of capital and replacements work authorized by the board and still on hand at Roan on June 30 was £2.9 million.

Refinery

The construction of the electrolytic refinery at Ndola, owned by the subsidiary known as Ndola Copper Refineries, Limited, continued satisfactorily during the year. You will see from the directors' report that the capacity of the refinery will be increased to 110,000 tons of copper, and that the cost will correspondingly increase from the original figure of £3 million to £4.1 million. The shareholding in this subsidiary company continues to be as to two-thirds by your company, and one-third by British Insulated Callender's Cables.

Northern Territories

During the year your company offered a £1 million to the Government of Northern Rhodesia and £500,000 to the Government of Nyasaland, to be used exclusively for African development. These loans, which were gratefully accepted by these Governments, are interest-free until 1960, when the Governments have the option to convert all or any part of them into loans for up to 20 years at an interest rate of 4% per annum. These loans were offered to these Governments as a recognition of two factors, one, that the copper mines have brought about an imbalance as between the rural

and the urban centres which have created considerable problems for Government, the fact that, despite the great increase in Government revenues from taxation and other sources, Government finances still lag behind the requirements necessary to improve this condition. We have for long felt that the special position of the copper mines in the economy of these territories imposes on the companies a particular responsibility for trying to correct this state of imbalance, and to associate themselves to the greatest degree possible with the general development of the country.

Copper Prices

A year ago I received a considerable part of my statement to the behaviour of the copper market, and one of the things I said was 'when the price of any commodity rises as quickly and as much as the price of copper has in the last year, certain dangers arise; on the short term view, the danger that the reaction in price, when it comes, may be just as drastic; on a long term view, the danger that damage may be done permanently to that commodity's markets'.

The price of copper continued to rise on the world markets and reached a high point in March of this year. Then, touched off by a change of pricing policy on the part of the Chilean Government, the inevitable reaction took place. It was marked in its severest form in the quotations of the London Metal Exchange which, from a high point of £437 on March 19 declined to a figure of £264 on July 31. This fall in price, both in magnitude and speed, is unprecedented in the history of the copper business. Most of the other major quotations in the copper market also registered severe falls, though none to the extent registered by the London Metal Exchange. Since June the market has steadied and at the time of writing the world price range from £280 to £320.

It is not my intention to try and forecast what may happen to the price, and I must confine myself to some general observations. That the rise in the price of copper was overdue there can be no question. The reasons why it behaved in this way are many and complicated. Most producers regard the current range of prices as healthier and more normal than those which were witnessed earlier. Prices within this range are, in my opinion, reasonable, both in relation to present costs of production and to the current price of competitive materials. There still remains, however, a most important question which faces the world copper industry and that is, to find a more uniform system of quoting prices. There are at present eight main quotations used by producers, at each of which quotations between five and 20% of the world's production is marketed. If it were possible to arrive at a more uniform basis, it would also introduce a stability which is highly desirable in the industry. Unfortunately, there does not appear to be any serious prospect of a uniform pricing system being established.

Company Selling Policy

As far as the copper produced by your company is concerned, we have continued to sell at fixed prices, a policy, as you may recollect from my statement last year, we introduced in May, 1955, in response to a request made to us by the copper fabricating industry of Great Britain. During the year under review our price changes six times compared with 24 moves in the London Metal Exchange price, or if we eliminate price changes of less than 1% in the latter, the comparison could be with 10 changes in Metal Exchange quotations. During the period between May 1955, and the present time the price of your copper has changed nine times compared with 25 movements on the Metal Exchange, the minimum price movements of less than £2 on the latter.

We realize that there exists in the United Kingdom a two-price system, and that this can cause certain inconveniences to the trade. In our opinion, such inconveniences are not such as to warrant our returning to a system of daily price changes, though we are at all times prepared to consider any constructive proposals designed with a view to introducing greater stability into the price of not only our product but the copper price generally.

We have also tried to play our part in making the London Metal Exchange a realistic a quotation as possible, and it is our belief that the group of mines with which we are associated has been the largest supplier of physical copper to the London Metal Exchange since it reopened in 1953.

Miscellaneous

The question of the future of the mine township and the problems of stabilization and organization of African labour have received attention regularly, but by their very nature these problems are not such that solutions can be found quickly, and the studies on these questions therefore continue.

During the year Vainona Estates, Limited in which your company has a financial interest, decided to proceed with an experimental agricultural scheme on the Kafue Flats. This takes the form of a pilot polder which will during the next five or six years seek to prove whether or not some of the engineering problems of a greatly extended scheme on the Flats can be solved, and whether the soils can produce a rotation of wheat, rice and barley which would make a major contribution to the territory's food supplies. This pilot scheme has the full support of the Northern Rhodesia Government, and we should like to acknowledge the great help that we have received from various Government officers.

Stockholder Relations

Your company has applied to the Rhodesian Stock Exchange for the listing of its stock on that Exchange. We hope in this way that greater facilities will be provided for the gradual building up of a body of local stockholders.

At the beginning of this year informal stockholder meetings were convened both in London and New York. This was the third consecutive year in which we had tried this experiment, and the attendances have increased with each year. As it is, therefore, evident that these meetings are of interest to, and carry the support of, a considerable number of stockholders resident in Great Britain and the U.S.A., I propose once more to call such meetings within the next two or three months.

Conclusion

To sum up, it is our hope that after the unsettled labour position of the last three months conditions may now settle down to enable us to get on with our job of producing copper, and of continuing thereby to provide some of the sinews necessary for the development of the Federation.

Owing to the developments in hydro-electric power, the immediate prospects for our power supplies seem better than for some years past.

So far the copper price for the current year is much below last year's average. This situation, if it continues coupled with no expectation of any appreciable reduction in our costs, indicates a lower profit margin per ton, hence lower profits, and therefore a lower dividend. A sense of proportion should however

profits for the past year must be considered exceptional by any standard, and a return to lower profits can only be regarded as a return to more normal conditions.

The Chairman's remarks under the heading 'Labour Position and Power' are similar to those contained in the abridgment of his statement to the Manful members on another page.

Company Report

Chibuluma Mines, Limited

Incorporated in Northern Rhodesia

Relatively Small But High-Grade New Mine in Production

THE FIFTH ANNUAL GENERAL MEETING OF CHIBULUMA MINES, LIMITED, will be held at Salisbury, Southern Rhodesia, on December 14, 1956.

The following is the statement, dated October 15, 1956, by the chairman, Sir RONALD L. PRAIRY, K.C.B.E., which has been circulated to the members with the directors' report and accounts for the year ended June 30, 1956:

This is the first annual statement I have presented to shareholders, and it recognizes the fact that Chibuluma has now reached the production stage.

Before commenting on the events of last year, perhaps it would be useful briefly to recite the history of this company up to the production stage.

The Chibuluma orebody was located in 1938 in the Nyana South Limb Special Grant, as a result of the application of the scientific prospecting techniques of those days. It was the first of the present Rhodesian copper mines to be discovered without the help of outcrops.

As a result of the devaluation of sterling in 1949, which radically altered the prospects for copper mining in the sterling area, it was decided to examine the possibilities of increasing production from the group of mines to which Chibuluma belongs. In 1950 certain engineering estimates were made which showed that the best prospect at that time would be the opening up of the Chibuluma orebody.

Negotiations with United States Government

Negotiations for the provision of finance were opened with the United States Government for two reasons: first, that Government was at that time prepared to make finance available to mining in friendly countries in return for eventual delivery of metals to the United States stockpile; secondly, the international situation at that time, which was the reason for this attitude on the part of the United States Government, was such as to make financing elsewhere difficult. Our interests and those of the United States Government ran parallel, and negotiations were brought to a satisfactory conclusion in August, 1951, when we signed the agreement which made possible the development of Chibuluma, and I should like to take this first opportunity of paying public tribute to the United States Government for its far-sighted and co-operative attitude in helping us in this way. We have now arrived at the time when we shall begin to repay the loan and interest, and I believe that the United States Government at the end of this transaction will have no cause to regret its investment in this property.

During the five years after the loan, our energies were devoted to the planning, development and construction of the mine and to the building up of an organization. The annual ore estimates later required revision in the light of the exceptionally good conditions in which we found ourselves, but the loan caused us no embarrassment, as the United States Government were prepared to increase the amount of the loan. The estimate of time to be required, on the other hand, has been very generous. Your manager, Mr. M. J. G. Jones, is an enthusiastic and efficient organization man, and it is the time to pay a tribute to his work at Chibuluma.

Work on the mine started hoisting ore in October, 1955, and the concentrator came into full operation in April, 1956. It was a ceremony took place to mark the coming into production of the enterprise, and we were honoured by the presence of His Excellency The Governor-General of the Federation, Lord Llewellyn, to perform the opening ceremony.

Production and Costs

The plan for Chibuluma is to mine at a rate of about 40,000 tons of ore per month, and to produce at the mill 100,000 tons of copper concentrate and a cobalt concentrate. The copper concentrate will go to one or more of the three smelters, and the cobalt concentrate will be sent to the Chibuluma cobalt plant at Ndola, to which I refer below.

The year under review was, therefore, not only a broken period, but being the early stages was not representative of Chibuluma's capabilities, either as to production rates or costs. Too much attention, therefore, should not be paid to these. In fact, it mined about 81,000 tons and milled about 126,000 tons of ore, representing all the ore from mining and the rest from previous development work which had resulted in a stockpile of ore.

The costs again for what the rare worth, were about £453 per long ton of blister copper delivered buyers. For the first two months of the current year, however, costs have been £116 per ton, reflecting a rate of mining and milling under more normal conditions than can be expected in the first few months of any mining operation.

Sales and Profits

Of the 4,333 long tons of blister product, 2,324 were sold at an average price of £31 per ton, giving Chibuluma an apparent profit margin of £10 per ton.

The statement accounts show that the profit for the period after providing £20,000 for replacements reserve, was £287,282.

Agreement with United States Government

Under the above-mentioned agreement with the United States Government we are committed to start repayments on our loan, in the form of profit, in the year after the first year in which our profits are in excess of £150,000. Thereupon a formula of the ratio operation, as a result of which we shall during the current year be making deliveries to the United States Government of copper to the value of about £285,000. This will be wholly on account of interest incurred in the ore production period, while, during the following year, we hope that our deliveries will not only clear off the interest on the loan, but begin also on the repayment of the principal.

Cobalt Plant

This plant is now under construction, and is under the management of Ndola Copper Refineries, which is now engaged in full operation since the middle of 1955. The plant consists basically of a solids reactor and an electric furnace, which will produce in the first place a cobalt matte, containing about 10% cobalt, which will probably be shipped to Europe for treatment. The final process will be unique and specially designed after considerable research and original thought by our engineers, headed by Mr. R. H. Bauld, consulting metallurgical engineer. The overall recovery

of cobalt is expected to be unusually high. If these expectations are fulfilled in the full scale plant at Ndola, our eventual cobalt production should be in excess of 5 million lb. per annum compared with the original estimate of 500,000 lb. per annum.

At a later stage depending on technical and commercial considerations, some of the plant may be expanded in order eventually to produce cobalt metal. With an original flow sheet and unique plant of this sort it is necessary, however, to feel one's way step by step and to this extent future plans cannot be said yet to be finalized. Our immediate objective is the production of matte by the middle of 1957.

Prospects

Chibuluma enterprise may be said to have been launched with only the cobalt plant still to be brought into operation and proved. Our expectations for production and costs are being fulfilled. Given full production this year Chibuluma may produce 19,000 tons of copper, a rate which is some 20% in excess of its estimated average rate of production. It is higher than average grade in the upper sections of the mine which are now being exploited. Reserves for the current year, even at a lower price than last year, should therefore be substantial and enable us to make a satisfactory start on the repayment of our loan.

There are no plans for treating Chibuluma as a larger enterprise than originally planned, so it will continue by Copperbelt standards a relatively small operation. Its high grade, however, and modern plant should ensure a profitable operation and one in which we have great confidence.

To those who discovered, planned and built Chibuluma and to those who are now responsible for its operation as a going concern, I send the congratulations and best wishes of the directors and shareholders.

MINING

Copper Results for September Quarter

RHODESIAN SELECTION TRUST, LTD., announces that their estimated profit for the September quarter is £2,079,000 compared with £2,725,000 for the June quarter and £2,322,000 for the September quarter last year. The estimated production of copper for the September quarter at 21,688 long tons, compared with 23,921 tons in the June quarter. Sales of copper from mine production were £2,309,000 (£2,347,000). Revenue from sales was £6,160,000 (£7,732,000), operating and administrative expenditure £3,069,000 (£3,574,000), difference in the value of stocks £265,000 (less £1,100,000 more), provision for replacements, loan interest, etc., £384,000, (£329,000), leaving an estimated profit before taxation of £2,839,000, against £4,026,000 for the June quarter and £3,465,000 in the September quarter last year.

ROANSE COPPER MINES LTD., produced 21,836 long tons of blister copper in the September quarter, against 21,836 in the June quarter. Sales of copper from mine production amounted to 12,807 (£4,628) tons. Revenue from sales was £5,230,000 (£7,209,000), operating expenditure £3,549,000, (£3,549,000), provision for replacements £162,000 (£184,000), and estimated profit before taxation £1,925,000 (£3,464,000). In the September quarter last year production was 27,563 tons, sales 18,945 tons, revenue £5,796,000, operating expenditure £3,562,000, replacements, etc., £272,000, and estimated profit before taxation £2,855,000.

CHIBULUMA MINES LTD., produced 4,431 long tons of copper in the September quarter, against 4,136 tons in the June quarter. Sales of copper from mine production were 3,970 (£3,324) tons. Revenue amounted to £1,120,000 (£743,000), operating and administrative expenditure £1,100 (£636,000), difference in the value of stocks £14,000 (less £127,000 more), replacements, loan interest, etc., £153,000, (£17,000), and estimated profit before taxation £438,000 (£287,000).

Pyrochlore in N. Rhodesia

PROMISING DEPOSITS of pyrochlore and boronates are reported to have been discovered about 150 miles east of Lusaka, capital of Northern Rhodesia. According to brief Press messages, the Director of Geological Survey has described one of the deposits as probably the largest ever discovered anywhere.

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Company Reports

Rhodesian Anglo American, Limited

(Incorporated in Northern Rhodesia)

Market Value of Investments Totals £83m.

SIR ERNEST OPPENHEIMER'S REVIEW

THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF RHODESIAN ANGLO AMERICAN LIMITED, will be held in Salisbury, Southern Rhodesia, on Thursday, December 13, 1956.

The following are extracts from the statement by the chairman, SIR ERNEST OPPENHEIMER, which has been circulated with the annual report and accounts for the year ended June 30, 1956.

"Our company is one of the premier investment companies in the Federation. At September 30, 1956, our investments, based on market prices, were valued at £83,000,000. We are therefore not only concerned with the well-being of the companies in which we have investments, but are interested in the affairs and the development of the Federation as a whole.

Mining Development

"In the field of mining, the expense of proving and chopping new mines is very great indeed. At this time, some three months before Bancroft Mines—in which we have a very large stake through Rhokang Corporation—is expected to come into production. I am very conscious of the money and human effort that have been called for. About £18,000,000 will have been spent on the first and second stages by the time the proceeds of the first ton of copper are received.

"It has taken five years to open this mine and it will have to operate for some time before the original investors receive any reward. All investment in developing mines carries the normal risks associated with mining ventures, and those who provide this 'risk money' may justifiably expect a good reward. Bancroft is proceeding with the second stage of development, which will increase its net production to some 5,000 tons by 1960.

"Mining developments already planned in Northern Rhodesia will require the companies to find some £50,000,000 by the end of 1960. Some of this money will probably come from profits, and I am confident that provided the mining industry in Northern Rhodesia is not asked to carry too much of the burden of development outside its own sphere in the Federation, the capital will be obtained.

"The Federal and Territorial Governments are devoting much energy to the provision of services to keep pace with the rapid growth of the country. The securing of capital for these projects has not been easy, but the copper mining companies have been prepared to make notable contributions to the funds required. They have jointly agreed to provide a loan of £20,000,000 over five years for the Kapila project, and essential development and to accept power from Kapila for some years at a price which would enable the undertakers to operate profitably from the start.

"Furthermore, the group of companies has, through Anglo-American Rhodesian Development Corporation, Limited, assisted the railways with the loan of £1,000,000 and has provided £5,000,000 for the purchase of trucks, which it will hire to the railways. No fewer than 1,599 trucks are already in service.

"The decision of the Southern Rhodesian Government to give the Rhodesian Iron and Steel Commission the right to produce its own steel, and a great expansion of the steel industry in the

Federation can be expected. Lancashire Steel and Stewarts and Lloyds and other financial institutions of high standing, including the Anglo-American Corporation, have indicated that they are prepared to make a substantial investment in this essential industry, and we in turn have expressed our willingness to participate.

Investments

"We have made an important investment in Rhodesian Acceptances, Limited, which started business on October 1, 1955. This company, which has the support of one of the most important merchant banking institutions in Britain, has as its main function the financing of transactions of approved industrial and commercial establishments by granting credits and by accepting and discounting first class bills of exchange, including acceptances by commercial banks and other recognized financial institutions. It will finance the export of Rhodesian manufactured goods, the import of goods to the Federation, and the purchase of raw materials for local manufacturers.

"We increased our investment in Wankie Colliery during the year by the purchase of 718,792 shares. This company is now equipped to produce over 5,000,000 tons of coal a year, and could export over 1,000,000 tons a year if railway transport was available.

"We have increased our investments by £1,063,290 during the year, and, to provide for this and strengthen our cash position, we have placed £1,500,000 of the net profit of £7,373,794 to general reserve, which now stands at £3,100,000.

"We have recommended a final dividend of 7s. net, which together with the interim dividend of 2s. makes 9s. net for the year.

"Earlier in this statement I drew attention to the large mining developments that are either in progress or which have been foreshadowed. For these and other enterprises in which we may well wish to participate, substantial funds may at some time be required, and we feel that we should be in a position at relatively short notice to take advantage of new business which we may seek or be offered.

"To allow for some elasticity in this matter and to provide scope for wider investment, we propose that the authorized capital of the company be increased from £6,500,000 to £8,000,000 by the creation of 1,000,000 shares of 10s. each, and you will be asked to approve of this recommendation at the forthcoming annual general meeting.

"I am confident that Rhodesia remains a field for profitable investment and that, although the country will have to tackle the normal problems which rapid expansion creates, the developments that are taking place and those which are planned will increase the capacity of the country to produce export and earn, and that they will result in a more diversified economy which will secure a high standard of living for all its citizens.

Copies of the report and accounts can be obtained from the head office, Tanganyika House, Salisbury, Southern Rhodesia, or from the transfer offices in Johannesburg, Kimberley and London.

Company Report

Rhokana Corporation, Limited

(Incorporated in Northern Rhodesia)

Record Production and Record Profits

SIR ERNEST OPPENHEIMER'S REVIEW

THE THIRTY-FOUR ANNUAL GENERAL MEETING OF RHOKANA CORPORATION, LIMITED, will be held in Salisbury, Southern Rhodesia, on Thursday, December 13.

The following are extracts from the statement by the chairman, SIR ERNEST OPPENHEIMER, which has been circulated with the annual report and accounts for the year ended June 30, 1956:

Record Year

Your company has never had a more profitable year. Record production record prices for copper, and an operating year during which Rhokana was, until the last month of the year, free of industrial troubles, have resulted in record profits and permitted the payment of a record dividend.

“Since the end of the year, however, certain conditions have arisen to emphasize the desirability of maintaining a realistic and prudent policy in regard to reserves and dividends.

The net profit for the year of £15,937,000 included the income from dividends on our investments; and after providing £3,000,000 for capital expenditure, £12,937,000 was available for appropriation. We decided to create a general reserve to ease the burden of our commitments, especially our obligation to subscribe for Federal Government Development Bonds, and an amount of £1,200,000 was therefore transferred to general reserve. This amount included £1,200,000 for the Development Bonds which we subscribed in

We have recommended a final dividend of 55s. net, which, with the 15s. net interim dividend, makes a record total of 70s. net for the year.

It is gratifying to report an increase in the ore reserves at Nkana and Mindola from 100,449,302 short tons to 122,857,200 short tons, which represents a considerable extension to the life of the mine.

African Advancement

“One of the most important factors in the future of the copper mining industry is the agreement reached with our European employees last year in regard to African advancement. Good progress in implementing the agreement has been achieved, and our African employees are beginning to see the practical benefits.

At Nkana 95 Africans had at the beginning of October already been advanced into categories of work previously carried out by Europeans, and 20 into newly-created senior African posts outside the European field. A further 71 Africans are at present undergoing training for various advanced jobs.

Our relations with our European employees have remained excellent throughout the year, and I should like to pay tribute to the patience and self-control which they maintained during the recent series of strikes called by the African Mineworkers' Union.

The Government appointed a commission to enquire fully into the reasons underlying the unrest and we have submitted evidence to the commission.

You will have read in the Press of the Federal Government's decision to proceed with the hydro-electric project in the Kariba Gorge at a total eventual estimated cost of £113,000,000. The four Northern Rhodesian copper-producing companies offered to make

£20,000,000 of the total available to the Federal Government at a rate of 4½% interest, and, in addition, agreed to accept power from Kariba when available at a price which will provide another £10,000,000. The proportion of the £20,000,000 for which your company will be responsible over a period of five years will be in the neighbourhood of £4,250,000.

Included in the total profit is an amount of £5,138,000 derived from your company's considerable shareholdings in Nchanga and Mufulira, both of which companies have had very successful years. Nchanga paid a dividend of 30s. in respect of the year's production, but the benefit of the increased final dividend of 10s. 7½d. paid by Mufulira will not be brought into account until next year.

In addition, your company has a considerable capital investment in Bancroft Mines Limited, where it is confidently expected that production will start at the beginning of next year. Work on increasing the capacity of the plant to produce 85,600 long tons of copper by 1960 has already started, and before very long we can expect an important contribution to our dividend income from this source.

Chibuluma Mines, Limited, in which we also have a large interest, is already in production.

Improved Power Position

The link with the Congo was opened in September and an improvement in the power position was immediately noticeable. The expensive expedients of wood-burning and the import of coal through Lobito can now be dispensed with. It is much to the credit of our friends in the Belgian Congo and the Rhodesia Congo Border Power Corporation that they completed this work several months ahead of the expected date.

It still remains imperative that power from the Kariba project should be available to the copper companies by the middle of 1960, as not only will the increasing requirements of the existing producing companies have to be supplied but the new projects and expansion programmes depend on this power being available.

The companies were recently faced with a steep increase in railage rates, which have been doubled. Although we have had discussions with the railways and have made the strongest possible representations, we have been unable to obtain any important concessions. The new rates will have a significant effect upon the overall cost of marketing Rhodesian copper.

During the year under review the price of copper rose on the London Metal Exchange to a figure well over £400 per ton, but it reacted sharply during the last few months and at the end of June stood at £275. World production of copper is increasing, and there are signs that the unbalanced position in recent years between supply and demand is being adjusted. Within the next few years, however, expansion in the copper-consuming industries and expected growth of copper consumption in the under-developed areas of the world should stimulate further increases in demand, and I am confident that there will be a ready market for the full output from your mine.

Copies of the report and accounts can be obtained from the head office, Kitwe, Northern Rhodesia, or from the transfer offices in Johannesburg and London.

Company Report

Wankie Colliery Company, Limited

Incorporated in Northern Rhodesia

Output Capacity Raised to 5,000,000 Tons

MR. T. COULTER'S REVIEW

THE FOLLOWING EXTRACTS ARE FROM THE STATEMENT BY THE CHAIRMAN, MR. T. COULTER, which has been printed in the annual report and accounts for the year ended August 31, 1956:

Accounts

The profit for the year before taxation amounted to £1,141,647, as compared with £884,012 for 1955, being an improvement of £57,635.

Taxation absorbed £250,000 and a sum of £105,000 was transferred to taxation equalization reserve. An amount of £250,000 was transferred to general reserve, which now stands at £985,000.

The total distribution to shareholders for the year was 1s. per share, and compares with 10d. per share paid last year.

Capital expenditure on fixed assets during the year, less sales, amounted to £1,004,017.

Current assets, (excluding stocks and stores), at £2,610,050, as against current liabilities of £1,968,093, indicate a surplus of £641,957 represented by Federal Government stocks and short-term loans and deposits.

The following tabulation gives a comparison of the sales of coal and coke for the past three years ended August 31:—

	1954	1955	1956
	Tons	Tons	Tons
Coal	2,732,957	3,414,719	3,692,556
Coke	154,617	220,966	242,848

It will be noted that sales of coal increased by only 280,637 tons as compared with the previous year, and this may well be regarded as the big disappointing feature of operations for the past year.

Dispatches of coal are limited by the difficulties which still confront the railways in providing adequate truckage. Advance estimates of railway coal-carrying capacity for the current financial year do not encourage the hope of any appreciable improvement.

Coal Price Agreement

In my review for the previous year it was stated that, in expectation of a further increase in dispatches coupled with improved production efficiency, the average selling price of coal was being reduced by 5d. per ton to 18s. 10d. per ton at the pit-mouth, with effect from November 1, 1955.

Our hopes of a further substantial increase in dispatches were not realized, and it therefore became necessary about the middle of the past year to apply, in terms of the price agreement, for a small upward adjustment in the average selling price. This was agreed by the Government and from March 1, 1956, the average price was increased by 8d. per ton to 19s. 6d. per ton at pit-mouth.

The price to be charged during the current year, with effect from November 1, 1956, has been provisionally agreed at 19s. 6d. per ton at pit-mouth.

Indeed, I feel, take pride in the fact that the great task undertaken by the company in 1955 to increase its colliery capacity to 5,000,000 tons by the end of 1956 has now been completed.

The total proved reserves of workable coal, lying within the limits of the reduced concession and concession areas is of the order of magnitude that will allow the company to produce coal for about 96 years from

present date at the rate of 5,000,000 tons per annum. Boring has proved the existence of over 100 million tons of high grade coal, lying at varying depths up to 150 feet of surface cover, which can be extracted economically by open-cast workings.

There is, however, no question of embarking on open-cast working at the present time, for Wankie is already equipped to produce much more coal than the railway can handle.

Community Development

Our responsibilities to the African section of our employees have been, and still remain, particularly heavy. Three years ago accommodation for Africans, both single and married, was largely obsolete and inadequate. The conditions were such as seriously to jeopardize Wankie's ability to obtain an adequate labour force.

We have worked towards setting these things right on the basis that 25% to 30% of the company's African employees would be provided with married accommodation. To date we have built some 1,420 houses, and approximately 235,000 square feet of other building work have been or will shortly be completed in the African areas.

The new hospital has ensured that the whole community will have the most up-to-date medical facilities at its disposal. We have also placed great emphasis on the development of welfare and recreational activities.


These endeavours have undoubtedly resulted in a healthier, happier and more efficient labour force.

The report and accounts and full statement by the chairman has been circulated to all share and debenture stockholders. Others who are interested may, however, obtain copies from the company's London Office, 40, Holborn Viaduct, London, E.C.1.

Grant To Rhodesia University

THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS, Lord Home, has announced a further allocation of £150,000 from Colonial Development and Welfare Funds to the University College of Rhodesia and Nyasaland. This is supplementary to the £1.25m. made to the college in 1953 towards the estimated capital costs of at least £2m. for its establishment.

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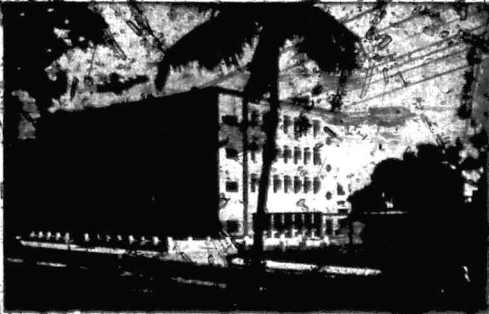


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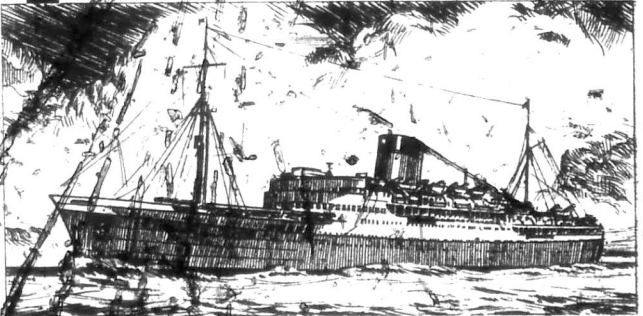
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