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Covering Dates 28th October, 1936 to 5th January, 1937

Reference No. From Central Government Library.

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Date of Reproduction 28th December, 1965.

COLONY AND PROTECTORATE OF KENYA



LEGISLATIVE COUNCIL
DEBATES, 1936

VOLUME II

(Part I)

NAIROBI
PRINTED BY THE GOVERNMENT PRINTER
1937

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List of Members of the Legislative Council

President :

HIS EXCELLENCY THE ACTING GOVERNOR, A. DE V. WADE, Esq.
C.M.G., O.B.E. (1)

Ex-officio Members :

ACTING COLONIAL SECRETARY (HON. H. G. FILLING, C.M.G.) (2).
ATTORNEY GENERAL (HON. W. HARRAGIN, K.C.) (3)
TREASURER (HON. G. WALSH, C.B.E.)
CHIEF NATIVE COMMISSIONER (HON. H. R. MONTGOMERY, C.M.G.)
COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT
(HON. W. M. LOGAN, O.B.E.) (4)
DIRECTOR OF MEDICAL SERVICES (DR. THE HON. A. R. PATERSON)
DIRECTOR OF AGRICULTURE (HON. H. B. WATERS)
DIRECTOR OF EDUCATION (HON. E. G. MORRIS, O.B.E.)
GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS
(HON. A. E. HAMP) (Acting) (5)
DIRECTOR OF PUBLIC WORKS (HON. J. C. STRONACH) (6)
COMMISSIONER OF CUSTOMS (HON. E. G. BALE)

Nominated Official Members :

HON. G. H. C. BOULDERSON (Prov. Commissioner, Coast Province) (7)
MAJOR THE HON. H. H. BRASSEY-EDWARDS (Deputy Director of
Animal Husbandry) (8)
HON. H. M. GARDNER (Conservator of Forests)
HON. E. B. HOSKING, O.B.E. (Commissioner of Mines) (9)
HON. S. H. LA FONTAINE, D.S.O., O.B.E., M.C. (Prov. Commissioner,
Central Province)
HON. S. H. FAZAN, C.B.E. (Prov. Commissioner, Nyanza Province)
HON. G. B. HEBDEN (Postmaster General) (10)
HON. T. D. WALLACE (Solicitor General) (Acting) (11)
HON. C. W. HAYES-SADLER (Deputy Colonial Secretary) (Acting) (12)

European Elected Members :

| | | |
|---|----------|---------------|
| HON. F. A. BEMISTER | .. . . . | Mombasa |
| HON. CONWAY HARVEY | .. . . . | Nyanza |
| HON. A. C. HONY | .. . . . | Usain Gishu |
| LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.O. | .. . . . | Trans Nzoia |
| MAJOR THE HON. O. H. RIDDELL, M.V.O. | .. . . . | Kianbu |
| CAPT. THE HON. H. E. SCHWARTZ | .. . . . | Nairobi South |
| LT.-COL. THE HON. LORD FRANCIS SCOTT, D.S.O. | .. . . . | Rift Valley |
| MAJOR THE HON. SIR R. DE V. SHAW, Bt., M.C. | .. . . . | Ukamba |
| HON. E. H. WRIGHT | .. . . . | Aberdare |
| MAJOR THE HON. E. S. GREGAN, D.S.O. | .. . . . | Coast |
| LT.-COL. THE HON. W. K. TUCKER, C.B.E., T.D. (13) | .. . . . | Nairobi North |
| (Acting) | .. . . . |  |

Indian Elected Members :

HON. ISHER DASS
HON. N. S. MANGAT
HON. J. B. PANDYA
HON. SHAMSUD-DEEN
DR. THE HON. A. O. L. DE SOUSA

Arab Elected Member :

HON. SHERIFF ABDULLA BIN SALIM

LIST OF MEMBERS OF THE LEGISLATIVE COUNCIL—(Contd.)

Nominated Official Members:

Nominated Official Members Representing the Interests of the African Community:

VEN ARCHDEACON THE HON. G. BURNS, O.B.E.
DR. THE HON. C. J. WILSON, M.C.

Nominated Official Member Representing the Interests of the Arab Community:

HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

Clerk to the Legislative Council:
MR. R. W. BAKER-BEALL (Acting)

Reporter:
MR. A. H. EDWARDS

- (1) President of Council, 29th and 30th October; Acting Governor vice Brig.-Gen. Sir J. A. Byrne, G.C.M.G., K.B.E., C.B., on leave pending retirement, 22nd December.
- (2) Vice Mr. Wado.
- (3) President of Council from 4th November to 22nd December.
- (4) On leave from 10th June to 22nd November.
- (5) Vice Brig.-Gen. the Hon. Sir Godfrey D. Rhodes, C.B.E., D.S.O., absent from Colony from 7th December.
- (6) Vice Mr. H. L. Sikes, on leave pending retirement, 20th June.
- (7) On leave from 9th November, 1935 to 5th June, 1936, Mr. M. R. Vidal acting.
- (8) On leave from 15th April to 22nd November, Mr. R. Daubney acting.
- (9) Acting Commissioner for Local Government, Lands and Settlement vice Mr. Logan; Capt. E. St. C. Tisdall, M.C., Acting Commissioner of Mines.
- (10) Mr. G. P. Willoughby acting Postmaster General vice Mr. T. FitzGerald, C.M.G., on leave pending retirement 28th April to 11th June; from 7th to 14th November vice Mr. Hebdan absent from Colony.
- (11) Vice Mr. T. D. H. Bruce, transferred to Gold Coast, 24th October.
- (12) Vice Mr. Pilling.
- (13) Vice Major F. W. Cavendish-Bentinck, absent from Colony, 17th August.

ABSENTEES FROM LEGISLATIVE COUNCIL MEETINGS

- 28th October, 1936:
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 29th October, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 30th October, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 4th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 5th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 6th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 9th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 10th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 12th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. ELECTED MEMBER FOR THE COAST.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 13th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. ELECTED MEMBER FOR THE COAST.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 16th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT.
THE HON. ELECTED MEMBER FOR RIPT VALLEY.
THE HON. ELECTED MEMBER FOR TRANS NZOIA.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.
- 17th November, 1936:
HIS EXCELLENCY THE GOVERNOR.
THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

ABSENTEES FROM LEGISLATIVE COUNCIL
MEETINGS—(Contd.)

18th November, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT,
LANDS AND SETTLEMENT.
CAPT. THE HON. E. G. ST. C. TISDALL, M.C.
THE HON. ELECTED MEMBER FOR UASIN GISHU.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

10th November, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. S. H. LA FONTAINE, D.S.O., O.B.E., M.C.
CAPT. THE HON. E. G. ST. C. TISDALL, M.C.
THE HON. ELECTED MEMBER FOR UASIN GISHU.
THE HON. ELECTED MEMBER FOR ABERDARE.
THE HON. ARAB ELECTED MEMBER.
VEN. ARCHDEACON THE HON. G. BURNS, O.B.E.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

14th December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR UASIN GISHU.
THE HON. ELECTED MEMBER FOR RIFT VALLEY.
THE HON. ELECTED MEMBER FOR UKAMBA.
THE HON. ELECTED MEMBER FOR THE COAST.
THE HON. J. B. PANDYA.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

16th December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

16th December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. ELECTED MEMBER FOR UKAMBA.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

18th December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. H. G. PILLING, C.M.G.
THE HON. ELECTED MEMBER FOR ABERDARE.
THE HON. ELECTED MEMBER FOR THE COAST.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

21st December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. H. G. PILLING, C.M.G.
THE HON. S. H. LA FONTAINE, D.S.O., O.B.E., M.C.
THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR RIFT VALLEY.
THE HON. ELECTED MEMBER FOR UASIN GISHU.
THE HON. ELECTED MEMBER FOR KIAMBU.
THE HON. ELECTED MEMBER FOR UKAMBA.
THE HON. ARAB ELECTED MEMBER.
DR. THE HON. C. J. WILSON, M.C.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

ABSENTEES FROM LEGISLATIVE COUNCIL
MEETINGS—(Contd.)

22nd December, 1936:

HIS EXCELLENCY THE GOVERNOR.
THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR UASIN GISHU.
THE HON. ELECTED MEMBER FOR THE COAST.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

20th December, 1936:

THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

30th December, 1936:

THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

31st December, 1936:

THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR NAIROBI NORTH.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

4th January, 1937:

THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR NAIROBI NORTH.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.

5th January, 1937:

THE HON. G. H. C. BOULDERSON.
THE HON. ELECTED MEMBER FOR NAIROBI NORTH.
THE HON. ELECTED MEMBER FOR UKAMBA.
THE HON. ELECTED MEMBER FOR ABERDARE.
THE HON. ARAB ELECTED MEMBER.
THE HON. SIR ALI BIN SALIM, K.B.E., C.M.G.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

1936

SECOND SESSION

WEDNESDAY, 28th OCTOBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 11 a.m. on Wednesday, 28th October, 1936, His EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYBIUS BYRNE, G.C.M.G., K.B.E., C.B.) presiding.

THE HON. THE COLONIAL SECRETARY: Honourable members, His Excellency has asked me to say he much regrets that bronchitis has so affected his voice that he is quite unable either to read the Prayer or to read his Communication from the Chair, and that he therefore asks the indulgence of the Council in instructing the Clerk to Council to perform these duties for him.

Council was opened with prayer.

The Proclamation summoning the Council was read.

ADMINISTRATION OF OATH.

The Oath was administered to—

Ex Officio Member:

J. C. STRONACH, Esq., Director of Public Works.

Nominated Official Members:

CAPTAIN E. G. ST. C. TISDALL, Acting Commissioner of Mines.
T. D. WALLACE, Esq., Acting Solicitor General.

Acting European Elected Member:

LIEUT.-COL. W. K. TUCKER, C.B.E., T.D., Nairobi North.

INVESTITURE.

By Command of His Majesty the King, His Excellency presented the insignia of a Member of the Most Excellent Order of the British Empire to—

MISS HENRIETTE BAUMANN,

and the insignia of an Honorary Member of the Most Excellent Order of the British Empire to—

JOSE FRANCISCO LEDGERO GRACIAS, Esq.

COMMUNICATION FROM THE CHAIR.

In view of His Excellency's indisposition, by his direction and with the indulgence of the Council, the Clerk to Council read the Communication from the Chair:—

HON. MEMBERS OF COUNCIL,

Five years ago, in my address at the opening of the Budget Session of Council, when we were facing a deficit on 1931 of £150,000 and a further deficit of £110,000 on 1932, I said that we should have to seize every opportunity during the years to follow to lower the overhead charges of this Government to a figure which we could bear with confidence and safety, but at the same time that the framework of the existing essential services must be maintained so that it could be built upon again when times become more normal. The years which followed have been years of almost unremitting anxiety, not only to myself and to the Government, but also to those farmers and others whose efforts to survive the worst economic crisis this Colony has ever seen have won the admiration of us all. The suddenness of the storm and the rapid depletion of the Colony's reserves in face of it have taught us, with a bitter severity, valuable lessons which we should all be slow to forget.

On this occasion some comparisons with the year 1930, which was in some ways a record agricultural year, may help us to recognize that the foundations on which hopes for the future may now be built are sound. During these difficult five years it would not have been surprising if, in face of low prices, locusts and drought, agricultural production had declined. But what are the facts? The position is that a steady expansion of production has been going on, with the result that the Colony is emerging from the depression with a volume of agricultural exports exceeding that of 1930 by a margin, in the case of many commodities, of more than 100 per cent.

The value of our domestic exports was £3,523,000 in 1930 and fell to £1,910,000 in 1934. The domestic exports of Kenya for the first eight months of 1936 are valued at £2,441,000,

and so exceed in value the total of such exports for each of the four complete years 1931 to 1934. As regards comparison with the corresponding period of 1935, the figure reflects an increase of no less than £623,000.

Trade imports, which amounted to £5,300,000 in 1930, and fell to £3,382,000 in 1933, are now back to roughly the 1930 level.

But such bare statements of values do not, of course, indicate the progress of the last few years in terms of volume and variety of production. In the case of some commodities this disparity is particularly striking. For instance, exports of sisal in 1935, although smaller in value, were more than double the 1930 exports in volume. Butter exports have risen from 7,800 cwt. in 1930 to 16,287 cwt. in 1935, although the increase in value is only 12 per cent. 223,000 cwt. of wattle bark exported in 1935 were less in value than 131,000 cwt. exported in 1930. Coffee and hides reflect the same kind of disparity. Sugar exports have increased from 15,000 cwt. to 86,000 cwt., and hides from 46,000 cwt. to 80,684 cwt. Generally speaking, the important agricultural exports of the Colony, with the exception of wheat and maize, show during the last five years not only a substantial but a very remarkable expansion.

This development during a long period of low prices has only been made possible by cutting costs of production to a minimum and by the organization of industries for the benefit of the producer, who is thereby placed in a position to gain the full advantage of upward price movements.

The productive equipment of these industries to-day is sufficient measure of the advance which has been made since 1930 in efficiency and management. The provision of new and up-to-date creameries, cotton ginneries, wattle extract factories and tea factories, reductions in the cost of rail and road transport, the increase and improvement of live stock, and the various technical advances which have been made both in agricultural practice and in research on a great variety of agricultural problems, are all factors of lasting importance to the economic life of the Colony, and should enable the producer to secure the full and richly deserved benefit of the rise in values which he has so long awaited.

Since I last addressed Council in May, there has been further improvement in the markets for most of the products of this Colony. Not only have the better prices for sisal, hides, oilseeds and cotton been maintained, but the cereal situation has been revolutionized as a result of conditions in the United States of America and the Argentine. It is difficult to foresee the effects of the recent European currency agreements, but

there is good reason to regard them as a part of the movement towards a revival of international trade, in which East Africa, relying as it does mainly on the production of food and raw materials, must be in a favourable position to share.

Taking the more important branches of agriculture separately and shortly, I wish first to pay a tribute to the work of the Coffee Board, which has led to a great improvement in the organization of the coffee industry on the marketing side, in addition to helping with research. The Board is working in close co-operation both with the Government and with the Coffee Trade Association in the interests of the industry. For the first time an export of 20,000 tons during the export season July-June has been reached and exceeded. The crop in the coming season will be smaller. Co-operation with neighbouring territories will be assisted by the East African Coffee Producers Committee, the formation of which was decided upon at the Inter-territorial Coffee Conference on the 24th September. Provision is being made in the Estimates for next year for the establishment of a full-time team of research workers on coffee, in accordance with the recommendations made by Mr. Milligan and supported by Sir Alan Pim in his Report.

The maize industry, as you are aware, has received from time to time direct assistance from the Government, including, in respect of the last season's crop, a sum of £12,500 in satisfaction of a Government guarantee on exports, and a reduction in conditioning charges representing a saving of £1,570 to exporters. The immediate situation as regards prices is satisfactory, K2 maize being quoted at 27/3d. per quarter in London as compared with 17/- at this time last year. I understand that the industry is anxious to be in a position to discharge its obligations under the Maize Subsidy Repayment Ordinance, 1931. It is satisfactory to note that in the maize districts of the settled areas the change-over to mixed farming is well under way.

The Maize Control Bill, which was recommended by the Maize Inquiry Committee, has been referred to the Secretary of State. Careful consideration of this scheme for compelling exports disclosed many serious weaknesses. There are, however, arguments on both sides, and opportunity will be given to the advocates of the Bill to remove the defects, if they can.

The tea industry is among those the development of which since 1930 is almost spectacular. In 1930 exports of tea amounted to 1,432 cwt., valued at £8,192; during the first seven months of 1936 the figures were 39,823 cwt., valued at nearly £200,000. The Colony participates, together with the other East African territories, in the international restriction scheme. The Kenya Tea Growers Association works in close

and helpful relations with the Government, and an African Tea Growers Association has now been formed, covering Nyasaland, Tanganyika, Uganda and Kenya.

Sisal growers are making substantial progress under the stimulus of improved prices. The Sisal Industry Committee, appointed in 1934, is engaged, in co-operation with Tanganyika, in important developmental work, both overseas and locally. Overseas, research work is being done on problems of utilization of the fibre, on fundamental investigation of its physical and chemical properties, and on spinning quality.

Locally, funds are being set aside by the Committee with a view to the establishment of a high-level research station in Kenya in addition to the low-level station in Tanganyika.

In native agriculture, the most noticeable development among export crops is the growth of cotton production. In 1930-31 the output was 783 bales. Production for the year ended June last amounted to 15,600 bales, and the estimated production for the present year is nearly 20,000 bales. In the Central Province new ginneries have been or are being established at Sagana, Meru and Kitui. Mr. Milligan, after his recent study of the cotton industry in Kenya, has advised that insufficient attention was being given to investigational work for the industry, with the consequent danger of a serious setback. The Government proposes to provide an additional sum of £1,500 for this work for each of the next few years, and an agricultural officer is being sent to the Empire Cotton Growing Corporation's research station at Barberton in South Africa to study methods of breeding and research.

The organization of marketing and inspection services for native crops is proving a great benefit. The Marketing of Native Produce Ordinance, 1935, was applied to certain districts of the Central Province in June, and in other provinces and districts, although the Ordinance has not yet been applied, considerable improvements have already been made in the system of produce-selling and inspection.

One instance of the value of inspection is the improvement in the quality of wattle bark produced by what is now a well-established industry in the Kikuyu highlands. Exports of wattle extract in 1935 were six times the 1930 exports, apart from the exports of bark, which also showed a 70 per cent increase over the same period. As a result of improvement in quality, the Kenya product now enjoys a well-established market on an equal basis with the product of Natal.

Similarly, as a result of these inspection services, which are provided by the Local Native Councils, beans from the Central Province have secured a good reputation in overseas

markets in a very short time. Exports of native maize of improved quality have already begun.

Much work is also being done in the trial and establishment of drought-resistant food crops, with a view to the prevention of famines.

An urgent problem to which much attention has been given during the past few years, and to which I shall refer later in this address, is that of soil conservation and prevention of erosion. This problem is not confined to the native areas. The Standing Board of Economic Development have this difficult question under consideration at the present time, and I hope that they will be able to make proposals for a long-range and comprehensive policy of conservation. In the meantime, the country is alive to the serious dangers of the situation, and active measures have been and are being taken to deal with it. Various remedies for the evil of overstocking and uncontrolled grazing in certain native areas, and various outlets for surplus native cattle have been sought without success, and I therefore welcome the proposal now put forward by Liebig's (Rhodesia) Ltd. for the establishment of a meat extract factory at Athi River to take a minimum of 30,000 cattle per annum. For the purpose of holding areas which are essential to ensure a continuous supply to the factory, the Government has offered the Company a lease of approximately 10,000 acres of unalienated Crown farms in the Machakos district, and, with the agreement of the Masai authorities, a lease of an equal area of the Masai Reserve in the vicinity of Athi River to provide grazing for susceptible cattle brought to the factory from the Masai, Samburu and northern areas. Representatives of the Company are in the Colony at the present time, and the project is under discussion with them. The prices which it is proposed to pay for cattle are, I feel sure, sufficiently remunerative to ensure that once the initial difficulties have been overcome, the native will readily bring forward his stock to the factory. The operations of such a factory will not only facilitate control of overstocking and to some extent soil erosion, but will also help to stimulate the development of a sound live stock industry in the pastoral native reserves.

This brings me to the question of the dairy and meat industries. Dairying continues to make satisfactory progress, and to attract farmers who have hitherto confined themselves to crop-growing. Prices for butter on the London market have on the whole been more remunerative. Exports of butter are estimated to reach 1,200 tons in 1936, as compared with 800 tons in 1935 and 330 tons in 1930.

The Dairy Industry (Control) Bill has been the subject of a comprehensive and detailed examination by the Standing Board of Economic Development. I understand that as a result of this investigation the Board contemplate recommending a modified scheme. The Board's report on this matter will be published as soon as possible after the Government receives it.

So far as the meat industry is concerned, exports to Italian territory have continued, and since the trade began towards the end of last year nearly nine thousand animals have been shipped from Mombasa. This may not be more than a temporary activity. The Government is fully alive to the importance of a meat export trade to the live stock industry, and tentative discussions have taken place recently with the representative of a company interested in the chilled and frozen meat trade regarding the possibility of developing this class of export from Kenya. I understand that proposals in this connection may be put forward by the company, but I am unable to say anything further at the moment. The project is one for which financial assistance from the Government will probably be requested, and for which some considerable extension of shipping facilities would be required, and some delay is therefore inevitable.

Early this year, a trial consignment of frozen beef was shipped to Palestine, and a report on this experiment will be published shortly. Unfortunately, this shipment arrived at a time when troubles in Palestine led to some dislocation of trade, but there are nevertheless indications that a substantial trade in frozen or chilled beef can be developed in the near East and the Mediterranean.

I am glad to be able to tell you that the Secretary of State has agreed to the adoption of a settlement scheme for the benefit of Indian Army war block officers who may desire to settle in Kenya. Briefly, this scheme provides for the allotment of smallholdings of five to thirty acres in suitable areas near Nairobi, Thomson's Falls, Kitale and elsewhere where the amenities offered are likely to prove attractive to retired officers of the Indian Army. It is proposed to offer free grants, subject to nominal rentals and to specific development and occupation conditions. Army Headquarters in India were informed at the end of July of the adoption of this scheme, and they have undertaken to pass the information on to all war block officers who have retired or who are likely to retire within the next few years. It is proposed that the closing date for applications under this scheme should be the 31st December, 1936.

As regards the Farmers Assistance Ordinance, which was passed in June, the requisite machinery was set up with the least possible delay and is available to those farmers who elect to take advantage of it. I understand that although the number of applications to the Conciliation Board is not large, voluntary adjustments of interest charges and outstandings are by no means inconsiderable. I take this opportunity of thanking the members of the Conciliation Board and the Local Committees for the services and generous help which they give as members of these bodies without remuneration.

As regards the Land Bank, the increased maxima of advances are now operative, and loans on the extended basis are being negotiated, the necessary additional capital having been provided under the Specific Loan Ordinance, 1936, by an issue at par of £375,000 3 per cent Inscribed Stock, which was offered for subscription in August. The loan is repayable at par in 1961, with the option of redemption on or after the 1st October, 1956. Of the total sum of £375,000, £200,000 was offered for subscription in Kenya, and both the local and London issues were over-subscribed. The success of the Kenya offer is particularly gratifying, for it marks the confidence of the local investing public in the future of the Colony, and also reduces the cost to Government of the issue and of remittances to meet loan charges. The Land Bank and the Nairobi Municipality, on whose behalf the bulk of this money has been honoured, are indeed fortunate in obtaining funds on such advantageous terms.

Before leaving agriculture, I should like to refer to the question of the development of irrigation, in which we are backward in this Colony. An irrigation project for a part of the Kamasia Reserve has been prepared with the help of a free grant of £1,000 from the Colonial Development Fund. The scheme is designed to enable the Kamasia and Njempes to grow food crops and thus to reduce the need for famine relief.

It would also form an excellent training ground in methods of irrigation which can, if required, be applied to other areas where irrigation is feasible. The survey has now been completed, and the scheme is under consideration. The proper use and development of the Colony's water resources in relation to land conservation measures and the distribution of population are a part of the wider question of policy which the Standing Board of Economic Development are considering. In this connection, an application has recently been made for a grant of £42,000 from the Colonial Development Fund for the provision, improvement and investigation of water supplies in certain native areas.

Had the country been compelled to rely solely on agriculture during this critical period, our difficulties would have been enormously increased. But the goldmining industry has become established and is making an important contribution to the wealth of the Colony. The figures of output of gold are striking. In 1930, £7,000; in 1934, £83,000; in 1935, £163,000; and for 1936 the estimated output is about £250,000. About £850,000 was spent by the industry in the Colony last year, and some 450 Europeans, 100 Asians and 12,000 Africans were given employment. The industry is still largely in the development stage, and is passing through a difficult financial phase, but the prospects are on the whole increasingly favourable, particularly in Area 2. Geological surveys of Area 1, which is shortly to be opened to prospecting, and of a part of Area 2, have recently been published. Both Government Geologists are still engaged in the survey of Area 2, and their advice is at the disposal of the small workers and others in that area.

Prospects of non-metallic minerals, such as mica and asbestos, are also being opened up between Nairobi and the Coast.

In addition to retarding land alienation in general, a result of the prolonged period of financial depression, drought and past locust infestations has been the great difficulty experienced by farmers in meeting their rental obligations. Special concessions have been made to the Laikipia and North Nyeri pastoral farmers, and relief by way of a reduction of rent for a period of five years is now being given in respect of the pastoral areas of the Machakos district. Further proposals to ease the difficulties of farmers in Sotik are, I understand, under consideration by the Advisory Land Board.

Good progress continues to be made in carrying out the majority of the recommendations of the Kenya Land Commission. The addition of 21,000 acres to the Kikuyu Native Reserve is practically complete, and most of the blocks are now occupied by the natives concerned. The demolition of Pangani Village in Nairobi has begun, and will proceed as rapidly as alternative accommodation can be prepared with the co-operation of the Municipal Council. Arrangements for the removal of the natives occupying Tigonj are in train, and it is expected that the move will be made early next year.

Many of the Commission's proposals cannot, of course, be given legal effect pending the enactment of the new Native Lands Trust Ordinance, a draft of which has been submitted to the Secretary of State. The European Elected Members of Council, as the accredited representatives of the Highlands, have been consulted in regard to all modifications which have had to be made as a result of further investigation in the

recommendations affecting the Highlands, and I wish to place on record the Government's appreciation of the very reasonable and helpful attitude taken by them towards these questions.

Those parts of the machinery of Government which run more smoothly and quietly than others are apt sometimes to escape public comment. But any review of the administration of the Colony's affairs during the last five years would be incomplete without some reference to the advance made in Local Government since 1929, when the present system was introduced. The steady and progressive work of the local authorities should not go unrecognized, and the Government has good reason to appreciate the keenness and efficiency with which these young bodies have tackled their duties. Important municipal projects in Nairobi include the new water supply scheme at present under construction at an estimated cost of £112,000, and sewerage works costing some £30,000. The extension of the District Council system to North Nyeri, Laikipia and Machakos has been contemplated recently, but agreement has not yet been reached. A classification of the district roads in District Council areas is at present being undertaken with a view to the redistribution on a more equitable basis of the basic road grants payable to Councils, taking into account such factors as the importance and cost of maintenance of the roads concerned.

Honourable members will recollect that a Report entitled "Colonial Loan Expenditure on Buildings, Water Supplies and Roads during the period 1925-34" was laid on the table of Council last May. Of the many works constructed from loan funds the extensions to the Mombasa Water Supply and the new Law Court building in Nairobi are the largest. The Mombasa Water Supply is now capable of supplying 2,000,000 gallons of water a day, and the sale of water to shipping has increased considerably during the present year.

It is the Government's policy to employ on public works, wherever possible, apprentices of the Native Industrial Training Depot. During the course of the loan programme many buildings have been constructed by these apprentices, including the extensions to the Mathari Mental Hospital, where the standard of workmanship has been high.

Work on the construction of the Boarding Block of the Girls Secondary School in Nairobi is well in hand, and this should be ready next April.

There are, unfortunately, other buildings which have earned the name of public scandals. Preliminary drawings have now been prepared for the Grouped Hospital in Nairobi after a special study of recent South African advances in hospital design by a medical officer and the Government Architect,

who visited the Union for this purpose. A schedule of other requirements, including the provision of a Grouped Hospital for Mombasa, with provisional estimates of cost, has been made out and these proposals will be placed before the Loan Works (Buildings) Committee in due course.

Transport is one of the questions which you will probably be called upon to consider in the near future. The Report of the Transport Co-Ordination Committee was widely circulated throughout the Colony early in August in order that opportunity should be given to public bodies and others interested to acquaint Sir Osborne Mance with their views on the Committee's proposals. Sir Osborne Mance has completed his survey of the transport question as it affects the three territories of Kenya, Tanganyika and Uganda, and his report will be addressed to the East African Transport Policy Board. The cost of his investigations is being met partly from a free grant of £1,500 from the Colonial Development Fund and partly by the three territories concerned and the Kenya and Uganda Railway. Co-ordination of transport in these countries means not only the co-ordination of the various forms of transport but the correlation of the transport systems on an East African rather than a territorial basis. The importance of the wider view was brought home to those who attended the recent Transportation Conference in Johannesburg.

The most important work of improvement being carried out in road communications is the construction of roads serving the mining and tea areas. The survey for the Kericho-Jamji-Chemagel-Lolgorien route is being made and the Kisiani-Asembo Bay Port road will be finished by the end of this year. Earthwork is being done on the road from Kisumu to Kakamega. On the Lumbwa-Kericho road all the new bridges have been completed, and the work of formation and surfacing is proceeding at each end. Coast communications are the subject of a special report which is to be considered by the Central Roads and Traffic Board. Under the Ferries Ordinance, which was passed at the last Session, tenders have been invited for the operation of the Likoni and Mtongwa ferries at Mombasa under agreement with the Government from the 1st December next. The draft of the agreement has been considered and approved by the Central Roads and Traffic Board.

The general improvement in the trade position, to which I have already referred, is, of course, also reflected in the working results and the finances of the Railways and Harbours Administration.

As an indication, not only of the quantity of the traffic offering, but also of the greater speed with which it has been handled, I am in a position to state that between January 1st

and July 31st the tonnage dealt with by the Railway was 565,350 tons, as compared with 506,975 tons for the same period last year.

So far as exports alone are concerned, the tonnage passing through the Port for the first half of the year was 362,667 tons; or 63,682 tons greater than the tonnage for the similar period in 1935. Import tonnages have also strikingly increased.

Honourable members will share my gratification with the recuperative powers which this Colony shares with Uganda, which these figures indicate.

As a result of this increase in work done, and in consequence of the careful watch being maintained on all expenditure, the financial position of the Transport Administration has shown steady improvement.

In May last, when reviewing in this Council the financial results of working the Transport Services, I stated that the latest returns this year showed the progress achieved in 1935 was being maintained and was well over the estimates.

That position, as I have already shown, has been fully maintained and, for the period January to August, as a result of the increased traffic, Railway earnings show an increase over the estimate of over £289,000 and the Port over £114,000. Honourable members will agree with me that these figures are extremely satisfactory.

With the re-establishment of the financial position of the Services and the building up of adequate reserves, the Management have been able to recommend to the Railway Advisory Council and the Harbour Advisory Board rate reductions of considerable magnitude. It will be remembered that reductions totalling £180,000 per annum were approved in December last and a further £50,000 in August last when the rate on petrol was reduced from Class 4 to Class 5.

In view of the very satisfactory prospects for future years, the Management and the Railway Advisory Council are now investigating the possibility of granting further substantial reductions at the end of the present year.

This position and prospect affords me, personally, particular pleasure because, when I came to this Colony in 1931, the situation was extremely gloomy. The result of working in 1930, for both Railways and Harbours was, as you know, a deficit of £83,210. This practically eliminated our very small reserves. Nor was this the worst because, by the end of 1932, the accumulated deficit stood at £550,783. Drastic economies and reorganizations had, however, been introduced early in 1931 and as soon as the turn of the tide took place, the situation

at once improved, with the result that, at the end of 1935, the General Reserve showed a credit of £345,870 which will, of course, be further strengthened as a result of the present year's working.

The Administration, therefore, is now in the happy position of being able to devote all its attention to providing improved services, where justified, and to reducing rates wherever this can be done prudently without unduly jeopardizing the future.

One of the outstanding features in the improvement of overseas communications is the adaptation of the radio to the transmission of the human voice. The Kenya-Great Britain Radio Service was inaugurated in April. The service has since been extended to include all telephone exchanges connected to the Kenya trunk system, and has also been made available to the continents of Europe and America. Locally, telephone trunk lines have been developed or established in the last few years between Nairobi and Nakuru, Mombasa, Dar es Salaam and Eldoret. Work is now in hand to connect Kisumu, Kiari and Kakamega to the trunk system. It is proposed to effect a reduction in inter-state telegraph rates from Sh. 1/50 to Sh. 1 for ten words, and also to reduce internal postal rates from 20 cents for the first ounce and 15 cents for the second ounce to 15 and 10 cents respectively for letters and from 15 to 10 cents for postcards. It is intended that, subject to the consideration of the 1937 Estimates by the Standing Finance Committee, these lower rates should be introduced on the 1st January next. The reductions involve the loss of revenue to this Government of £5,560, as compared with 1937 revenue estimated on the basis of the present rates.

Two important Reports will be laid on the table of Council this Session. One is the Report of the Commission appointed, under the chairmanship of Mr. Justice Webb, to inquire into allegations of abuse and hardships in the collection of Non-Native Poll Tax and Native Hut and Poll Tax. It is gratifying to note that, although there are many irregularities, abuses in the collection of the native tax are not as common or as serious as had been alleged. The other Report is a Report by the Treasurer and the Chief Native Commissioner on Native Taxation.

At the beginning of this year a system of collection of native hut and poll tax by means of stamps was instituted so as to help natives to accumulate their taxes and to make it easier for them to produce the full amount when the collector came round. Although this system has only been working for nine months, the response has been extremely good, and out of a total of 1,390,000 stamps issued, 927,000 were sold by the end of August. Sales have been made in every district of the Colony. It is confidently expected that increased advantage

will be taken of this system, which is designed not only to assist the native taxpayer but also to ensure a steady flow of revenue to the Government.

As regards the Colony's financial position, it is estimated that the surplus on the present year's working will amount to £87,500 and that the excess of assets over liabilities will thus be £346,381 at the close of this year, as compared with £258,881 at the 31st December, 1935. Of these balances a sum of approximately £217,00 is, as you are aware, to some extent immobilized in agricultural advances and loans to agricultural industries, and there is much leeway to be made up.

The long-awaited Report of Sir Alan Pim will undoubtedly occupy much of our time and thought during this Session. I should like at the start to correct one or two erroneous impressions which, somehow or other, have gained currency.

I refer, in the first place, to the suggestion that there has been deliberate delay in publishing the Report. It is true that the Report was not published until September and also that copies were not available to the general public in this Colony until October, although the Report itself bears the date 25th May. But I am authoritatively informed that the maps were not completed and passed by Sir Alan himself until the 1st August; they had then to be printed for inclusion in the Report, which was not completed by the printers in England until towards the end of that month. I have, moreover, the best of authority for saying that there is no shadow of truth in the suggestion that Sir Alan was influenced in any of his recommendations by pressure from the Colonial Office. I understand that after his return to London from Kenya, he studiously avoided contact with Downing Street, except for the necessary purpose of checking a few facts and references. The Report is Sir Alan Pim's alone, and no one else's.

Another erroneous impression is connected with paragraph 100 of the Report, wherein is mentioned the Secretary of State's recent decision on all the more important proposals affecting the terms of service of the Administrative Service. I have heard it stated that Sir Alan was *debarred* from recommending any revision of this decision. This is not so; he was at liberty to make such recommendations as he thought fit and in fact, in paragraph 102, he has given his considered opinion that for more normal times the existing scale is not too high for the Administrative Service, and in paragraph 93 he points out that it has been the practice in Kenya to co-ordinate departmental salaries with those of the Administration.

The circumstances in which Sir Alan was chosen at the instance of the unofficial representatives to examine and report on our financial position are within your recollection. The

choice was, I submit, amply justified for we could not have obtained, for a detailed examination of this nature, a more wise, a more painstaking or a more unbiassed investigator. The Colony's thanks are due to him for this admirable Report.

I do not at this stage intend to touch on the Report in any detail. Practically all the economies recommended will take time to implement. Such recommendations as are possible of immediate application we have endeavoured to incorporate in the Budget and we have in addition informed the Colonial Office that the five Cadets allotted to us in 1937 would not now be required. It is also the intention of Government to engage, as opportunities occur by reason of vacancies in the Administrative Staff, Local Civil Service officers for duty as Tax Officers in certain districts.

In this connection it may interest you to learn that I have been in touch with the Secretary of State who informs me that, subject to the Treasury views in regard to the proposal to borrow money for revenue purposes and to the recommendations in regard to the Railway debt, he is of opinion that Sir Alan's recommendations are generally acceptable and ought to be adopted as a whole. He adds, however, that this opinion is necessarily based on information at present available to him and is subject to such reconsiderations as discussions in this Council and further examination may indicate to be necessary. He desires me to state that he has no wish to fetter discussion, and that the fact that he is inclined at the moment to accept the Report as a whole will in no way prejudice his careful consideration of any criticism raised during these deliberations.

That, if I may say so, is precisely the attitude which I myself had already adopted. The main principles outlined in the Report, both as regards expenditure and taxation, appear to Government, as at present advised, to be incontestably sound. But before committing ourselves to definite acceptance of Sir Alan Pim's detailed recommendations, we should naturally wish to take the opportunity which this Session of Council affords, to hear the views and note the criticism which will no doubt be put forward by the representatives of the various communities in the country. I have no hesitation in giving the assurance that such criticism, provided that it is constructive, will be welcomed by Government, whose constant endeavour it will be to secure the widest possible measure of agreement before giving effect to the changes recommended in Sir Alan Pim's Report.

Council's first duty at this Session is to consider the Budget for the ensuing year; and, in accordance with precedent, the detailed examination of the Estimates of Revenue and Expenditure for 1937 will be entrusted to the Standing Finance

Committee. From the forecast which has already been published in the Gazette, the available data indicate that, in spite of the improved condition of industry and trade, it will not be possible to balance the Budget and ensure that financial stability which is the first requisite to further progress and development without the introduction of an Income Tax on the lines proposed by Sir Alan Pin, or some other and probably less acceptable method of increasing direct taxation. There are certain increases in expenditure which cannot be avoided; and it must not be overlooked that if the re-adjustment of native taxation to which Sir Alan attaches such importance is implemented, this must entail a reduction in the receipts from this source. It will be the duty of Standing Finance Committee, after examination of all the available data, to advise Council whether they are satisfied with the soundness of Government's view; and not until they have reported, and their Report has been debated in Council, will the Bills, which have already been published, be formally introduced. The next stage, if our usual practice in this Council is to be followed, will be that the Bills themselves if introduced will, after second reading be referred to Select Committee; and here again the fullest opportunity will be given for such suggestions as may contribute to increasing the efficiency of these measures and eliminating causes of avoidable hardship.

I trust that I have said enough to make it clear that nothing is further from Government's intention than to force these changes into law, intolerant of criticism and impatient of delay. It is my earnest hope that, with the exercise of mutual reasonableness and understanding, my advisers in this Council, both unofficial and official, will succeed in arriving at conclusions of lasting benefit to the Colony at large.

I must now turn to a subject with which almost every Government in the Empire is at the present time deeply concerned. It is a matter which must receive our sustained attention, and which cannot be left to chance or good luck. I refer to defence.

Obviously we, with our limited means, cannot achieve the impossible, but we are in honour bound to bear our share, and we must try not to thrust the burden on to the shoulders of the hard-pressed British taxpayer more than is absolutely necessary. We are not asked to contribute one penny to the maintenance of the Fleet or towards the Imperial land and air forces which all stand behind us, and when contemplating our expenditure on Defence Services let us remember that Great Britain is being compelled to spend on these services about a hundred and ninety million pounds or over £4 per head of the total population of the United Kingdom. Furthermore, in addition to having loaned during the past year to this Colony

and the neighbouring territories the very costly equipments necessary for the establishment of coast defences, to which I will refer again, I am happy to be able to announce this morning that—

"His Majesty's Government have decided that the Royal Air Force Unit now at Nairobi will be permanently retained there and that it shall be raised to the strength of a complete Squadron as soon as circumstances permit."

I must emphasize these considerations and it is only right that I should warn you that there are considerable commitments ahead of us, especially those connected with re-arming the King's African Rifles and the Kenya Police. When you are considering the Budget I hope you will bear these in mind.

I am glad to be able to say that during the past twelve months much progress has been made in the direction of putting our local forces into order. The work of establishing shore gun defences at Mombasa has been almost completed and a Coast Defence Unit has been raised and stationed there. The Unit is mainly a regular unit of the King's African Rifles, and I am sure that it will, if called upon, give a good account of itself and that it will maintain in all respect the high traditions of the regiment.

The Royal Naval Volunteer Reserve, on which rests the responsibility for the naval side of the defence of our vitally important harbour, has made excellent progress, and His Excellency the Naval Commander-in-Chief of the East Indies Station in his Inspection Report of July last stated:—

"I consider that the unit has attained a most satisfactory standard of training, considering the short time that recruiting has been open to native ratings."

All praise is due to Lieutenant-Commander Noad who has been largely responsible for raising the nucleus European unit and carrying out the scheme of expansion to include non-European personnel. As Executive Engineer in the Public Works Department, he has had less leisure than most, and practically all such hours he has devoted to the Reserve throughout the four years of his command.

I need hardly remind honourable members that the defence of the East African seaboard against external aggression is a matter which concerns territories other than our own, and the services to which I have referred have been planned in consultation with the neighbouring Governments. Kenya is not being asked to bear more than her fair share of the cost.

But it is not sufficient only to have in the Colony regular units of Infantry and Police, coast defence units and a squadron of the Royal Air Force: we must see that the man-power of

the Colony is trained to act effectively should an emergency arise. Two Bills dealing, as a beginning, with the European man-power will be laid before you during the Session. The Colony is indeed indebted to Colonel Campbell and his colleagues for their admirable report on which these Bills are based. With the help and goodwill of the European community, I foresee before long a Kenya Regiment and an Auxiliary Force of which the Colony may well be proud.

The position on our northern frontier remains satisfactory but, although the relationship with our neighbours continues to be friendly, it has to be constantly and anxiously watched. Our chief concern is to see that territorial boundaries are respected and that the interests of our border tribes are safeguarded.

We are fortunate in having in charge Mr. Glenday, an officer possessing exceptional knowledge of the frontier and its tribes. He has had a most anxious time during the past twelve months and he has successfully and tactfully overcome difficulties which might easily have become incidents. Mr. Glenday has received most loyal and efficient support from the administrative staff and from all ranks of the military and Police forces stationed on the frontier.

I have left to this late stage the two important services of education and public health.

In education, the progress of the last five years is being maintained. During this period the numbers of children in Government schools have increased by 9 per cent in the case of Europeans, 50 per cent in the case of Indians and Goans, and 80 per cent in the case of Arabs and Africans. During these years attendances in aided and non-aided schools for Europeans and Indians have increased by over a hundred per cent and a hundred and forty-five per cent respectively. In spite of this great increase in the number of pupils, Government educational expenditure has fallen from £190,000 in 1930 to £172,000 in 1935.

Progress in African education in schools has been greatly assisted not only by the co-operation of the Missions but also by the grants made by Local Native Council towards the cost of elementary education. A scheme for the reorganization of teacher training for Africans which has been strongly supported by Sir Alan Pim will be submitted to Council in connection with the draft Estimates for next year, in which provision for it has been made at an estimated cost of £3,758.

The curricula in all schools are being carefully examined with a view to keeping our educational system on the most modern lines. While literary achievement must not be neglected, the chief aim must be to train the children to be worthy,

in character and accomplishment, of their great heritage as citizens of the Colony.

The close co-ordination which has been achieved between the educational, agricultural and medical services in the last few years results from the recognition of the essential unity of the problems with which we are faced in the African Colony in regard to native development. "Reading and writing do not matter until the material basis of living has been assured." Those are not my words, but the words of Sir Daniel Hall, speaking recently not to an agricultural audience but at the London School of Hygiene and Tropical Medicine.

In considering medical services let us not deny to the following facts their proper value—that, during these five years, in spite of economies in expenditure which included a reduction in the number of medical officers from 72 to 48, the increasing demand for medical treatment has necessitated a great and general expansion of these services; that the number of patients treated annually by the Medical Department has risen from about 800,000 in 1931 to about 1,400,000 in 1935; that in 1935 over 6,000 operations were performed in native hospitals; that the number of native maternity cases conducted in Government Hospitals, apart from the Lady Grigg maternity centres, rose by over 300 per cent; and that a good start has been made in the medical and health training of Africans.

Nor let us underestimate the importance of the fact that campaigns for the prevention of disease, such as anti-plague measures in the Central Province and the reclamation of tsetse-infested areas on the shores of Lake Victoria, are now being carried out in a radical and permanent fashion with the willing co-operation and support of the natives themselves. To the cost of the sleeping sickness work, both human and veterinary, which is being met partly from the Colonial Development Fund, the South Kavirondo Local Native Council is contributing £1,200 in 1936. New prospects are opened up by this change of outlook towards preventive measures.

In the field of research valuable additions have been made to knowledge, not only of disease, but also of the physical and mental structure of human life in this Colony. In the work done by Dr. Gordon on the African mind, in the conclusions reached by Dr. Gilks and Dr. Orr on the subject of nutrition, and in the medical surveys of rural populations such as the Masai and the Digo we recognize the inter-relation of public health with agriculture and education in the work which is being done to improve conditions of life for the African.

The purpose of such research is to enable the Government to exercise a direct and wise leadership in this work of improvement, for it is from the African himself that the demand is

coming, and it is the task of Government officers in the Reserves to guide this advance and to maintain touch with it at all points. The African himself, properly trained and given a practical education—for instance, the Jeanes teacher—sets an example which his own community are quick to follow. The duty of the Government, once the social conscience is awakened, is not so much to stimulate us to lead.

Here I should like to say that, while the magnitude and importance of this task is often temporarily obscured, you, honourable members, both official and unofficial, have never failed during my term of office to support as generously as possible proposals for native services which have been placed before you. Some misunderstandings die hard, but if any misconception remains as to the attitude of elected members toward such proposals and of the communities which they represent, the sooner it is removed, the better.

As I have said, the scope of the advance is wide. It includes improvements in the prison system, such as the employment of practically all prisoners in the larger centres on productive hard labour, which increases the deterrent effect of imprisonment; arrangements which are being made for the after-care of discharged prisoners; and the institution of approved schools run on Dorstal lines. Further reorganization is contemplated on the lines submitted to Sir Alan Pim and recommended by him.

But the various stages of development, whether in the form of social services provided by the Government, or in the form of voluntary improvements introduced by the native himself in his standards of living, must of course follow and not precede the means to pay for them. This material basis of living is provided by the land.

The essentials of the new system include the replacement of shifting cultivation by a fixed agriculture which will maintain continuous production from a smaller area, leading to a more balanced dietary; the prevention of soil erosion; and the reconditioning of the eroded lands. Much is now being done to make the first of these essentials acceptable to African opinion, but it must be remembered that such acceptance involves nothing less than a revolution in native agricultural economy. Smallholdings organized within the native system of land tenure, of a size to provide a reasonable return to the native and his family, and run on up to date rotational lines, provide the method by which the progressive cultivator can go forward himself and at the same time demonstrate to others the proper use of the land. As regards soil erosion, the reconditioning work which was started in Kamajia about four years ago shows excellent results. Large areas which were

completely bare are now under grass and will be strictly controlled. The advantages of rotational grazing are being stressed in all pastoral areas, and in all native reserves the question of soil erosion is receiving special attention. A good start has been made on a long-range campaign in the Machakos area. The whole question of erosion is, as I have said, at present before the Standing Board of Economic Development.

The point which I have been trying to make is that these five years of financial difficulty have been, in the native areas, years of movement; movement not only towards a more stable prosperity but also, in the main, towards the strengthening of a new and hopeful and trustful outlook on the part of the native himself, which is the indispensable condition for his future progress. We have been anxious to teach. He is now anxious to learn and to put to full practical use the allied services of agriculture, education and public health which the Government and his own Councils can provide.

It would have been easy during this time to make too heavy sacrifices in the cause of economy. Economy is always necessary, but never an end in itself. What has been done is to fit constructive thought and endeavour into a strong, practical framework, having as a background the dual necessity, as I quoted at the beginning of my address, of reducing overhead expenditure to a figure which we could bear with confidence and safety and at the same time of maintaining essential services on a basis upon which we could build when more normal times returned.

Before I conclude, let me refer with deep regret to the death of Mr. J. H. Gitsham, one of our official reporters, on the 29th August. I should like to express Council's sincere sympathy with the widow in her great loss.

Honourable members, in now opening this session of Council, I most earnestly trust that, with the help of Almighty God, its deliberations may tend to the further peace, prosperity and welfare of Kenya.

MINUTES.

The minutes of the meeting of the 17th June, 1936, were confirmed.

PAPERS LAID.

The following papers were laid on the table:—

By THE HON. THE COLONIAL SECRETARY:

Draft Estimates of the Revenue and Expenditure for the year 1937.

Memorandum on the Draft Estimates of Expenditure for the year 1937.

Report of the Commission appointed to Inquire into and Report on the Financial Position and System of Taxation of Kenya.

Report of the Committee appointed by His Excellency the Governor on the 4th April, 1936, to consider suggestions for the Reorganization of the Defence Forces of the Colony.

Report of the Commission appointed to Inquire into and Report upon allegations of Abuse and Hardships in the Collection of Non-native Graduated Poll Tax and of Native Hut and Poll Tax.

Schedule of Additional Provision No. 2 of 1936.

Judicial Department Annual Report, 1935.

Registrar General's Annual Report, 1935.

Game Department Annual Report, 1935.

Kenya Police Annual Report, 1935.

Printing and Stationery Department Annual Report, 1935.

Report on the Audit of Accounts, K.U.R. Branch Office, 1935, and copy of Despatch No. 76 of 1936 thereon by the High Commissioner for Transport to the Secretary of State.

H.M. Eastern African Dependencies Trade and Information Office, London, Annual Report, 1935.

By THE HON. THE TREASURER :
Financial Report and Statement, 1935.

Report on Native Taxation.

By THE HON. THE CHIEF NATIVE COMMISSIONER :
Annual Report on Native Affairs, 1935.

Summaries of Local Native Fund Accounts, 1935.

By THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT :

Annual Report of the Commissioner for Local Government, Lands and Settlement, 1935.

Returns of Land Grants under the Crown Lands Ordinance, April to June, and July to September, 1936.

By THE HON. THE DIRECTOR OF MEDICAL SERVICES :
Medical Department Annual Report, 1935, including the Medical Research Laboratory Annual Report, 1935.

By THE HON. THE DIRECTOR OF AGRICULTURE :
Department of Agriculture Annual Report, 1935, Vol. I.

By THE HON. THE DIRECTOR OF EDUCATION :
Education Department Annual Report, 1935.

By THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS :
Supplementary Estimates, K.U.R. & H., 1935.
First Supplementary Estimates, K.U.R. & H., 1936.

By THE HON. THE DIRECTOR OF PUBLIC WORKS :
Public Works Department Annual Report, 1935.

By THE HON. H. M. GARDNER :
Forest Department Annual Report, 1935.

By THE HON. G. B. HEDDEN :
Abridged Annual Report of the Posts and Telegraphs Department, 1935.

By CAPT. THE HON. E. G. ST. C. TISDALL :
Mining and Geological Department Annual Report, 1935.
Geological Survey of No. 2 Mining Area, Kavirondo.

BILLS.

FIRST READINGS.

On the motion of the Hon. the Attorney General, seconded by the Hon. the Treasurer, the following Bills were read a first time :—

The Foreign Judgments (Reciprocal Enforcement) (Amendment) Bill.

The Police (Amendment) Bill.

The Registration of Domestic Servants (Amendment) Bill.

The 1935 Supplementary Appropriation Bill.

The Hedden Pension Bill.

The Alteration of Time Bill.

The Nursing Sisters (Retiring Allowances) (Amendment) Bill.

The Juveniles (Amendment) Bill.
 The European Officers' Pensions (Amendment) Bill.
 The Non-European Officers' Pensions (Amendment) Bill.
 The Local Government (Municipalities) (Amendment) Bill.
 The Savings Bank Bill.
 The Evidence Act (Amendment) Bill.
 The Penal Code (Amendment) Bill.
 The United Kingdom Designs (Protection) Bill.

Notice was given to move the second readings at a later stage of the session.

Council adjourned till 10 a.m. on Thursday,
 29th October, 1936.

THURSDAY, 29th OCTOBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 29th October, 1936, THE HON. THE COLONIAL SECRETARY (A. DE V. WADE, ESQUIRE, C.M.G., O.B.E.) presiding.

The President opened the Council with prayer.

THE PRESIDENT: Hon. members will be glad to know that His Excellency the Governor's health is somewhat better, but as he has not yet recovered the use of his voice he has asked me to preside over Council in his stead.

MINUTES.

The minutes of the meeting of the 28th October, 1936, were confirmed.

PAPERS LAID.

The following papers were laid on the table:—

BY THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS:

Estimates of the Revenue and Expenditure of the Kenya and Uganda Railways and Harbours for 1937.

BY CAPT. THE HON. E. G. ST. C. TISDALL:

Geological Survey of Kenya: Preliminary Report on the Geology of the No. 1 Area, North and Central Kavirondo.

NOTICE OF MOTION.

Notice of the following motion was given:—

BY THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS:

"That the Estimates of the Revenue and Expenditure of the Kenya and Uganda Railways and Harbours for 1937 be approved."

ORAL ANSWERS TO QUESTIONS.

ARAB EDUCATION.

No. 36.—THE HON. F. A. BEMISTER asked:—

"Reference page 71, Education Department Annual Report, 1935, under the heading 'Arab Schools,' the number of pupils attending the Sir Ali bin Salim School at

Malindi is given as 83. Will the hon. the Director of Education please give the following particulars:—

1. Number of secular students?
2. Number of religious students?
3. Cost of secular education?
4. Cost of religious teaching? "

THE HON. THE DIRECTOR OF EDUCATION: 1. Number of pupils above Koran classes: 44.

2. Number of pupils in Koran classes: 39.

3. The total expenditure at the school in 1935, excluding Koran teachers' salaries, was £610-2-20.

4. The total amount of salaries paid to Koran teachers was £93.

GOVERNMENT AFRICAN SCHOOL, WAA.

No. 37.—THE HON. F. A. BEMISTER asked:—

1. What was the total expenditure on technical or vocational education for Coast natives from 1930 to 1935 inclusive? Please give figures for each year, including buildings and maintenance.

2. What was the average annual number of pupils being educated?

3. How many boys were passed out as qualified—

- (a) Gardeners,
- (b) Carpenters,
- (c) Masons,
- (d) Blacksmiths,
- (e) General handymen?

4. Is any record available as to where or how these boys are now employed? "

THE HON. THE DIRECTOR OF EDUCATION: It is assumed that the question refers to expenditure at the Government African School, Waa.

1. The expenditure was as under:—

| | |
|-------|---------------|
| 1930— | Not available |
| 1931— | £3,748-13-42 |
| 1932— | £2,526-15-65 |
| 1933— | £2,916-17-16 |
| 1934— | £1,934-18-19 |
| 1935— | £1,558-18-50 |

2. The average number of pupils was:—

| | |
|-------|-----|
| 1931— | 170 |
| 1931— | 174 |
| 1933— | 138 |
| 1934— | 120 |
| 1935— | 80. |

3. Between the years 1930 and 1935 the number of pupils partially trained at Waa who proceeded to the N.I.T.D. to complete their training was:—

Carpenters, 24; painters, 2; masons, 58; tailors, 1.

The number of pupils who completed their training at Waa was 13—8 masons, 3 carpenters, 2 tailors.

4. No records are available.

PENSIONS AND KENYA INCOME TAX.

No. 39.—MAJOR THE HON. E. S. GHOGAN asked:—

" Arising out of the answers to Questions Nos. 34 and 30, wherein the hon. Treasurer alleged that pensions payable to retired civil servants resident in England, as distinct from retired civil servants resident in India, are London sterling contracts free of exchange, does it not follow that the said pensions, if the allegation is correct, would be immune to a Kenya income tax? "

THE HON. THE ATTORNEY GENERAL: The attention of the hon. member is invited to the provisions of section 5 (c) of a Bill to Impose a Tax upon Incomes and to Regulate the Collection thereof.

PIM REPORT.

No. 41.—CAPT. THE HON. H. E. SCHWARTZ asked:—

" 1. Is the Report of Sir Alan Pim as published identical to the original report as furnished to the Secretary of State?

2. If not, what portions of the original report have been suppressed and for what reason? "

THE HON. THE DEPUTY COLONIAL SECRETARY: 1. The Right Hon. the Secretary of State for the Colonies has authorized His Excellency to cause the hon. Member for Nairobi South to be informed that no alterations were made in the report as furnished by Sir Alan Pim, and that no passages have been suppressed or omitted.

2. The second part of the question does not therefore arise.

TREATY OF ZANZIBAR.

No. 43.—THE HON. F. A. BEMISTER asked :—

"Whether or no the Treaty of Zanzibar, granting a Protectorate to Great Britain over the Sultan's possessions in British East Africa, secures to His Highness the power of veto over all appointments or dismissals of Arab officials in the said Protectorate?"

THE HON. THE ATTORNEY GENERAL: The answer to this question is in the negative.

CAWTHORN REPORT.

No. 44.—DR. THE HON. A. C. L. DE SOUSA asked :—

1. Will Government state the cost to the Colony of Major W. J. Cawthorn's visit during 1935?

2. To whom did Major Cawthorn report?

3. What amount was contributed by the Kenya Government towards the printing of the Cawthorn Report?

4. Will Government state the reason why members of this honourable house were not supplied with copies of the report?

5. Will Government give an assurance that in future all reports involving public expenditure will be laid on the table of this honourable house and also circulated to its members?"

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: 1. The only expense incurred by this Government on Major Cawthorn's visit was on account of travelling costs. These amounted to Sh. 2,371/52.

2. Major Cawthorn reported to Army Headquarters in India.

3. This Government did not contribute towards the cost of printing the report.

4. Only six copies of the report were sent to this Government, and as only a limited number of copies was printed for the private and personal information of war block and retired officers of the Indian Army no further copies were available for issue.

5. The present practice, in the case of reports published by this Government, is in accordance with what I understand to be the intention of the hon. member's request.

MENTAL DEFECTIVES AT LARGO IN MOMBASA.

No. 45.—THE HON. J. B. PANDYA asked :—

"Has the attention of Government been drawn to the fact that there are very many mental defectives wandering about at large in Mombasa, and that one of them very recently savagely attacked an Indian child at the Convent School and killed him?"

As such mental defectives are likely to prove dangerous, will Government take immediate steps to keep them in restraint?"

THE HON. THE DIRECTOR OF MEDICAL SERVICES: Government has no reason to believe that there very many mental defectives wandering about at large in Mombasa.

2. During the twelve months ending 30th September the authorities at Mombasa have taken action under the Indian Lunatic Asylums Act in 33 cases in which persons who were apparently either mentally deficient or mentally disordered were found wandering at large on the Island; of that total, there were five cases only in which the individuals concerned were, after medical observation and examination, certified to be lunatics and detained as such.

3. The Jajno native responsible for the death of the Indian child referred to has since been certified as insane. This native so far as is known had given no indication of mental disorder even to his close associates until a day or so before the murder in question.

4. The authorities in Mombasa are continuing to take steps to control the movement at large of persons apparently suffering from mental deficiency or mental disorder, as elsewhere in the Colony, and it is not considered that there are any grounds for anxiety on the part of the public.

CAPT. THE HON. H. E. SCHWARTZ: Arising out of that answer, Sir, I would ask the hon. member if he is a believer in sea level and sanity? (Laughter.)

THE HON. SHAMSUD-DEEN: Also arising out of that answer, Sir, does the hon. member know that there are a certain number of lunatics wandering the streets of Nairobi? (Laughter.)

EXCHANGE RATES ON GOVERNMENT REMITTANCES.

No. 46.—MAJOR THE HON. E. S. GROGAN asked :—

"Arising out of the hon. Treasurer's reply to Question No. 30, wherein he stated (1) that London payments in respect of pensions, gratuities and leave pay are made

free of exchange, and (2) that Government remittances to the Crown Agents are effected through the agency of the Government Bankers, will he state—

(i) Whether such remittances via the Government Bankers are effected free of exchange?

(ii) On what grounds such payments are made free of exchange in view of the Secretary of State's instructions in his despatch dated the 20th February, 1924, that such payments are to be converted at the current rate of exchange in the country of payment? "

THE HON. THE TREASURER: The answer to the first part of the question is in the negative. The cost of remittance of Government funds is charged to Head XX, sub-head 27, of the Estimates.

As regards the second part of the question, under the Kenya and Uganda (Currency) Order in Council, 1921, the rate of exchange is twenty British East Africa shillings to the pound sterling, and payment is made accordingly.

MAJOR THE HON. E. S. GHOOGAN: Arising out of that answer, Sir, are we to understand that the domicile of the contract is in Kenya and not in London?

THE HON. THE TREASURER: I shall require notice of that question.

PROSECUTION OF S. D. WATCHAM.

No. 46.—**LT.-COL. THE HON. LORD FRANCIS SCOTT** asked:—

"Are the following facts in connection with the recent prosecution of S. D. Watcham, of Nakuru, correct?"

1. Did the investigations of the police officer show that Watcham was, at the time he fired the gun, being threatened by the native with a heavy *rungu* and that the native was running at him?

2. Was this fact deposited to not only by Watcham but by the only two native eye-witnesses available?

3. Was Watcham arrested and charged under section 217 of the Penal Code (unlawfully wounding; maximum sentence, 3 years)?

4. Subsequently, was the charge altered by the Resident Magistrate, Nakuru, to a charge under section 211 of the Penal Code (doing an act to cause grievous bodily harm; maximum imprisonment, imprisonment for life)?

5. Was the application by the police to alter the charge as above stated made on the instructions of the Commissioner of Police?

6. If so, why were such instructions given?

7. Were not the police, from the commencement of the investigations, aware that the doctor had stated that the native's wounds were in no way serious or dangerous?

8. Did the police ask that Watcham's bail should be increased from a bond of Sh. 500 to a cash bail of Sh. 1,000?

9. If so, why?

10. Did Watcham spend 18 days in Nakuru Prison prior to his trial owing to the bail being increased as above?

11. Was Watcham eventually acquitted?

12. In view of the foregoing, is Government satisfied that Watcham has been treated in a proper or reasonable manner?

13. If not, what steps do Government propose to take—

(a) to compensate S. D. Watcham?

(b) with regard to those persons who were responsible for the treatment accorded to him?"

THE HON. THE ATTORNEY GENERAL: 1. The police investigation disclosed that the native was in possession of a *rungu*, but that he was turning away when shot by Watcham at a distance of not less than 25 yards.

2. The facts stated in the answer to Question No. 1 were deposited to by the only two native eye-witnesses and corroborated in part by the medical evidence.

3. The answer to this question is in the affirmative.

4. The answer to this question is in the affirmative.

5. The answer to this question is in the affirmative.

6. These instructions were given as, in the view of the Commissioner of Police, the facts warranted such an alteration.

7. The doctor who examined the native's wounds was not of the opinion that they were of themselves dangerous to life provided that septicæmia did not set in.

8. Watcham was released on a bond of Sh. 500; whilst on bail, he wrote the following letter:—

"Inspector Brown, Thomson's Falls: Dear Sir,— This is to inform you that I have reconsidered and do not wish to give security to appear anywhere in any case you may have against me. Please cancel the bond I and Mr. P. E. Watcham signed yesterday. I will give my reasons to the Magistrate when you bring me before him for this

action. I am not appearing at the Falls next or any Wednesday.—Yours faithfully, S. D. Watcham. (P.S.—Please acknowledge receipt of this letter.—(Ind.) S.D.W.).”

9. In consequence of this letter Watcham was re-arrested and his bail increased.

10. Watcham was admitted to Nakuru Prison on the 25th April and released on the 11th of May. The reason for his remaining in prison on remand can be found in the letter above quoted.

11. The answer to this question is in the affirmative.

12. The answer to this question is in the affirmative.

13. In view of the answer to Question No. 12, no answer would appear to be necessary to Question No. 13.

KINGOMI-KISUMU ROAD FACILITIES.

No. 40.—THE HON. CONWAY HARVEY asked:—

“What steps are being taken to provide reasonable road facilities between Kibigori and Kisumu?”

THE HON. THE DIRECTOR OF PUBLIC WORKS: Proposals regarding the realignment of this section are before the Central Roads and Traffic Board, and will be considered at the next meeting of the Board.

THE HON. CONWAY HARVEY: May we know, Sir, approximately when the next meeting of the Board will be held in view of the urgency of this matter?

THE PRESIDENT: Perhaps I had better answer that question, as I am chairman of the Central Roads and Traffic Board. A meeting will be held in the very near future, as soon as we can get a date convenient to members of the Board.

MOTIONS.

SCHEDULES OF ADDITIONAL PROVISION.

THE HON. H. G. PULLING: Sir, I beg to move the motion standing in my name:—

“That Schedules of Additional Provision Nos. 5 of 1935 and 2 of 1936 be referred to the Standing Finance Committee.”

Schedule of Additional Provision No. 5 of 1935 makes provision for additional expenditure of £34,813. Of this sum, £6,423 is covered by savings which have been specifically earmarked, leaving net additional expenditure of £28,390. The

main items of this expenditure are explained in the printed memorandum. This schedule was formally laid on the 17th June last.

As regards Schedule of Additional Provision No. 2 of 1936, provision is made for additional expenditure amounting to £37,412. Of this sum, £1,496 is covered by savings which have been specifically earmarked. The balance of £35,916 is a charge against the revenue of the Colony. As explained in the memorandum, the sum of approximately £12,128 is recoverable in the form of reimbursements, special grants, etc., and £23,680 by increased consequential revenue. The net additional expenditure amounts therefore to £21,108 only. The details of this expenditure are fully covered by explanations in the Schedule.

THE HON. THE TREASURER seconded.

The question was put and carried.

COL. T. O. FITZGERALD, O.B.E., M.C.: SPECIAL GRATUITY.

THE HON. THE TREASURER: Sir, I beg to move:—

“That this Council approves the payment of a special gratuity of £92-7-11 to Colonel T. O. Fitzgerald, O.B.E., M.C., upon his retirement from the post of Staff Officer, Kenya Defence Force, consequent upon the reorganization of his Department, the amount representing an award based on the mean rate of emoluments drawn by Col. Fitzgerald during his tenure of office.”

The facts in connection with this motion are briefly as follows:

Col. Fitzgerald was employed as Staff Officer, Kenya Defence Force, for a period of eight years. During the first six years he enjoyed emoluments reaching £805 per annum, but in the last two years they were reduced to £400 a year. Under the governing Ordinance, gratuities must be computed on final emoluments, which in normal circumstances are the highest emoluments earned by the particular officer. On this basis the amount of gratuity would be £61-6-10. It was considered reasonable, however, in the peculiar circumstances, that Col. Fitzgerald should be allowed to draw a gratuity computed on the mean emoluments enjoyed by him during his occupation of this post. The Secretary of State's authority to adopt this course has been received, and as it is extra-statutory the covering approval of this Council is required.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

R. M. DOUGLAS : PENSION.

THE HON. THE TREASURER : Sir, I beg to move :—

"That this Council approves the payment of an un-reduced pension of £474-10-3 a year to Mr. R. M. Douglas, who is retiring from the service of this Colony with effect from the 12th December, 1936, in lieu of a reduced pension at the rate of £355-17-8 a year together with a gratuity of £1,186-5-7."

Mr. Douglas entered the Imperial Service as a temporary sorting clerk in December, 1907. He occupied various posts in the postal service, having over twenty years in Kenya, and he retires with the rank of senior postmaster with effect from the 11th December of this year. He originally opted to receive a reduced pension and gratuity, and he now wishes to revoke that option. This motion is similar to many others passed by this Council recently.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

E. A. SHELVER : PENSION.

THE HON. THE TREASURER : Sir, I beg to move :—

"That this Council approves the payment of an un-reduced pension at the rate of £408-7-6 a year to Mr. E. A. Shelver, who retired from the service of this Colony with effect from the 30th August, 1930, inclusive, in lieu of a reduced pension of £306-5-7 a year together with a gratuity of £1,020-18-10."

This motion is similar in character to the last one. Mr. Shelver entered the Customs Service of Kenya and Uganda in 1916 and retired as Collector of Customs on the 29th August of the present year. He also, in the first place, elected to receive a reduced pension and gratuity, and now wishes to revoke that option.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

MRS. K. D. SHASTRI : SPECIAL GRATUITY.

THE HON. THE TREASURER : Sir, I beg to move :—

"That this Council approves the payment of a special gratuity of Sh. 932/63 to Mrs. K. D. Shastri, who is retiring from Government service consequent upon re-organization of the Department, after twelve years' service

as a 4th Grade Education Officer, being the amount of gratuity which would have been payable to her had the post she occupied been a non-pensionable one."

This motion is almost precisely similar to one passed by this Council during last session. The Pensions Ordinance provides for the payment of gratuities to officers occupying non-pensionable posts and pensions to officers occupying pensionable posts, provided they have been confirmed in their appointments. In this particular case, Mrs. Shastri occupied a pensionable post, but by reason of the fact that she was a married woman she was not confirmed in her appointment. As a consequence of departmental reorganization she has now retired, and it seems reasonable that she should be put on the same footing as if she had occupied a non-pensionable post and therefore be entitled to receive a gratuity.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

B. F. LOPES : PENSION AND GRATUITY.

THE HON. THE TREASURER : Sir, I beg to move :—

"That this Council approves the payment to Mr. B. F. Lopes upon his retirement with effect from the 22nd October, 1936, inclusive, of a pension at the rate of Sh. 20/80 a year together with a gratuity of Sh. 60/60, this award being in respect of temporary service on the military establishment during the period from the 1st April, 1915, to the 30th June, 1915."

A motion in somewhat similar circumstances was approved by this Council in June, 1934. The facts are, briefly, as follows :

For a short period during the war this officer was engaged in a temporary clerical capacity in the East African Pay Corps. He was then transferred to the Administration, also in a clerical capacity, without any break in his service. Under the Pensions Regulations applicable to him prior to the enactment of the Non-European Officers' Pensions Ordinance, 1932, such military service would be allowed to count towards pension, but under the Ordinance now governing the grant of pensions the inclusion of military service is not permissible, and the relative award, although approved in principle, is extra-statutory and is only granted with the approval of this Council.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

EXCLUSIVE TRADING LICENCE: WITHDRAWN.

THE HON. THE DIRECTOR OF AGRICULTURE: Sir, I beg leave to withdraw the motion standing in my name:—

“That this Council, in accordance with the provisions of section 5 (1) of the Marketing of Native Produce Ordinance, 1935, approves the granting by His Excellency the Governor in Council of an exclusive trading licence for the purchase of tobacco leaf in the area known as Rugati Valley in the South Nyeri District.”

THE PRESIDENT: The motion is withdrawn.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Sir, on a point of order, surely it must be with the leave of the Council?

THE PRESIDENT: It does not have to have the approval of the House unless the motion has been seconded.

THE HON. THE ATTORNEY GENERAL: I think it does, Sir.

THE PRESIDENT: I thought there was no question before the House as the motion had not even been seconded.

THE HON. THE ATTORNEY GENERAL: In point of fact, if hon. members raised an objection, it might be that the motion would have to be moved.

THE PRESIDENT: Does the Council approve of the withdrawal of the motion?

The motion was by leave withdrawn.

SUPPLEMENTARY ESTIMATES, 1935, KENYA AND UGANDA
RAILWAYS AND HARBOURS.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Sir, I beg to move:—

“That the Supplementary Estimates of Revenue and Expenditure of the Kenya and Uganda Railways and Harbours for the year 1935 be approved.”

At the outset, I think that perhaps I ought to explain why there are two lots of Supplementary Estimates on the Order Paper to-day.

In the past it has been our practice to submit Supplementary Estimates after the close of the year to which they refer, and after the accounts have actually been finally made up, so that the figures given in those estimates do not, as a rule, appear before this Council until well on in the year following that to which they refer. That means delay in the statutory authority for the expenditure; and also it means that when we come to consider the Estimates for the coming year this Council is not in full possession of all the facts and the position of the Railway Administration as members should be.

The next motion deals with the First Supplementary Estimates for 1936, and they will bring up to date and make quite clear the present financial position of the Railway Administration and will enable this Council to appreciate more fully perhaps the Estimates for 1937 when they come before the Council.

I would like to say, Sir, in connection with these Supplementary Estimates, that I do not propose to speak in any way on the question of policy. That is a question which I propose to deal with quite fully when moving the resolution for the adoption of the 1937 Estimates. I think that will save the time of the Council and avoid unnecessary repetition.

With regard to the Supplementary Estimates for 1935, I do not think I need add anything to what I have included in the memorandum to the estimates, wherein hon. members will find an explanation of the position. In addition, of course, the working of the services for 1935 has been very fully explained in my Annual Report issued some months ago. I will therefore content myself with moving this motion, but if any questions are asked I shall do my best to answer them.

THE HON. THE TREASURER seconded.

MAJOR THE HON. E. S. GROGAN: I wish to take advantage of this occasion, Sir, to refer to a statement made during the debate on the Ferries Bill last session, in the course of which I suggested that the Railway had devoured the corpus of the ferries. My hon. and gallant friend took an opportunity outside the Council to provide me with certain data which satisfied me that I had made an incorrect assertion or suggestion, and I should like to take this opportunity of expressing to my hon. and gallant friend my regret that on that occasion I over-estimated his omnivorous proclivities!

THE HON. J. B. PANDYA: Sir, the only point I should like to raise is in connection with the writing-off of dead assets worth £40,000. This appears in these Supplementary Estimates, a procedure I believe wrong in principle, and I consider it to be an undesirable policy on the part of the Railway Administration to adopt. It would convey to me that the value of the assets was not correctly represented in the first instance. Such writing off should be estimated as nearly as possible at the time of the annual estimates, and because profits are large the opportunity should not be taken to write off dead assets in Supplementary Estimates.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Sir, I would like to express my

appreciation to the hon. Member for the Coast for what he said in connection with the figures I was able to place before him.

Regarding the point raised by the hon. member Mr. Pandya, this is a question which does not arise perhaps until the working during the year brings to light the fact that certain assets no longer exist or should be written off. We had a token figure of £1,000 in the original Estimates, but during the year we found that quite a number of additional assets either no longer existed or should be written off. That writing off was done with the full authority of the Railway Advisory Council and the High Commissioner, and it has therefore to be incorporated in the Supplementary Estimates.

The question was put and carried.

FIRST SUPPLEMENTARY ESTIMATES, 1936, KENYA AND UGANDA RAILWAYS AND HARBOURS.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Sir, I beg to move:—

“That the First Supplementary Estimates of Revenue and Expenditure of the Kenya and Uganda Railways and Harbours for the year 1936 be approved.”

As I have just explained, this is a new departure, which I hope will meet with the approval of the Council. The need for these Supplementary Estimates is, of course, due to the fact that the traffic we are handling this year is very much greater than we anticipated when our original Estimates were prepared. In fact, on a ton mileage basis, the increase in traffic is no less than 40 per cent—rather more than 40 per cent. We did not expect anything like that increase when the original Estimates were prepared. The revised figures in these Supplementary Estimates are consequential upon that increase in traffic, and I may say that, of course, we are all very pleased indeed to find the traffic has increased to this extent, and I am, further, particularly pleased to find that we have been able to deal with that traffic without any congestion or difficulty of any sort. We have, I think, been able to maintain our services throughout the year without any difficulty whatsoever.

I have given a fairly full explanation of the details of the various figures in the memorandum to the estimates, and I do not propose at this stage therefore to add to what I have already written. But if any hon. members require any further information I shall be glad to give it if it is within my power to do so.

THE HON. THE TREASURER seconded.

The question was put and carried.

KENYA LOAN REALLOCATION.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Sir, I beg to move:—

“Be it resolved, that this Council approves the transfer of a sum of £26,000 from Item 6A, Kenya 1930 £3,400,000 Loan, Branch Lines, to Item 7b, Port Improvements.”

This is a reallocation which is, I believe, legally within the power of the Governor in Council to approve, but it is the practice to move such resolutions in this Council prior to the former approval.

This reallocation is required, I may say, to finance the purchase of the Shimanzi property of the Magadi Soda Co. at the Port of Kilindini. The additional sums required are available under other heads, but this particular transfer is required to enable us to find the full amount required.

THE HON. THE TREASURER seconded.

The question was put and carried.

BILLS.

SECOND READINGS.

THE FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Foreign Judgments (Reciprocal Enforcement) Bill.

Were it not for the fact that this is the first Bill of the session, I would have thought it quite sufficient to read the very lengthy heading which appears at the top of the Bill. Members would then have known all about it! For there is very little else in it, except that it is something new in this Colony, and has, therefore, to go formally through this House, although, strictly speaking, it is a legal matter entirely.

The Bill follows very closely the English Act of 1933 which was brought in as a result of a report from a very representative committee which sat in 1932. It is in model form, and you will find it introduced in due course, I should imagine, throughout the whole of the Empire.

Shortly, Sir, it says in effect this: That where reciprocal arrangements have been made with a foreign country the judgment of the superior court of that foreign country can, under certain circumstances set out in this Bill, be registered in this country, unless, of course, there is any question as to what is a “superior court”, because it is not defined. I may

point out that that point was raised by various Attorneys General in different parts of the Empire, and the answer is that it is impossible to put in a comprehensive definition. Therefore you will find in each case that in the proclamation declaring the reciprocal arrangement with a foreign country the specific courts which will be recognized as superior courts will be set out.

It does not mean that each and every judgment will be registered here because of the reciprocity under this Bill. For, instance, no judgment relating to immovable property will be capable of being registered, nor with regard to taxes or fines, and, of course, that is equally true in the reciprocating country. If someone were to owe a Government tax here and was able to slip over to a reciprocating country, we should not be able to chase him over to that country. Also, of course, it does not refer to any judgments which existed before the coming into force of this Ordinance.

Clause 4 sets out in some detail how a creditor may register a foreign judgment when he has complied with what I have already very briefly referred to in clause 3. It also provides that the judgment shall not be registered unless he can satisfy the court that the judgment has not yet been satisfied, and, further—and this is very interesting—that it cannot be satisfied in the jurisdiction of the original court. When it has been registered it becomes to all intents and purposes a judgment of the Kenya court, and execution and other remedies may be followed in the usual way. However, we do lay down that no execution shall be made until the time during which it is permitted for the setting aside of that judgment under the Ordinance has expired. A foreign judgment cannot be registered here and execution taken out five minutes later.

There is a small point, with regard to the rate of exchange. There might be some difficulty in deciding exactly how much money under a foreign judgment might be due in sterling here. It is therefore laid down in the Bill that the rate of exchange shall be the rate of exchange on the date on which the original judgment was given, which can easily be discovered from any bank.

Clause 5 sets out that the usual rules you expect to find under an Ordinance may be made, and clause 6 sets out the cases in which registered judgments may be set aside. It is unnecessary to go through them, but, to take an example, in the event of irregularities or fraud in connection with the judgment, application can be made to the court to set the judgment aside. It goes on to deal with the various presumptions as to the jurisdiction of the original court, which, of course, is very necessary, because you could not have a court

here sitting in judgment as to whether a particular court in some foreign country had jurisdiction or not. This sets out a few presumptions. As one example: an applicant is not allowed to come and say, "I objected to that particular court," if he submitted to its jurisdiction by appearance.

Sub-clause (3) deals with the presumption as to the lack of jurisdiction.

Clause 7 deals with the procedure to be adopted by anyone who wishes to set aside a judgment once registered, and clause 8 is merely formal, dealing with registration which will not be enforceable. Clause 9 is interesting, and a surprising section, because it gives the Governor power to extend this Ordinance not only to foreign countries but also, if necessary—which I do not suppose will be often—to any part of His Majesty's dominions. We already have a Judgments Extension Ordinance, Chapter 16 of the Revised Edition of the Laws, by which judgments can be extended to His Majesty's dominions outside the United Kingdom. Presumably, the object of putting this clause in the Bill under review is that if courts find the procedure outlined in this much more recent enactment more convenient they can suggest it to the Governor, who, in due course, will be able to apply this Ordinance, together with the existing Ordinance which appears on the Statute Book to-day.

Turning to Part II of the Bill, this is miscellaneous, and deals with such things as that foreign judgments must be regarded as final. If you are going to allow a defendant here to start arguing the case all over again, it will be quite impossible to carry out the object of the Ordinance. It is therefore laid down that presuming the judgment to have been given in proper form it shall be deemed for all purposes to be final.

Clause 11 deals with the Governor's power to declare that, where we do not receive equal reciprocal arrangements in other foreign countries, where he is satisfied, in other words, that the terms of the contract are not being carried out, the terms of this Ordinance shall not apply to that particular country.

Clause 12 merely deals with the formal certificates which have to be given after the judgment is registered.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE POLICE (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Police (Amendment) Bill.

This is a very short Bill, which I am moving at the request of the Supreme Court. The Supreme Court have so often complained that, under existing arrangements in this Colony, they are often completely in the dark as to whether a convicted person before them has in fact been convicted before or not. Under the present Ordinance, as you all know, a police officer may take finger prints, subject to the proviso that they shall be destroyed if the case against the person is not successful, of a person arrested and accused of a crime. But, as you also know, police officers do not exist everywhere, namely in the native reserves. Therefore all this Bill does is to permit finger prints to be taken not only by police officers but also by magistrates and justices of the peace. Those finger prints will be sent to the Finger Print Bureau, and when afterwards a man is charged before the Supreme Court a complete record will be before the court when the time comes to sentence him. There is the usual proviso for the destruction of the finger prints if the accused person is discharged.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

REGISTRATION OF DOMESTIC SERVANTS (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Registration of Domestic Servants (Amendment) Bill.

This Bill has been recommended to Government by the Labour Department, and contains many very necessary clauses which have been omitted from the existing Ordinance.

The first clause of interest is clause 2, by which an addition to the present section 4 makes it an offence for a person to seek employment in a registration district unless he is in possession of a pocket register. At present, I am given to understand, particularly from the ladies of this country, boys are going about without registers applying for jobs, and after they have been taken on they are found to be old scoundrels who would never have obtained a pocket register. This makes it an offence for a boy without his pocket register to apply for employment in a registration area.

Clause 3 amends section 14 of the Ordinance for quite a different reason. As you know, at present it is incumbent on all of us, when a boy is discharged or leaves, that we shall—and that is the word, "shall", which I wish to emphasize—write him a character. That, as you know and have probably realized—I certainly have—is often a very difficult thing to do.

I will give two examples. In the first case, a boy whom you are quite certain has been stealing, but who you have never actually caught; so you decide to get rid of him. It is extremely difficult to write in that pocket register, "I am discharging the boy because I think he is a thief." It is not only a difficult thing, but, I suggest, it would be a very wrong thing, because if you have not actually caught him he may well be innocent. That is the first example. The second is, employers, not quite of the class I was referring to, but those who are annoyed with a boy because he insists on leaving, who, because boys will not stay, have deliberately written down a bad character in his book.

All this clause does is to insert the very important words in section 14 which say that an employer may make an entry in the pocket register if he so desires. That is all. If he so desires he may make a correct entry, but it will be entirely at the option of an employer whether he chooses to give a boy a character or not.

Clause 4 says that if a boy's registration has been cancelled he must not, on any account, apply for work, and the remaining sections have been put in entirely on my own; they deal with verbal omissions in the existing Ordinance. There is, for example, the verbal omission of the words "on conviction". You will see an example if you look on the opposite page to clause 5, which amends section 18 (1), in the last line but one, where it says "shall be liable to a fine". It clearly means "on conviction". All the remaining clauses do is to insert those words in the relevant places.

THE HON. T. D. WALLACE seconded.

THE HON. CONWAY HARVEY: Sir, although some of them are not by any means enthusiastic about the provisions of the principal Ordinance, all the European elected members approve of the majority of the modifications suggested by the hon. and learned mover in this Bill, with, Sir, one exception. We are all quite unanimously in opposition to the suggestion contained in clause 2. Perhaps I ought to say that I feel that I am to some extent usurping the prerogative of those hon. gentlemen more specifically endowed with the responsibility for the representation of native interests, but 38 years' continuous residence among the natives of Africa has developed a sense of very deep and definite interest in their welfare and some slight knowledge of their views and aspirations!

Clause 2 seeks to amend the principal Ordinance by the addition of a sub-section (3) in these terms:

"(3) No person shall seek or accept employment in any registration district unless and until he has been registered by the Registrar in accordance with the provisions of this section, and unless he is in possession of a valid pocket register issued under sub-section (2) of this section."

I suggest, with very great respect, that Government have been very badly advised in this matter, obviously by doubtless very worthy, genuine individuals with an imperfect knowledge of the facts as they exist, more particularly in the rural areas, which I do claim to know something about. Surely it is absolutely wrong from every point of view to penalize an enterprising native who wishes to go away from his father's village and seek employment to earn money with which to pay taxes, buy Bibles, and other literature, and generally to improve his social status? In registration districts, let me say, it is the commonest possible practice for a *toto* or a young man to be a *shika kamba* one day and a kitchen *toto* the next day, and I suggest that it is utterly unreasonable to put that *toto* and his employer in the position of having to conform to all the complicated rules and regulations laid down under the principal Ordinance which even I at this stage quite fail to understand. What does that *toto* or any ordinary native know of registration or a pocket register? He has never heard of either.

To come more specifically to the real intention of clause 2, it makes it an offence for a native from an unregistered area who may walk 100 yards to the next door farm just across the border, it makes it an offence for that unfortunate native to seek employment which, I suggest, is most unjust, unreasonable, and contrary to an intelligent policy. There is one more argument. I believe I am right in saying that under the principle Ordinance it is already incumbent on the employer to see that any native he takes into employment is provided with all the paraphernalia and papers and things necessary to conform to the provisions of this extremely irritating measure. Sir Alan Pim, on page 248 of his Report—and I am quite sure that Sir Alan Pim's words of wisdom will figure very prominently in our *Hansard* during the next month or two, so that perhaps I shall not be out of order in making a quotation now to set the ball rolling!—expresses the opinion—and Sir Alan Pim is a very wise man, quite unprejudiced and unbiassed—that—

"the system of registration of domestic servants is more questionable."

But, Sir, not only that, but the value of this particular service generally has been challenged after very close investigation by at least two committees which have sat recently,

the Expenditure Advisory Committee of 1933 and the Select Committee on Economy of 1935. Both recommended the complete abolition of the principal Ordinance. It seems to me, however, that under pressure from a very small but very vocal and persuasive minority Government has been induced against its better judgment not only to continue what is generally believed to be an undesirable system but, to add to its inequities, make it very much worse by introducing clause 2 of this amending Bill. I am reassured to some extent by the lukewarm and half-hearted manner in which the hon. and learned sponsor of this Bill put up the case for its acceptance, and reassured to some extent by his statement that a select committee will have an opportunity of still further elaborating the arguments I have very briefly mentioned.

Under these circumstances, Sir, the European elected members will not oppose the second reading of this Bill.

CAPT. THE HON. H. E. SCHWARTZ: My reasons, Sir, for intervening in this debate are two. First of all, because I am one of the members of a constituency which is perhaps more vitally affected than any other in connection with this measure. Secondly, because, although it may long ago have been forgotten or is not known to the majority of members present, I was really responsible for the introduction of the original measure which the hon. Member for Nyanza does not seem to like but which I believe most people will agree has been a tremendous success in its application throughout the country—(Mr. Harvey: In Nairobi)—where it has been applied.

As the hon. member has said, we are all strongly opposed to clause 2 of the Bill, and I am going to ask Government not to attempt to force it through. The hon. Member Mr. Harvey has already given, very clearly I think, succinct argument showing how unfairly it would affect the ignorant native coming out of the reserve or crossing the boundary from an unregistered area to a registered district. Moreover, there is no necessity whatever for this clause.

This Bill was originally introduced in order that those parts of the Colony which wished to have it applied to them should have protection, that they should be able to say there is a scheme in force whereby natives can be registered and have pocket registers; they are not therefore compelled to accept as servants any boys who have not got a pocket register. That protection has been given to them. What more is wanted? If a boy now comes and asks for work in Nairobi, we'll say, the employer says, "Where is your pocket register?" If the boy says he has not got one, the employer will either say he will not take the risk of employing him without it or he can say "I like the boy, I am going to take the risk of

employing him," and there is the position. The protection is there which would not have been had it not been for this measure, and it is up to the employer to say whether he will take the risk of engaging an unlicensed boy or not.

Clause 4 is a very different matter, because it applies only to boy who have been registered and have had their registration cancelled through being convicted of theft or some infamous crime, and the arguments put forward by the hon. Member for Nyanza with regard to ignorant natives not having pocket registers do not apply to those who have had them and have lost them.

The arguments showing the lack of necessity for clause 2 do not apply to clause 4, because there is not that protection now. If a boy who has had a pocket register and has lost it definitely pretends he comes from an unregistered area, that he has never had a pocket book, and gets employment under false pretences, there are at the moment no means of an employer being protected unless we have clause 4, and I personally welcome it. But I think Government will agree on consideration that in the interest and equity so far as concerns the employee it is not fair to introduce this clause 2, and that there is no necessity for introducing it. If it can be shown that there is no necessity for the amendment, which will work hardship on certain sections of the community, I suggest that no legislature would agree to incorporate such an amendment in a Bill.

MAJOR THE HON. SIR ROBERT SHAW: Sir, I rise to make one short remark about a point to which attention has not yet been drawn by the speeches made by my two colleagues, with which I entirely agree.

The hon. and learned Attorney General, when suggesting the reason for introducing clause 2, said complaints had been received from employers in registration areas that they employed boys in all good faith and afterwards discovered they were rascals, or words to that effect. I think that such complaints are entirely frivolous, and it is ridiculous that the onus should be thrown on the African in cases of that sort. The attention of the public should be drawn to the fact that in all such cases the prospective employer can apply to the Labour Department about a boy and get the necessary information; yes or no, as to whether he is good for domestic service or not. I do not see the necessity for further friction under those circumstances.

VEN. ARCHDEACON THE HON. G. BURNS: Sir, I thank the former speakers for the words they have given utterance to, and naturally I entirely associate myself with them. What

may be necessary for towns such as Nairobi or Mombasa or the larger centres seems utterly unnecessary for the rural areas where boys are employed not only as houseboys but general roustabouts. Clause 2, to my mind, would be a real hardship for boys seeking employment and are trying to lift themselves up a little bit.

There is one other point on which I should like some information. That is, when a boy has found employment, is his pocket book kept by himself or kept by the employer until such time as the boy leaves that employment? I always understood the pocket book was kept in the custody of the employer of the boy, so that when the boy misbehaved himself as does sometimes happen—not very often perhaps, but sometimes—the employer writes in that book saying that the boy is finished as far as he is concerned. The idea of writing an adverse character of a boy is something I feel very strongly indeed, and I feel that something might be done. The hon. Member for Ukamba has suggested that it should be possible for an employer who feels that his boy has not treated him properly, although he cannot put his finger on any specific fault, to be able to find out from the Registration Department whether the boy has been satisfactory or not before to other employers. There are, I am sorry to say, for I have had experience of some, employers who write in a boy's book an adverse character which will debar that boy in the future from finding employment such as he is capable of, which is a very serious injustice indeed, masters who are angry for a moment and are sorry afterwards at something a boy has done who sit down in the heat of their anger and write down a character which debars that boy from getting employment in the future.

I hope that clause 2 will be omitted from this Bill, and that there will be some other means than writing an adverse character of a boy in the latter's pocket book which prevents him from getting employment easily unless he leaves the district where it occurs and goes into another. Even if he did so, he would find it very difficult to get employment, sometimes for a small mistake on his part. I know there are difficulties, and ladies find difficulties regarding them, but we must not only think of the ladies of the Colony and protect them as much as we can but we must also be just to the boys serving us.

THE HON. SHAMSUDD-DEEN: I only wish, Sir, to add to the description of the difficulties stated by the hon. Member for Nyanza as regards boys going to a registered district. Not only is it extremely difficult for a native to find out where the Registrar is, but it is extremely difficult for him to find out where the registration districts are. As far as I am aware, the boundaries of districts in this Colony are very indistinct,

so much so that it is very difficult for anyone to find out where the Colony of Kenya ends and where Uganda and Tanganyika commence. In fairness to the natives, there should be notices in Swahili or Kikuyu giving them a clear idea of where such districts are and where are not.

Another point I wish to make is that as clause 2 reads at present it says that no person can seek employment, so that it seems as if it would apply to everybody, whether Europeans, Indians or natives. I do not think that was the intention, that a European who goes into service should have to have a registration certificate.

Council adjourned for the usual interval.

On resuming.

THE HON. THE ATTORNEY GENERAL: It did not pass unnoticed by me, Sir, that the spear head of the attack was led by two bachelors. (Laughter.) But I can say with regard to that that we intend, with your permission, Sir, to refer this matter to a select committee so that we shall be able to go in detail into the points raised.

There are, however, one or two points that I should like to clear up at once. The first is with regard to the point made by the hon. Member Mr. Shamsud-Deen as to whether the word in clause 2 should be "person" or "native". This Ordinance is not racial in any way: it applies to every servant who gets up to Sh. 200 a month. The word must be "person", it cannot be "native".

Another interesting point is that some of the members, perhaps, do not realize the existence of the section 12 in the principal Ordinance, which reads as follows:—

"Upon application of this Ordinance to any registration district, no person ordinarily resident in such district shall, after one month of the application of this Ordinance to such district, engage or employ a servant to work in such district unless such servant shall produce his pocket register as evidence of his being a registered servant and unless such pocket register shall record the termination of his last previous employment, if any, as a registered servant."

So that already we have the onus placed on the master of not employing a servant under those circumstances. This is, I suggest, a natural corollary, namely, that a person should not be permitted to apply for work unless he has a pocket register.

We shall discuss this in a day or two in select committee.

The question that the Bill be read a second time was put and carried.

THE HON. THE ATTORNEY GENERAL moved that the Registration of Domestic Servants (Amendment) Bill be referred to a select committee consisting of:—

The Hon. the Attorney General (Chairman).

The Hon. the Chief Native Commissioner.

The Hon. S. H. La Fontaine.

The Hon. Member for Nairobi South.

The Hon. Member for Nanza.

The Hon. Member for Ukamba.

Ven. Archdeacon the Hon. G. Burns.

Dr. the Hon. A. C. L. de Sousa.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE 1935 SUPPLEMENTARY APPROPRIATION BILL.

THE HON. H. G. PILLING, Sir, I beg to move the second reading of the 1935 Supplementary Appropriation Bill.

The Bill seeks the sanction of this Council for expenditure incurred in 1935 over and above that provided for in the Estimates for that year. It is purely formal, since all the expenditure for which authority is sought by the Bill has already been approved by this Council when the various Schedules of Additional Provision were approved by this Council.

THE HON. THE TREASURER seconded.

The question was put and carried.

HEBDEN PENSION BILL.

THE HON. THE TREASURER: Sir, I beg to move that the Hebdon Pension Bill be read a second time.

This Bill is similar to the Harragin Pension Ordinance enacted in 1934. It is laid down in Colonial Regulations that two officers cannot qualify for a pension in respect of the same post at the same time unless the specific authority of the Council is sought to met what may be called over-lapping. The hon. Member Mr. Hebdon assumed duty as Postmaster General of Tanganyika, Uganda and Kenya on the 14th May, 1936, although the leave of his predecessor, Mr. Fitzgerald, prior to retirement did not expire until the 22nd July. It was in the public interests that this should be done, and the Bill now before Council is required to secure the ultimate pension rights of my hon. friend for the period during which he and his predecessor overlapped in their service.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE ALTERATION OF TIME BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move that the Alteration of Time Bill be read a second time.

This Bill, as hon. members are aware, is the outcome of a decision of the Governors Conference. For some time there has been an endeavour in East Africa to arrive at one definite mean time and, after considering the matter, the pros and cons, with regard to the three territories concerned, it was agreed that the mean time reflected in the Bill now before you would suit everyone concerned. It is of interest to note that Kenya is probably the only one of the territories to have to pass an Ordinance, because there has in the past been one attempt at tinkering with the time of this Colony whereas the other colonies did not do the same thing.

There is nothing I can tell you that you cannot read in the Bill for yourselves. It is a Daylight Saving Bill, for, as I understand it, by adopting this mean time there will actually be a daylight saving of 15 minutes over the whole of East Africa.

THE HON. T. D. WALLACE seconded.

CAJUT, THE HON. H. E. SCHWARTZ: Sir, in view of past history, I should be failing in a duty to myself if I allowed this second reading to pass without my benison! (Laughter.)

LT.-COL. THE HON. W. K. TUCKER: Sir, with some diffidence I would just point out that, although in the "Objects and Reasons" it is stated that this is in accordance with the recommendation made by the Associated Chambers of Commerce of Eastern Africa, the hon. and learned mover, quite unintentionally I am sure, did not mention the fact. I do not raise it because I am associated with that body, as much as this: that *Hansard* is the only history this country has of its development and whether it is a matter of praise or blame, which time alone can show, there should be a record in this House as to who is nearly entirely responsible for this proposal.

Generally speaking, I think recognition in this House of the movements initiated by unofficial bodies is to be commended, particularly so in the case of this particular organization which has to its credit nine-tenth of the co-ordination that has taken place between the different East African territories in the last few years.

The hon. and learned Member for Nairobi South has quite naturally, intervened in this debate, and quite shortly. The previous efforts to manipulate the time of these countries was associated with his name, and although generally speaking this

body to which I have referred takes a great deal of responsibility, to come to closer detail the responsibility, and praise or blame, is nearly entirely associated with one particular gentleman. I should like to say that, whether for good or ill, if the old time was Schwartzo Time, the present one is Tannahill Time! (Laughter.)

THE HON. THE ATTORNEY GENERAL: Sir, there is little to reply to, except to tender my sincerest apology to the hon. gentleman if he thinks that I intended in any way to cast any aspersion on the magnificent Chamber of which he is such a distinguished member. But I would tell him that as I was responsible for the "Objects and Reasons" I have at least recognized that this Bill was the result of that Chamber's recommendation to cast more sunshine over the country! If I unwittingly forgot to mention it again I hope he will accept my apologies. At the same time, I must make it perfectly clear that I have no intention on every occasion of divulging where the urge for legislation comes from. Sometimes it is necessary and wise, and sometimes it is not! Therefore, so long as this is not taken for a precedent, I am delighted to associate myself with the hon. member's remarks.

The question was put and carried.

THE NURSING SISTERS (RETIRING ALLOWANCES) (AMENDMENT) BILL.

THE HON. THE DIRECTOR OF MEDICAL SERVICES: Sir, I beg to move the second reading of the Nursing Sisters (Retiring Allowances) (Amendment) Bill.

The Bill is very short and very simple. It is based on a more correct assumption that it is usual for nursing sisters to discharge their duties with intelligence and fidelity than otherwise, and that therefore it should not be necessary as a rule to give a certificate with regard to that. The Bill involves no expenditure of public money, and may save a certain amount of my time!

THE HON. THE TREASURER seconded.

The question was put and carried.

THE JUVENILES (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Juveniles (Amendment) Bill.

This Bill speaks for itself. It was obviously an omission from the principle Ordinance in that it has been represented to Government by those in authority over the approved schools that where you have one or two incorrigible rogues in a school

capable of corrupting the whole school there are no means of getting rid of them except by letting them go out altogether. The powers sought I trust will be used extremely seldom, but it is necessary that we should be able to remove these rogues from contaminating those who are doing well.

The Bill gives the power to the Governor, on the recommendation of the Chief Inspector, to remove such rogues who have been quite a bad influence in the school, to prison for such time as the Governor may think fit.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE EUROPEAN OFFICERS PENSIONS (AMENDMENT) BILL.

THE HON. THE TREASURER: Sir, I beg to move the second reading of the European Officers Pensions (Amendment) Bill.

This Bill is introduced at the instance of the Secretary of State, and the reasons for its introduction are fully explained in the "Objects and Reasons" appended to the Bill. Heretofore, it has been necessary for a head of a department to issue a certificate of diligence and fidelity before a pension or gratuity can be granted to an officer serving in his department. The Royal Commission on the Civil Service, 1929-32, recommended that if a Civil Servant commits an offence the appropriate authority should decide at the time on the proper penalty, and if it is decided that the officer concerned should continue in the Service, either with or without degradation of rank, his pension on retirement should be calculated in the normal manner. To enable this policy to be adopted the repeal of section 5 (2) of the principal Ordinance is necessary, and this the present Bill seeks to do. As stated in the "Objects and Reasons", the power of the Governor in Council in regard to disciplinary action remains unaffected.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE NON-EUROPEAN OFFICERS PENSIONS (AMENDMENT) BILL.

THE HON. THE TREASURER: Sir, I beg to move the second reading of the Non-European Officers Pensions (Amendment) Bill.

It is almost precisely similar to the Bill which has just been read a second time. The difference lies in a small further amendment to sub-section (3), and the reasons are given in the penultimate paragraph of the "Objects and Reasons". I

should like to make it perfectly clear that this amendment in no way affects the right of officers to petition the Secretary of State should they so desire.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE LOCAL GOVERNMENT (MUNICIPALITIES) (AMENDMENT) BILL.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Sir, I beg to move the second reading of the Local Government (Municipalities) (Amendment) Bill.

It is a short and not very interesting Bill for a specific purpose. That is, to allow municipalities to control the movements of omnibuses plying for hire which start outside their boundaries. The municipalities of Nairobi and Mombasa are in a position to control these services within their own boundaries, but they would like to control the services coming in from the outside. It is obviously desirable that those buses should move along certain streets and stop at certain places, and it is in the interests of the municipalities and the public using those buses.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE SAVINGS BANK BILL.

THE HON. G. B. HEDDEN: Sir, I beg to move the second reading of the Savings Bank Bill.

The primary object of the Bill is to regularize the procedure of the Post Office Savings Banks throughout the colonies, protectorates, and territories under British mandates. As a result of inquiries made by the Secretary of State, it was decided to form a committee to examine the whole question of post office savings banks, and to draw up a model Ordinance for guidance. This Bill follows very closely that committee's recommendations. Very little explanation is necessary, as the effect of this Bill is very similar to the Ordinance which it will replace. I will therefore only deal with clauses where a change has been effected.

Clause 8 provides that repayment of all moneys deposited, together with interest, shall be guaranteed by Government, and that any deficiencies shall be made good from the general revenues of the Colony. This has always been the case with post office savings banks, but it is considered advisable that this clause should now be inserted.

Clause 9 provides that interest shall be fixed at 2½ per cent per annum, or at such other rate as the Governor in Council, with the prior approval of the Secretary of State, may approve. Interest has been 2½ per cent ever since the inception of the bank.

Clause 10 is a somewhat unusual clause to put in a Bill of this nature, as it provides for depositors who object to receiving any interest on their money. I need hardly say that this clause was not included in the model Ordinance, but there are many cases in Kenya where depositors absolutely refuse to accept interest, on religious grounds! (Laughter.)

Clause 11 provides the noticeable difference referred to in the "Objects and Reasons". With a view to securing the confidence of the public it is considered advisable that the savings bank accounts should be kept distinct from Government accounts and that all expenses of management and overhead charges should be charged against the savings bank. The expenses of the bank at present are charged against the general revenues of the Colony, but in future such things as wages, pension liabilities, rent of buildings—in fact, every expenditure of the bank will be charged against the bank's funds. It can be said, therefore, to use an ordinary expression, that the bank will be run on strictly commercial lines, and the public will have an opportunity to examine the accounts of the bank.

Clause 12 provides that investments shall be made under the direction of the Treasurer with the approval of the Governor in Council. It also provides that one-third of such funds may be invested in securities of the Government of the Colony. This has never been allowed before in previous Savings Bank Ordinances, but there is no reason why one-third of such funds should not be invested in securities of the Government of the Colony.

Clause 12 (2) provides that money required for repayment of deposits or for the payment of interest or expenses incurred in connection with the Ordinance, may be raised by the sale of securities. It also lays it down that if it is necessary to make advances from the revenues of the Colony to meet expenses, such advances shall bear interest at the rate of 2½ per cent.

Under clause 13 the savings bank accounts shall be certified by the Government Auditor and laid on the table of this Council as soon as possible after the 31st December each year.

Clause 14 provides that if the revenue of the bank is insufficient to defray the interest due to depositors such deficiency shall be met from the revenues of the Colony and, in a reverse

direction, if the revenue is more than sufficient to defray all expenses, the Governor may direct a transfer of funds to the general revenues of the Colony. But before this can be done, the assets must exceed the liabilities by 15 per cent. As the excess of assets over liabilities of the bank is estimated in 1937 to be £1,070, and as the liabilities of the depositors are somewhere in the neighbourhood of half a million pounds, I think it can be said that it will be many years before any funds will be transferred to general revenues!

Clause 15 requires no comment at all. Clause 16 provides for the transfer of accounts of depositors, and this has always been the practice. Clause 16 (2) legalizes the position of accounts transferred before the coming into operation of this measure.

Clause 17 provides for secrecy and a penalty clause, and clause 18 for the settlement of disputes by arbitration.

The general effect of this Bill is so similar to the Ordinance which it will replace and, as I have said before, is introduced at the instance of the Secretary of State to regularize the procedure, that I do not think at this stage it is necessary to make any further comment.

THE HON. THE TREASURER seconded.

VEN. ARCHDEACON THE HON. G. BURNS: I should like to make an appeal, Sir, to the authorities controlling the bank with regard to the withdrawal of sums. I know there are hundreds of natives—I presume this bank will be for natives as well as others—who would deposit their little savings, whatever they may be, in the savings bank but that they find it very difficult when they want to withdraw some of those savings; they have to sign a form and to wait for sometimes two days before they can get their money. Some of them perhaps come from Kabare and others from Kikuyu, and there should be no delay if at all possible. I know of course, that provision is made to protect natives against those who might fraudulently try and get their money, but if it can be made easier for the natives on a letter from their employers or somebody else to withdraw their money with greater ease it will be helpful, and I am sure that natives would bring many more others to put their savings in the bank than is the case at the present time.

THE HON. G. B. HEDDEN: The hon. and reverend member did not say what amount of money he had in mind, but I can tell him that any native can draw up to Sh. 20 on

demand, and ought to be able to do it within five minutes. That requires no formality whatever except, perhaps, sometimes in the case of an illiterate native.

The question was put and carried.

THE EVIDENCE ACT (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Evidence Act (Amendment) Bill.

This amendment is the direct result of a most interesting judgment given in the House of Lords in 1935, and perhaps it would interest this Council if I told you the short facts of the case and the history of the judgment. It is known as the case of *Rex versus Woolmington*, and by the judgment in that case I can assure hon. members that the law of England, which has been in force at least 150 years, was altered very materially. The facts are as follows.

A man was living in some country district in England with his wife, and they had a dispute; as the result of that dispute she went to stay with her parents. He made frequent attempts to get her to return to him without success. At last he obtained a shot gun, sawed off both barrels, hid the gun under his coat, and went to the house of his wife's parents where his wife was then residing. The parents, thinking he had come to endeavour to make it up with his wife and wishing themselves that that could happen, left the house in order to leave them alone together to settle their differences.

All that actually could be proved in the case was that a shot was heard. When they rushed into the room he had left with the shot gun, and the wife was found to be mortally wounded by shots from a shot gun which had obviously been sawn off.

When charged with murder, all the accused said—in fact, he was the only person who could give evidence—was that it was an accident, the accident being that he had told his wife that if she would not come back with him he would shoot himself and she was endeavouring to take away the gun from him when he was endeavouring to shoot himself and it unfortunately went off and shot her.

On these facts the learned judge, summing up to the jury, told them that it was an established rule of English law that as soon as the Crown had proved that he, the accused, had in fact shot his wife, the burden of proof then shifted on to the accused to prove the circumstances under which he had shot his wife, which would remove such a crime from the category of murder. On that an appeal went to the Court of Appeal, who upheld the summing up. Due to the action of

the Attorney General at that time it was then referred for final judgment—which is quite unusual and only done in particular cases—to the House of Lords, where probably one of the strongest benches sat, including the Lord Chancellor and the Lord Chief Justice.

They gave a very interesting judgment. They said "There are two rules. One is that all killing is murder, and the second is that the burden of proof is always on the Crown, and that it was incorrect for the learned judge (in the case I have just told you of) to tell the jury that the burden of actually proving that it was in fact an accident was on the accused person, and that he was entitled to what you have all heard of, the benefit of any doubt which may have arisen in the minds of the jury as a result of the evidence given before them, namely, that if the jury were in any reasonable doubt as to whether it was in fact an accident or not the accused was entitled to the benefit of that doubt, no matter the other rule of law which said that all killing is *prima facie* murder."

You realize that the moment that judgment came out every British colony that had a Criminal Code was wrong, because we had always, everywhere in the British Empire I should imagine, had the original rule that all killing is murder until the contrary is proved. It is for that reason, and that reason alone, that this Bill is before you, together with the next Bill, amending the Penal Code.

When the question of the amendment arose there was a certain amount of controversy between the Attorneys General in East Africa. We corresponded for some considerable time and tried to reach agreement as to the exact form the wording should take. As a result of our correspondence the whole matter was referred to the Legal Advisers of the Secretary of State, and I happen to know as a matter of interest that they also referred the matter to the Legal Advisers to the Director of Public Prosecutions at home, and the Bill you have before you now, or the two Bills, are the result of the joint deliberations of all of us, so that I can only trust you will find them in order.

The effect of it is to do exactly what I have told you, namely, to cast the actual burden of proof except in certain cases, intoxication and insanity—which I will deal with—on the accused person, but to preserve the rule of law that he is entitled to any reasonable doubt that may exist in the minds of the judge or jury, no matter how that doubt is produced. In other words, whether that doubt is produced from the cross-examination of the witnesses for the Crown or by the witnesses for the defence themselves.

But when you are dealing with intoxication and insanity, the House of Lords made it quite clear that that rule could not possibly apply there, because it would be impossible for the Crown to ever prove a negative, namely, that a man was not, and that the presumption should remain that every man was in fact sane until he proved himself or it was done for him that he was insane or drunk. Those are the only two exceptions where the burden of proof remains where it was before.

I do not think that there is anything else I can explain to you. The present law reads as follows:—

"Any person who is shown to have caused the death of another is presumed to have wilfully murdered him unless the circumstances are such as to raise a contrary presumption."

So that in effect all that the Crown used to have to do was to prove the killing and sit down, and it was up to the defence to prove either that it was not murder or the fact accused was intoxicated or that he was insane or whatever particular self-defence or any other defence which was open to him.

That is the only amendment which is being made to the Indian Evidence Act, but naturally we had to preserve in civil cases the law as it is at present. You will therefore find in clause 3 that in civil proceedings—

"when any fact is especially within the knowledge of any person, the burden of proving that fact is upon him."

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE PENAL CODE (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the Penal Code (Amendment) Bill.

I have already made reference to the most important amendment in this Bill, which is clause 4, repealing section 100 of the principal Ordinance. But as I had to amend the Penal Code in that respect, I took the opportunity of amending it in several other minor respects.

The first amendment of any interest is in clause 2, where provision is made with regard to bail bonds. As you know, a man when he is convicted may be put on a bond to be of good behaviour. Actually, in the Penal Code, no reference is made as to how that bond may be estreated when he misbehaves or how it shall be renewed or anything else, although reference is made in the Criminal Procedure Code to what would happen

to persons on bond in other matters. So that what we have done is to co-relate the bond given under the Penal Code and the bond given under the Criminal Procedure Code.

Clause 3 dealing with procuration is a very interesting clause, in that an omission occurs in the existing Code. One word was dropped by the Printer or the Attorney General or someone in 1930, with the result that unwittingly many people may have been guilty of a criminal offence. If you will read section 130 which deals with procuration, you will see that—

"any person who procures or attempts to procure any girl or woman under the age of 21 years not being a common prostitute or of known immoral character, to have unlawful carnal connection, either in the Colony or elsewhere, with any person or persons,"

is guilty of an offence. As you all probably understood, that clause was dealing really with procuration, namely, getting hold of girls under 21 years of age for some other person, but if you look carefully you will notice the word "other" is left out, so that in effect any person who procures a girl for immoral purposes under the age of 21, whether it be for himself or anybody else, would have been guilty of an offence under the Ordinance. This is actually a copy of the English Act with the word "other" left out, so that the necessary addition has been made in this Bill.

Clause 4 I have already dealt with; it refers to the Rox v. Woolmington judgment.

Clause 5 and onwards are inserted at the request of the authorities at home, who appear to be tightening up all the laws with regard to forging banknotes and forging coins. Apparently in Europe to-day there is a great deal of that crime going on, although we have not actually noticed it particularly in Kenya. In these sections all we have done is to add a word here and there, sometimes a whole clause, with the object of suppressing counterfeit coins and counterfeit banknotes. Thus, for instance, in clause 5, we have inserted the words "imports into the Colony," in addition to the other words that appear, the object being to catch a person at the Customs. Cases have arisen, I believe in England, where these things have been imported by X. The Customs people have discovered it and have waited for X to take out his imports, but he has been too clever for them, and by not taking them out has not been "in possession", so that there never could be any charge against him.

Clause 6 tightens up the provisions relating to forging bank notes. Clause 7 adds words to section 342, "receives, obtains, or has in his possession." Apparently difficulty has been found in obtaining convictions under the words "has in

his possession," because a man may get these things out of his possession just before he is caught, but now, if it is proved he has obtained or received he will be able to be convicted.

Clause 8 is a verbal alteration in regard to the word "shall". As the law stands at present, it leaves it in the hands of the judge or magistrate to say whether the moulds, etc., in which counterfeit coins are made shall be forfeited. The word "shall" is now inserted in place of the word "may", so that it is obligatory on a court to forfeit them at once.

I think, Sir, those are all the provisions of any interest to which I need refer.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE UNITED KINGDOM DESIGNS (PROTECTION) BILL.

THE HON. THE ATTORNEY GENERAL: Sir, I beg to move the second reading of the United Kingdom Designs (Protection) Bill.

This Bill, which is in model form, and is I believe being introduced into all Crown Colonies, is designed to assist the British commercial men. It is true that at present designs can be registered in this country under the present Ordinance, but in every case a fee has to be paid. Manufacturers have represented to the Secretary of State, principally manufacturers of textiles, that it is quite impossible for them to go through all the colonies of the Empire registering and paying a fee for all the various designs they have registered at home. It is impracticable, and it is too expensive, and the Secretary of State has suggested to us that we enact this model Ordinance which, very shortly, says that anything registered in England shall be deemed to be registered here.

Clauses 3 and 4 set out very clearly that if in fact it has not been registered, the person against whom a claim is made for having wrongfully used the same design will be able to say in effect that such design was not registered or that they were in possession of the design before the Ordinance came into force.

This Bill has been before the Chamber of Commerce, and has received its blessing. The Chamber did, however, request that we might go further and possibly set up registration here and that matter is being examined. I think, however, they will be the first to realize that it will be a costly matter and that we should have to have very experienced people doing it, and that it would mean setting up another department of

technical people. The law at present is that you can register any design within three years of its registration in England, so that we are fortunate in being able to have experts at home doing our work for us. If they accept a design at home, within three years we can quite safely accept it out here. Instead of us being a sort of sub-agents of the registry at home, all we are doing is to see that anything registered at home will be deemed to be registered here.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

THE HON. THE ATTORNEY GENERAL moved that the Council resolve itself into committee of the whole Council to consider clause by clause the following Bills:—

The Foreign Judgments (Reciprocal Enforcement) Bill.

The Police (Amendment) Bill.

The 1935 Supplementary Appropriation Bill.

The Hebden Pension Bill.

The Alteration of Time Bill.

The Nursing Sisters (Retiring Allowances) (Amendment) Bill.

The Juveniles (Amendment) Bill.

The European Officers Pensions (Amendment) Bill.

The Non-European Officers Pensions (Amendment) Bill.

The Local Government (Municipalities) (Amendment) Bill.

The Savings Bank Bill.

The Evidence Act (Amendment) Bill.

The Penal Code (Amendment) Bill.

The United Kingdom Designs (Protection) Bill.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

In Committee.

THE FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) BILL.
The Bill was considered clause by clause.

Clause 3—

THE HON. THE ATTORNEY GENERAL: I will seize the opportunity to make a statement concerning a question asked me during the adjournment as to where I got the authority to say that you could not follow tax defaulters from foreign countries into this country and vice versa. I beg to refer members to Clause 3 (2) (a) and (b). This ordinance applies "(a) if it is final and conclusive as between the parties thereto, and (b) there is payable thereunder a sum of money, not being a sum payable in respect of taxes."

THE POLICE (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE 1935 SUPPLEMENTARY APPROPRIATION BILL.

The Bill was considered clause by clause.

THE HEDDEN PENSION BILL.

The Bill was considered clause by clause.

THE ALTERATION OF TIME BILL.

The Bill was considered clause by clause.

THE NURSING SISTERS (RETIRING ALLOWANCES) (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE JUVENILES (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE EUROPEAN OFFICERS' PENSIONS (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE NON-EUROPEAN OFFICERS' PENSIONS (AMENDMENT) BILL.

The Bill was considered clause by clause.

Clause 2—

THE HON. SHAMSUDDIN: I move that the clause be amended by the deletion of sub-section (b), unless I am given very good reasons for making this differentiation between Europeans and Asiatics. It seems to be redundant that that discrimination should be made in one Bill as compared with the other, though both are identical.

THE HON. THE ATTORNEY GENERAL: Obviously the question has been already considered by the Secretary of State, and what he has ruled is that where this Government is in fact employing the people themselves there is no necessity to obtain his prior approval when dealing with them later. Naturally they have still the right of appeal to the Secretary of State. He says with regard to the other one that where he appoints these persons himself directly or indirectly the certificate must have his approval before action is taken against them.

THE HON. SHAMSUDDIN: Why should there be discrimination? I submit this is purely racial.

THE HON. THE TREASURER: European pensionable officers are as a rule appointed by the Secretary of State.

THE HON. SHAMSUDDIN: At any rate, I want it put on record that I formally move this amendment.

The question was put and negatived.

THE LOCAL GOVERNMENT (MUNICIPALITIES) (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE SAVINGS BANK BILL.

The Bill was considered clause by clause.

THE EVIDENCE (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE PENAL CODE (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE UNITED KINGDOM DESIGNS (PROTECTION) BILL.

The Bill was considered clause by clause.

THE HON. THE ATTORNEY GENERAL moved that the above-named Bills be reported to Council without amendment.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

Council resumed its sitting.

The President informed the Council that the above-named Bills had been considered clause by clause in committee of the whole Council and had been reported to Council without amendment.

THIRD READINGS.

THE HON. THE ATTORNEY GENERAL moved that the Bills be read a third time and passed.

THE HON. T. D. WALLACE seconded.

The question was put and carried.

The Bills were read a third time and passed.

Council adjourned till Friday, the 30th October, 1936, at 10 a.m.

FRIDAY, 30th OCTOBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Friday, the 30th October, 1936, the HON. THE COLONIAL SECRETARY (A. DE V. WADE, ESQUIRE, C.M.G., O.B.E.) presiding.

The President opened the Council with prayer.

RULING.

THE PRESIDENT: Honourable members, I have taken the opportunity during the adjournment to consider the point of procedure which was raised yesterday with regard to the withdrawal of a motion by a member, after notice of motion has been given.

Having referred to our Standing Rules and Orders and to May's Parliamentary Practice, it is clear that where a motion has been put to the Council from the Chair, such motion may not be withdrawn without the leave of the Council (Standing Rule and Order No. 46), but where a motion of which due notice has been given appears in the Orders of the Day, and the member giving such notice of motion is not desirous of proceeding with it, it is unnecessary for him to obtain the leave of the Council before it is withdrawn (Standing Rule and Order No. 30).

It is, however, clear from May's Parliamentary Practice that he may not make a speech of any kind with regard to a motion which he intends to withdraw.

MINUTES.

The minutes of the meeting of the 20th October, 1936, were confirmed.

PAPERS LAID.

The following papers were laid on the table:—

By THE HON. H. G. PILLING:

Report of Standing Finance Committee on Schedules of Additional Provision Nos. 4 and 5 of 1935 and 1 of 1936.

Report of Standing Finance Committee on Schedule of Additional Provision No. 2 of 1936.

NOTICE OF MOTION.

By THE HON. H. G. PILLING:

"That the Reports of the Standing Finance Committee on Schedules of Additional Provision Nos. 4 and 5 of 1935, and 1 and 2 of 1936, be adopted."

ORAL ANSWERS TO QUESTIONS.

EAST AFRICAN CURRENCY BOARD LOSSES.

No. 42.—MAJOR THE HON. E. S. GROGAN asked :—

" Arising out of the reply to Question No. 20, where-in it is claimed that the total loss incurred by the East African Currency Board as the result of the Colonial Office's failure to maintain the original East African money unit as a token denoting one-fifteenth of a pound sterling was £1,584,234-6-9, and whereas the statement of the estimated general position of the said Board as at the 30th June, 1935, discloses an excess of liabilities over actual assets amounting to £2,502,392-0-5, how is the balance of the deficit, namely, £918,157-13-8, accounted for? "

THE HON. THE TREASURER : The answer to the previous question was confined to the point specifically raised, namely, the extent of the loss occasioned in connection with the issue of a new currency of florins in exchange for the old currency of rupees. The difference between the amount of this loss given in the answer to the previous question and in the reports of the East African Currency Board as £1,584,234-6-9, and the excess of liabilities over assets given in the statement of the estimated general position of the Board as at the 30th June, 1935, as £2,502,392-0-5, viz. £918,157-13-8, is accounted for substantially as follows :—

| | £ |
|---|----------|
| Deficiency in the former East African Protectorate Note Guarantee Fund | 203,200 |
| Loss on redemption of East African Protectorate silver and other subsidiary coin, less balance of seigniorage | 90,000 |
| Depreciation of silver bullion in East African Currency Board silver coins, i.e. difference between total cost price of bullion (less amount received for bullion in coin withdrawn from circulation and sold) and value at market price at 30th June, 1935, of bullion in coin in circulation and in stock (less estimated cost of realization) | 610,000 |
| | £912,200 |

MAJOR THE HON. E. S. GROGAN : Arising out of that answer, am I to understand that the original question was partially incorrect?

THE HON. THE TREASURER : As I stated in the first part of my reply, the answer to the previous question was in reply to specific points raised at the time.

COTTON ACREAGES, COAST PROVINCE.

No. 47.—THE HON. F. A. BEMISTER asked :—

" Will the hon. Director of Agriculture please state the acreage under cotton cultivation in—

Digo District,
Teita District,
Kilifi District,
Malindi District,
Lamu District,
Mombasa District,

for the 1936-37 cotton season? "

THE HON. THE DIRECTOR OF AGRICULTURE : The acreages under cotton in the 1936-37 season in the different districts of the Coast Province are estimated as follows :—

| | |
|--|---------------|
| Digo District | 5,000 acres. |
| (which is exclusive of some 300 acres European-planted cotton) | |
| Voi (Taveta and Teita) | 600 acres. |
| Kilifi District | 5,000 acres. |
| Malindi District | 12,000 acres. |
| Lamu District | 760 acres. |
| Tana River District | 620 acres. |
| Mombasa District | 160 acres. |

MOTIONS.

CHIEF NATIVE COMMISSIONER'S LETTER re DAIRY INDUSTRY INQUIRY COMMITTEE REPORT.

CAPT. THE HON. H. E. SCHWARTZ : Sir, I beg to move—

" That in the opinion of this Council, the circular letter addressed to Provincial Commissioners by the Chief Native Commissioner on the subject of the Dairy Industry Inquiry Committee, and dated the 15th February, 1936, was phrased in terms which definitely invited views adverse to the Report, and was a letter that should never have been written."

When notice of this motion was given in June last the controversy with regard to the Dairy Control Bill was at its height. Since that date the position has very materially

altered in that all the matters in question and under controversy have been considered by a committee whose report may be expected very shortly.

Now it might have been considered—it has, in fact, been suggested—that, in view of the altered circumstances, there was no need to proceed with this motion, and that it should be withdrawn and the episode forgotten. That point of view has been considered, Sir, by Elected Members, but they feel that they cannot refrain from putting forward this motion, because in their opinion a matter of great principle is at stake.

I can assure you that it is no pleasant task to propose a motion of this sort, and I can assure the hon. gentleman who is concerned, and I know he will accept my assurance, that there is absolutely nothing personal in the proposition of this motion.

What are the facts? On the 8th February, the Colonial Secretary issued a notice to Provincial Commissioners—and I am not certain whether it was to District Commissioners as well or not—asking for their opinions with regard to the controversy that was before the country—their opinions with regard to the merits or demerits of the proposed Dairy Bill. That was, if I may respectfully say so, a very natural and proper course for the Colonial Secretary to adopt, and to that letter no possible exception can be taken. On the 15th February, one week later, another letter is circulated to Provincial Commissioners, and that letter is the subject of this motion, and it was signed by the Chief Native Commissioner, who on it asks not only for the opinion of the Provincial Commissioners but states that the comments of District Commissioners would also be valuable.

This letter goes on in the second paragraph to give the views of the hon. the Chief Native Commissioner himself. If that had stood alone, although I think it would have been considered a mistake, all might have been well, but the penultimate paragraph of that letter reads as follows:—

“ 3. I do not propose to elaborate my objections to the scheme; but I am going to oppose it, and, should your opinion and those of your officers coincide with mine, my position will be stronger.”

Now, Sir, what possible conclusions can be drawn from the facts—the facts of the issue of that letter and the terms in which it was issued? The wording of the letter is in itself, I submit, a clear self-indictment, and if the hon. gentleman is going to suggest that he never intended to influence Provincial Commissioners or District Commissioners by the terms of this letter then why did he send the letter at all? If it were

that the letter was not intended in any way to influence the opinion of administrative officers, it was a purely redundant letter, as the letter of the 8th February from the Colonial Secretary would have been all that was required. There can be no possible doubt in the mind of any impartial person that the hon. gentleman desired all the support he could get in his opposition to the Bill—and I am not now concerned with the merits or demerits of the Bill; the hon. gentleman may have been perfectly right in his views in opposition to the Bill—but there can be no doubt that, in order to strengthen that opposition, he was anxious to get the support of the administrative officers, both Provincial Commissioners and District Commissioners; and I defy anyone to suggest any other reason why this letter should be written.

While I am on this point, I understand that one section of the Press did state, in commenting on this letter at the time, that the answer received by the Chief Native Commissioner from the Provincial Commissioner of Nyanza was couched in almost precisely similar terms to the letter which it was answering. I have had an opportunity of reading very carefully the letter from the Provincial Commissioner, Nyanza, in answer to the Chief Native Commissioner's letter, and there is no similarity whatever, and I think it is only right, in fairness to my hon. friend the Provincial Commissioner, Nyanza, to make it quite clear that the statement that his letter was merely an echo of the Chief Native Commissioner's letter was an incorrect statement.

I said at the commencement of my remarks that we considered on this side of the House that an important principle is at stake, and that principle is the eminent necessity, in our view, of letting officers, whether they are administrative officers or other officers of Government, who are asked for their opinions, give them freely, frankly, and without fear of condemnation if they disagree with their superiors and without promise of reward should they agree with them. That is absolutely essential. I think you, Sir, will be the first to agree that the system—the ghastly system—of Crown Colony Government in the legislature where some of the best brains of the Colony are never allowed to express an opinion of their own, either by speech or voting, may be unavoidable under the system as it exists, but that must not be allowed to permeate outside this Legislature. (Hear, hear.) It is essential, if people are to be given any sense of responsibility, that while they must obey orders when given them naturally, if they are asked for an opinion no kind of influence should be brought to bear to make that opinion one which may not be in fact the real opinion of the person who has been asked to give that opinion. (Hear, hear.)

Sir, we go no further to-day than to say that, in our opinion, the hon. gentleman in writing this letter was guilty of—I do not want to use the word "guilty"; I am trying to be as non-controversial as far as I can—committed an unfortunate error of judgment. We wish to go no further than that, and, speaking for myself and my colleagues on this side of the House, if the hon. gentleman is big enough to admit that it was an error of judgment I shall be the first to ask leave of the House to withdraw this motion. If, on the other hand—as I hope will not be the case—he attempts to defend this letter, and suggests that the interpretation I put on it is not a correct one, we shall be compelled, little as we like it, to take this motion to a division, and though we know the fate of the motion—the Government majority will be used—we shall feel confident in our own minds that if the hon. gentlemen on the other side were allowed to express a free opinion on that vote there can be no question that the vast majority of this House must agree that this is an unfortunate letter which should not have been written.

I hope, in conclusion, Sir, that the hon. gentleman will accept the opening that I have attempted to give him, and this unfortunate matter can be cleared up without any ill-feeling of any sort, kind or description, and we can get on to the business of the session and let the episode be forgotten and forgiven. (Applause.)

THE HON. F. A. BEHSTER: Sir, I have much pleasure in seconding the motion, particularly so as I want it definitely understood and agreed that there is nothing in the slightest degree personal in anything I may think or say in connection with this matter.

My reason for supporting the motion is that I want, with other people in this country, a freedom of action among those men, those administrative officers, who are in touch with every form of opinion in the Colony, and who can only be of use to the Government as advisers if they are allowed on all occasions to give their free and open opinion without fear of any consequences afterwards. It is most essential, Sir, as the former speaker said, that the Government should have available not only its paid officers, those who work so intimately amongst all classes, but they should have for their assistance elected representatives or nominated representatives of the communities. The elected and nominated representatives have that freedom of voice. They may disagree with some policy put up by Government, or they may agree, but amongst themselves they can fight those points out, and the crystallization of their ideas comes to Government in order to assist in the proper administration—I use that word particularly, because I do not believe in government—in the administration of the

territories under the control of the Administration. But if you take away a little over 50 per cent of that advice and tie it to a policy, maybe laid down by Government, before you have heard the opinions expressed and the opinions thought, you are handicapping yourselves, you are handicapping Government, and doing a great injury to the cause of free though and free administration in this Colony.

THE HON. THE CHIEF NATIVE COMMISSIONER: Sir, I am going to intervene early in this debate, so that other people can understand and know what is my point of view. I am certainly not going to cry "*Mea culpa*," as the hon. mover has suggested. On the contrary, I am going to thank him for bringing this motion before the House, because it so often happens that adverse criticisms are made of Government officials with no chance at all of any reply.

I saw the hon. member draft this motion on that day in June, and I saw him hand it round for the approval of his colleagues, and I saw him smile—I thought quite a nice smile, perhaps a little cruel—in that he had pleasurable anticipation of seeing the boy whipped! I am glad of this opportunity, because I myself have been pilloried in two East African papers and in the London paper *East Africa*. I understand also that the Noble Lord took the trouble to show a copy to a high official of the Colonial Office. Therefore I think it is only right that I should have a chance to make my position clear. (Hear, hear.) This is a censure on me—the hon. Member for Mombasa nods his head—but it is on me, personally, and not as Chief Native Commissioner. It is also a reflection on the whole of the administrative service; it implies that they are such a lot of "nit-wits" that they have no minds of their own—(Mr. Behnister: They are not allowed to have!). I expect hon. members will probably hear something of that side of the question later on.

Shortly after the question was asked in June, a friend of mine, a member of this Council, criticized me for laying that paper, saying it was a foolish thing to give away the whole matter. I could not agree with him at all; first of all, because laying the paper was Government's decision, and I am grateful to you, Sir, for accepting my advice that the paper should be laid. Another point is that I believe it is an axiom in military strategy never to try and hide from the enemy things well known to them. Why should I hide this document? It was not confidential. It was issued to Provincial Commissioners; it was therefore seen by a matter of 80 to 100 officers, and possibly 200 Goan clerks. It is a matter of pure indifference to me, and I do not mind, Sir, from what class of persons the hon. Member for Nairobi North got it.

The hon. member calls this letter improper. If it was meant, and had been accepted as meaning, "Whatever your opinion is, I want you to give an adverse criticism of this measure," then it would have been an improper letter, and I should have seen various proper replies from the officers concerned. I am glad to know that I know my brother officers better than the hon. member. They would have replied, every one of them, "If Government approves a policy I am bound to carry it out, whatever my personal opinion is. Until that policy is approved by Government I have a right and am expected to give my candid opinion on the points in question. If you think I am going to perjure myself by giving a wrong opinion on this question, you must think again." That is the answer that would have been received from every Provincial Commissioner. It is a matter of opinion, therefore, whether this letter was improper or not.

This motion is going to a vote, and I confidently rely on the result—I do not mind whether it is a free vote or not.

As regards the officers themselves, and whether they in fact regarded this as an improper letter, some of them are here to-day and will be able to give the Council their own feelings in the matter. I have a perfectly clear conscience. The letter was not necessarily redundant—of course, it need not have been written. If I wrote it, no harm was done by giving my own opinion, as I knew perfectly well that it did not invite adverse criticism from these officers. (Hear, hear.)

THE HON. J. B. PANDYA : Sir, I am going to oppose the motion. I consider that this motion has been brought in this House for the purpose of intimidating a high Government officer performing his duty—

THE PRESIDENT : Order, order. I must call the hon. member to order. He has no right to impute motives to the hon. mover.

THE HON. J. B. PANDYA : Well, Sir, the point is that in its effect it would serve that purpose, and I am very glad indeed to have this opportunity of a public debate on an issue of this kind, because we can thus express our opinions.

I was the person who mentioned to the hon. Chief Native Commissioner that it was a great mistake on his part to give away that document (laughter), though he thought it was not. If Government did really mean to govern they had no business to give away that document. However, it appears he was so sure about the sense of duty from which he wrote that letter that he was not afraid of public criticism and, therefore, I think it stands all the more to his credit that the opposition was given the opportunity to bring this forward.

The point is this, that the hon. gentleman-in-this House and in his capacity as Chief Native Commissioner represents native interests, and when any particular question comes up for discussion before him I think he is quite justified to express his opinion in the interests of the people he represents, as the European unofficials and Indian officials are allowed to express theirs. The Dairy Control Bill—I will not go into details of that—but it has been proved by actual examination of the issue that the hon. member was more than justified in the views he held in the interests of the natives he represents. I should say if he had not written that letter and had not taken that attitude it would have been a grave reflection on him for omitting to perform his duty, which he was bound to perform.

From that point of view, Sir, I shall strongly support the letter which he has written, and with regard to the charge of influencing administrative officers, I cannot imagine that, because of that letter, the officers would be of his opinion. I happen to know that, even before that letter was written, certain administrative officers were strongly against the Dairy Control Bill. That being so, I cannot imagine that any public question or any public service is involved in bringing up this motion. I personally feel that we should support such action as is considered desirable or necessary in the interests of the people by the Government officers, and I therefore oppose this motion.

THE HON. S. H. LA FONTAINE : Sir, as one of the Provincial Commissioners who received this circular, I would like to say a few remarks on the motion. The suggestion of the hon. mover, though he did not say so in so many words, is that Provincial Commissioners are so spineless and so lacking—

CAPT. THE HON. H. E. SCHWARTZ : I regret to interrupt, but I never said that, nor did I convey it.

THE HON. S. H. LA FONTAINE : I say, Sir, that the suggestion underlying the motion was that they would regard the words of the circular as fettering their opinions and preventing a free expression of their views on such an important measure as the Dairy Control Bill. Such a suggestion, though I am very glad to hear the hon. mover had no intention in his mind, would be a reflection on the Service which I most heartily, on behalf of the Provincial Commissioners and District Commissioners, deny.

Speaking for myself, there are certain points in connection with the Dairy Industry Control Bill on which I find myself not in agreement with my hon. friend the Chief Native Commissioner. I have stated my views freely and frankly, and

I have not the slightest doubt that both the Provincial Commissioners and District Commissioners have stated their own with equal frankness. If the hon. mover could attend one of the bi-annual meetings of Provincial Commissioners, he would realize that opinions are freely exchanged with complete and sometimes racy candour on all subjects affecting the Administration. We pride ourselves on this freedom, and this freedom is the mainspring of our unity as a Service, and it is a privilege which we jealously guard. The suggestion therefore of the hon. mover causes more surprise than concern and more amusement than resentment, but as it has been given such wide publicity it is fitting that it should be repudiated by us as being entirely absurd.

THE HON. SHAMBUDDEN : Sir, looking on the whole thing as an absolutely disinterested party, I fail to see the reason for this tempest in a teapot. To my mind, the gist of this motion is that because the Chief Native Commissioner happens to be the Senior Provincial Commissioner and, their head, he should be deprived of the right of an expression of his own opinion. That is what it comes to, for otherwise there is no reason why the Chief Native Commissioner should not be able to express his opinion and give them a lead in the matter.

The Dairy Control Bill is by no stretch of the imagination an ordinary uncontroversial matter. Opinions on this matter are very divided over the whole country, and I think the Chief Native Commissioner has done his duty in giving them a lead and telling them what his own personal opinion is, which he was certainly entitled to give. I think the whole necessity for the writing of this letter was because a meeting of the Provincial Commissioners was not near at hand at that period, and I imagine that if there was an ordinary meeting of the Provincial Commissioners the Chief Native Commissioner would have had the right of taking a full part in the discussion, giving his own personal opinion. I can understand the objection of hon. members if the Chief Native Commissioner, presiding over, we will say, a *baraza* of native chiefs of this Colony, with very limited intelligence, had been trying to influence them by his personal opinion; one can understand that. But here he is writing a letter giving reasons to intelligent and experienced administrative officers as to what his personal views are. He was not in the position of a judge summing up a case and not entitled to influence the jury by his own views one way or another, but he is head of that branch of the Administration that it is his duty to give a lead to in the matter and to tell his subordinate officers what his personal views and the reasons are.

As regards the Provincial Commissioners being influenced, the very fact that this letter, which I take it must have been more or less of a confidential nature, has found its way into the hands of unofficial members goes to show that they are not so docile as it has been tried to make out, and here they are not only represented to be ready to fall into line with the Chief Native Commissioner, simply for fear of condemnation by him for differing, but they are prepared to go to the extent of handing over the document to the—

CAPT. THE HON. H. E. SCHWARTZ : On a point of order, the hon. member knows nothing about the facts. This letter was laid on the table of this Council by Government.

THE HON. SHAMBUDDEN : After being asked for! I must say that the opposition have taken undue advantage of this letter in order to bolster up their case, because they are opposed to the Dairy Control Bill, and want to destroy every possible opposition that may come from responsible heads of Government. After all, the Chief Native Commissioner has himself been a Provincial Commissioner; he has a very vast experience, and has the fullest right to express his opinion in the way he did.

After hearing all the arguments, I really fail to see where any objection can possibly come in, and I think it is by no means in the best taste to give such a small matter such wide publicity by a motion of this sort brought before the House.

While I am on my legs, I should like on a point of order some information. You, Sir, ruled this morning that where a member intends to withdraw a motion he cannot make a speech. The question of intention is known personally only to himself. I do hope that when members bring motions they will make it clear from the very commencement what their intention will ultimately be, because if, after hearing all these speeches, this motion is withdrawn, it is a waste of the time of the House.

MAJOR THE HON. E. S. GROGAN : I suggest, Sir, that the debate has drifted right away from the original intention of the motion, which was in no way a reflection on the Civil Service of the country, but to draw attention to a particular letter and to suggest that it might have been better had it not been written. The victim of this motion is in a position where the steam-roller will be used to "Save me from my friends!" And I move that the question be now put.

THE HON. A. C. HOEY : Sir, I have one or two remarks on the motion in support of it. One is, it seems quite evident that Government follow the line that Government can do no

wrong, or its Service. Recent events have shown that Government can do wrong, and of course all of us can do wrong; none is infallible. Nor is the hon. the Chief Native Commissioner to-day.

What I feel about it is this, that the real point has not been answered. We did take exception to this letter, and I think we were justified in taking exception. The part which concerned us more than anything else were these words: "My position will be stronger." The hon. member has never explained that at all, or told the House exactly what he means by that. That, I think, is the point to which we take the greatest exception.

I believe there will be two regrets in this House: One, that the letter was ever written, and two, that the motion was ever brought forward. But we on this side of the House have a very definite responsibility to the people we represent, and when a highly controversial Bill such as the Dairy Control Bill is proposed we did feel that the hon. the Chief Native Commissioner took up the position of a definite partisan, and we naturally took exception to it. We would have been entirely wrong, in my opinion, to have allowed the letter to pass without challenging it in the way we have done to-day.

Dr. THE HON. C. J. WILSON: The hon. member who has just spoken said there were two regrets in this House about this debate. I may add a third; that I have to take part in it, but I feel that I must in the interests of the natives I represent. But I do think it is a great pity that, right at the beginning of the session, we should get involved in this dispute. I won't call it a "tempest in a teapot", but perhaps it is a dog fight in which, I trust, there is more bark than bite! If I may say so with all respect to the hon. mover, it is rather a "carry over" from the night before!

I think, Sir, the arguments against the motion can be left to my hon. friends on the opposite side of the House. In fact, it has been answered already, and so far as that goes there is no need to say any more in support of the case. I will not say "case for the defence" because that would be an insult to my hon. friend the Chief Native Commissioner, and rather flatter to the hon. mover. Of course, I do not intend to discuss the Dairy Control Bill, but it must be mentioned because, as the hon. mover said, when this motion was first tabled it was at the height of the controversy on the Bill, so it is quite wrong to say that the Bill cannot be mentioned in this connection. I do not intend to discuss the merits or demerits or the extent to which native interests might be supposed to be involved by that Bill, but what does worry me is the reason underlying this motion—why it was ever brought forward, why

this attack was made. It seems to me and must seem to some other people, to be an attack on a responsible officer of Government in the performance of his ordinary job of work. I say that must be the impression, and I am not imputing motives or assigning any reasons, but reasons will be suggested. The hon. the Chief Native Commissioner had, as it happened, exceptional opportunities to study and become acquainted with this dairy control measure in all its details. As a member of various committees and so forth, he had heard all the arguments for and against, and he was therefore in a position to come to a well-informed opinion on the possible effects on native industry of that measure if it became law, and so in his capacity as adviser—because under the peculiar constitution of this Colony he has no executive powers, but is simply an adviser—he expressed his opinion, his well-informed opinion, for the information—I will not say "guidance" for fear that point is taken up against me—shall we say, for the information, of other senior officers of Government, and when the hon. the Chief Native Commissioner does that, the members on this side of the House make him the object of a motion of censure. Well, Sir, if it was not so serious it would really be rather ludicrous, but it is serious for this reason, that it has given the impression of an attempt to discredit criticism of a Bill of which the European Elected Members say they are in favour—(A Member: Not all of them.) (Mr. Bemister: How about me?)—that some of them are (A Member: That's better!)—an attempt to discredit that criticism when that criticism was quite properly applied by the officer responsible for it in native interests.

This Dairy Bill is in its essence an economic measure, a matter of marketing, but by some extraordinary transformation it has become a political battleground, and whatever may now be said or arguments brought forward to show that native interests might benefit under the Bill, it is undeniable that in its inception it was intended for the help of the European dairy farmers. That is why it is so unfortunate that when this measure was criticized from the native point of view—and it is admitted, I think, by all parties that native interests would be very seriously affected one way or the other by the Bill—and so the native point of view is of great importance, and I am not sure that I would be wrong in saying, if I may use the words, that it is of paramount importance—that is why it is so unfortunate that when this Bill was criticized from the native point of view there seems to be an attempt to discredit the officer or officers making that criticism.

That seems to me a thoroughly bad business, because European elected members seem to have laid themselves open to the charge of trying to interfere with a responsible officer

of Government when he is taking action in the interests of the natives. Of course, that charge cannot possibly be sustained because, as His Excellency said in his opening speech, the European Elected Members can always be relied upon to help any measures that are in the interests of the natives; but unfortunately there are people who are only too willing to seize hold of such a motion as this to suggest, we know quite wrongly, that it shows a conflict between European and native interests. For that reason, Sir, I think it is a great pity this motion was ever conceived, I think it is a great pity that it ever came to be debated in this Council, and I hope that if it goes to a vote it will be turned down in no uncertain manner.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Sir, we seem this morning to be full of regrets. I have no regrets at this motion coming before the Council. It must be remembered that, when stripped, I am a Senior District Commissioner, and the imputation that I should be led by the nose by the Chief Native Commissioner fills me with righteous rage! (Laughter.)

We have been asked to give a free and open opinion, without fear. It has also been alleged that the steam-roller vote will save my hon. friend. I think it is up to me to speak as an individual before I speak as the whistle of the steam-roller! (Laughter.) It has also been said that there was a responsibility on members to speak for the people they represent. This motion has been put up by the hon. Member for Nairobi South, and is backed up by the hon. Member for Mombasa. How many Civil Servants do they represent in those particular constituencies? (Laughter.) (Mr. Bemister: 116.) I represent 1,055 or more as President of the European Civil Servants Association, and if the hon. Members for Nairobi South and Mombasa think they are speaking for that portion of their constituencies, let me disabuse them!

I welcome this motion as a vote of confidence in my hon. friend the Chief Native Commissioner. It has been suggested that his letter was phrased in terms definitely inviting views adverse to the Report. Are we Provincial Commissioners and Senior District Commissioners a gang of "yes" men? (Lord Francis Scott: Yes.) (Laughter.) When father says "Yes" do we all say "Yes"? I am rather surprised that people who have been so long in the country as the hon. members who have spoken should support the motion. I hold that when a really straightforward officer gives a straightforward expression of his own opinion, none of the administrative officers, who have most responsible positions in this Colony, will at once say, "We agree with you, and there is nothing further to say." That letter written by the hon. the Chief Native Commissioner did

not invite views adverse to the Report. It was merely a clear expression of his own views to open up a discussion, and I am perfectly certain that the representations received from the Provincial Commissioners were based on their own opinions, and were not slavish carbon copies of that of the Chief Native Commissioner.

Sir, I beg to oppose the motion.

MAJOR THE HON. SIR ROBERT SHAW: Sir, I regret that one is compelled to prolong this debate even further, but I join my plea with that of my hon. and gallant friend on my left (Major Grogan) that it has really drifted miles from the direction in which, in my opinion, the hon. mover so ably directed it at the beginning.

We are not endeavouring, Sir, to protect a "spineless set of gas-bags"—was that the expression used?—from the methods of their ruthless superiors.—We are not suggesting that the hon. Chief Native Commissioner should not do everything in his power to bring his Provincial Commissioners to agree with the views he has on certain aspects of Government policy, and the hon. member Dr. Wilson just now mentioned that he hoped there was more bark than bite in this motion. What happens is that when the hon. member—ho perhaps will pardon me describing him as a very able watchdog—gets up and gives a warning bark, the whole of the rest of the canine population immediately proceeds to join battle issues which were never even suggested. (Laughter.)

That anybody should go so far as to suggest the motion was caused by rage on our part, because we thought an officer of Government was trying to discredit a measure in which we believe, is ridiculous. We never thought of such a thing. As for any idea of interfering between him and the manner in which he deals with his subordinate officers, that is not our business, and when the hon. mover said we were representing the people of this country and had responsibility in that respect, I do not think he was referring in any way to the manner in which matters of this sort are discussed between officers of the Service. All we have objected to is what we consider a very undesirable—I do not go so far as to say improper—method of administrative procedure.

No hon. member, so far as I know, has in any way answered the question put by the hon. mover as to what was the object of this letter. The officers of Government had been asked in a letter signed by yourself, Sir, for their opinions, and, if I remember, they were to be in by the 15th March. I have not the slightest doubt that, on the instructions issued by Government, they would come in, so what the object of

this letter was I do not know. But we do think that, couched in terms of which we have read, it was, I represent, a method of administrative procedure which we consider very undesirable.

VEN. ARCHDEACON THE HON. G. BURNS : Sir, I intend to vote against this motion for two reasons.

First of all, the hon. gentleman whose name is mentioned in connection to this letter did not do anything secretly. If he had written a secret letter to his officers right away out in the reserves trying secretly to influence them towards his own opinion, my attitude to-day might be a little different to what it is now, but it was not so. He openly and even in the face of his friend laid that letter on the table before the whole Council. I do not see what other procedure he could possibly have taken than that.

My second point is that as an officer responsible for the interests of the natives, and that in his opinion the Bill might be detrimental to the interests of natives, I think he would have been failing in his duty to the natives of this Colony had he not taken the steps that he took, to try and find out the opinions of those who were best able to judge with regard to the natives and their opinions in the various reserves.

For these two reasons I intend to oppose the motion.

THE HON. S. H. FAZAN : Sir, as another of the Provincial Commissioners to whom this letter was addressed, I should like to say a word or two as to the effect which it had and which it was calculated to have.

Speaking for the officers in Nyanza and myself, I may say that I received a copy of the Dairy Industry Control Bill a considerable time before I received the Chief Native Commissioner's letter. I took that Bill, I read it carefully, I made notes, and it was not until I discussed these notes with the Senior Agricultural Officer, Nyanza, and with the majority of the District Commissioners and had put them into shape that I read the Chief Native Commissioner's letter. His letter directed my attention to four points. These points are not particularly abstruse or recondite, and I had in point of fact already taken them into consideration. However, we discussed them also, and we reached what was a substantial agreement between us as to what answer should be sent. The answer which I sent was, in the first paragraph, that we agreed to these four points and the rest of the letter, in two pages, quoted almost verbatim notes which I had written before receiving his letter. I am grateful to the hon. Member for Nairobi South for having disposed of the suggestion in the Press that it was otherwise.

I assure you, Sir, if you need any assurance, that the opinions which we gave were our own opinions and they were not influenced in the very slightest degree by any desire to truckle to authority.

It surprises me to find I am regarded in any quarter as one who is excessively prone to subordinate his opinion to those of other people (laughter). Sir, the tradition of the Service is well known. When Government makes a decision or passes an Ordinance we, as executive officers in the field, are bound to carry that decision out loyally without undue airing of our own personal views. But when a matter is still in the stage of being considered the officers in the field feel themselves free to advance their opinions, and do so, often very emphatically. They resent very much any suggestion that any brass hat in Nairobi can at that stage of the proceedings dictate to them what they shall say.

The Chief Native Commissioner knows us all very well, and we know him very well, and he would never dream of attempting to dictate our opinions to us in that way. He very properly called our attention to four points which he considers to be of importance, and it is just possible that that paragraph to which exception is taken on the other side of the House might, if it had been written by a rogue to rogues, bear a dishonest construction, but being written as it was by an honest man to honest men (laughter), it merely invites us to send our opinions, whether they agree with his or whether they do not agree with his. All I can say is that his letter does in point of fact convey the impression that he was so impressed by the validity of his four points that he has hardly conceived it possible that we should not agree with him, but he by no means precluded us from doing so.

I am bound to say that when I read the letter first I was rather surprised by the statement that if we agreed with him his position would be considerably stronger. Well, it obviously would, and it was not quite apparent to me why he made such a self evident proposition. But, regarded as a whole, there is no question of any sort or kind, the Chief Native Commissioner's letter is simply an invitation to us not to let the thing go by default, but to state our comments on the Bill fully and frankly. He would never dream of insulting the Service in which he has spent so many years by suggesting that we in the field needed to have our opinions dictated to us.

THE HON. ISHER DASS : Sir, I rise to oppose this motion. (A member : Hear, hear; and laughter.) The hon. mover is trying to tell the hon. the Chief Native Commissioner that he is probably wrong in adding a paragraph to his letter which

he should never have added, but I must say that the hon. mover has deliberately tried to mislead the House. His object in moving . . .

THE PRESIDENT: Order, order! I must call the hon. member to order. I will not have motives of that kind imputed to the hon. mover. The hon. member has no right to say that he deliberately tried to mislead the House. (Hear, hear.)

THE HON. ISHER DASS: Sir, the objects of bringing this motion are two. One is, this letter was written on the 13th February by the hon. the Chief Native Commissioner, contained paragraph 2 (a), which I will read:

"(a) In spite of paragraphs 75 and 76 of the Report I feel sure that the native producer and seller of milk in any proclaimed area would be forced out of business. The European suppliers would corner the market and native produced milk would be taken at the Depot at butter fat prices."

This is exactly the paragraph which irritated the European elected members. If the Chief Native Commissioner, instead of writing the truth, as he has, had mentioned that this would be in the interests of the European suppliers I wonder what the hon. mover would have done? Probably he would not have brought the motion. I say definitely, it is because this does not suit them which is the sole object of bringing this motion.

The second point is, one would be surprised that the Noble Lord should have taken this letter to the Colonial Office . . .

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of order, Sir, I suggest that it is entirely improper that in this House any reference should be made to anything I did at the Colonial Office in a private capacity and to private conversation. I suggest that it should not have been mentioned by the hon. the Chief Native Commissioner, and is not the subject of debate in this House.

THE PRESIDENT: I was on the point of calling the hon. Member Mr. Isher Dass to order when you rose. I must ask the hon. member to keep to the motion, which is that this particular letter under discussion should not have been written.

DR. THE HON. A. C. L. DE SOUSA: On a point of explanation, may I inquire . . .

THE PRESIDENT: Is this personal?

DR. THE HON. A. C. L. DE SOUSA: I . . .

THE PRESIDENT: I must rule the hon. member out of order. He will have a chance of making a speech later.

DR. THE HON. A. C. L. DE SOUSA: I . . .

THE PRESIDENT: Order, order! The hon. member will have a chance of making a speech in due course. In the meantime, the hon. Member Mr. Isher Dass is speaking.

THE HON. ISHER DASS: I understood the hon. mover to say that we on this side of the House were unanimous. If actually this letter has been taken by anyone to England and shown to a higher authority, I say the hon. gentleman who did this act has absolutely expressed his ignorance of the whole position. Why, the fundamental principle of a trusteeship is the paramountcy of native interests and if, in the words of the hon. Member for Uasin Gishu, he has a grave responsibility for the progress of 17,000 European settlers, I am asking you in all earnestness if the responsibility for three million natives is not greater than responsibility for 17,000 European settlers? What have you to say to that? (Laughter.) I must take this opportunity on behalf of my community whom I have the honour to represent and the three million natives to congratulate the hon. the Chief Native Commissioner for taking such a bold step in saving the native producers of milk.

A point has been made here that if hon. members on the official side were asked to give a free vote, they would probably vote for the motion, and the question of the steamroller has been brought in. I wonder if hon. members on this side, who object so much to the steamroller, feel grateful when it works in their own interests? If, unfortunately, in one instance only, the steamroller does not agree with those hon. members, it is bad, inefficient, and impracticable! (Laughter.) That is exactly the attitude of the European elected members.

There is one other thing. So much fuss has been made of the letter. After all, I am really surprised why it should have been made at all. The District Commissioner, Nairobi, happens to be a member of the Municipal Council. He has a free vote and expressed his views at that Council.

The District Commissioner at Mombasa is the Chairman of the Mombasa Municipal Board and he expressed his views. If all officials can express their views, I do not see any thing in this letter to have influenced the administrative officers to send telegrams to the Chief Native Commissioner to say "What you say is right."

The object behind this motion, the hon. mover may or may not agree—he generally does not agree with me—is because in the spirit of the letter, does not suit their requirements and is in the interests of three million natives, and because the hon. the Chief Native Commissioner has taken upon himself the bold step of defending the interests of those natives, members on this side are just making a fuss for their own personal gains.

Council adjourned for the usual interval.

On resuming.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Sir, this debate has gone on far too long already, so that I do not want to continue to take up the time of the House. There is only one little point and I want to try and get back to the main issue.

We have heard a great deal of argument about what was supposed to have been intended, and I trust the hon. the Chief Native Commissioner will believe me when I say that we do not intend or suggest anything else but what has actually been said by hon. members on this side, and we can interpret what we mean better than the hon. Indian members, who try to impute other ideas to us. Our objection to this letter is that it must have been written with a view to putting before administrative officers the ideas of the Chief Native Commissioner and, in his own words, he hoped they would be able to support him to strengthen his position.

I do not say for one moment that when the Chief Native Commissioner wrote the letter he had any wrong motives, or anything of the sort, but the point is that I believe he is the head of a highly disciplined body of officers. I should even like to congratulate him that during his term of office I believe he has brought that sense of discipline and *esprit de corps* in the administrative service to a much higher standard than it was some years ago under somebody different who occupied that position. But I have also been a commanding officer of a highly disciplined body of people, and I know this: that if I sent out a letter to those people on some subject, putting forward my views, and had said that I trusted they would be able to support me to strengthen my position, those people, without going against anything which was necessarily against their conscience and that sort of thing, would have done their very utmost to support my point of view.

I suggest that that was the inevitable result of the letter sent out by the Chief Native Commissioner, and that is the point we take exception to. I was not in the country at the time the matter came up in this House, but the point my

colleagues took exception to was that someone in his position, who carried so much weight, quite rightly, with administrative officers, should have sent out a letter which did prejudice the question under discussion very much, to say nothing more.

That is the main issue, and all these extraneous matters are outside.

There is one thing I should like to say. I do hope the Council will not take this motion, in the words of my hon. friend the Commissioner for Local Government, as a vote of confidence or no confidence in the hon. the Chief Native Commissioner, because that is not so. We consider he committed an indiscretion and that the letter should not have been sent out as it was, but we should not like the motion to be taken in any sense that we have no confidence in him in the post he holds.

THE HON. N. S. MANGAT: Sir, ever since the motion was tabled I have been wondering whether this is another method of achieving a constitutional advance. (Laughter.) (A member: Really, Sir!) I am not so much concerned with the details of the thing as with the principle of it. I wish to know whether Government is going to entertain such censures on its officials and thus make way for the unofficial members of the House to dictate to those officials their future policy? It would seem that if that principle is accepted no officer of Government would be able to write or speak or state anything unless it was approved beforehand by the unofficial members, and that principle in itself is very wrong and is in a way giving the reins of Government to the unofficial minority which, naturally, the Indian members cannot consent to.

Comparisons are odious, but although I am comparatively a newcomer to the Colony, history tells me that there was a time when the Chief Native Commissioner used to send out circulars to his subordinates and ask that they should help the European settlers by providing them with labour, which many times was called "forced labour". If this opinion of the Chief Native Commissioner was to the advantage of the native, why should it be resented? Further, we know that when the Chief Native Commissioner was absent, it was one of the Provincial Commissioners who was acting in his place. That official discharged his duties equally as efficiently as the Chief Native Commissioner, and it cannot be assumed that even he on reversion would discard all his personal opinions and simply agree with everything that the Chief Native Commissioner dictates.

I cannot presume as to what the hon. the Chief Native Commissioner meant by the words "my position will be stronger". My interpretation of these words is that the

Dairy Control Bill was to come to this Council sooner or later, and the Chief Native Commissioner was to speak on behalf of his department. It would be ridiculous to assume that all Provincial Commissioners would get up and give their opinions. They were to speak through the Chief Native Commissioner, and if he got their approval to the Bill he could authoritatively say: "I have consulted my subordinates, and they are in opposition to the Bill." That is all it could mean, not that they must agree with him, so that his opposition could be stronger, because if he assumed they would agree with him he need not have written the letter.

This motion has been given undue importance, and I almost feel that we should, for the first time in this Council, use that Rule which we invented last year, Rule 43 (viii); that is, to close the debate, but perhaps we would have deprived some members of an expression of opinion. I do think, however, that we have given undue importance to the matter. I do not say that I am defending Government, because they are able enough to do it themselves, but as an impartial on-looker I say that the motion should not be accepted, because it violates a principle which affects the whole constitution of the Colony.

THE HON. H. G. PILLING: Sir, I do not propose to say very much in regard to the motion. Several hon. members have referred to a phrase in the now notorious letter: "My position will be stronger." I think if the circumstances in which that letter was written are more clearly understood than they appear to be by a good many speakers to-day, it will be quite clear what the Chief Native Commissioner meant by that.

The hon. the Chief Native Commissioner is a member of the Board of Agriculture to which the Report of the Dairy Industry Inquiry Committee was to be submitted for consideration. His position would, of course, be very much stronger when discussing the question at the Board if he were able to say: "I have consulted the Provincial Commissioners and the District Officers and they are in agreement in my views." His position would be very much stronger if he were able to say that than if he merely said "That is my own personal view."

It has been suggested that the letter addressed by the Colonial Secretary a few days before the Chief Native Commissioner's letter was issued would have been sufficient. It probably would in all the circumstances have been sufficient to have drawn replies from the Provincial Commissioners. But the circumstances were that in the Colonial Secretary's letter replies were not called for before a date some six weeks later. The Chief Native Commissioner was naturally desirous

of ascertaining the views of his officers on the Report at an early date, and he adopted the course of consulting them by letter. The hon. member representing native interests has explained why the Chief Native Commissioner was quite in order in expressing his own views on the subject. He had inside knowledge of the discussions that had taken place, and the views he put forward no doubt represented the views of a great many witnesses who appeared before the Committee. With his greater knowledge of the subject he was quite in order in giving them some criticisms of the Bill which occurred to him.

This motion, in my opinion, has served a useful purpose in that it may dispel a misconception obviously held regarding the Service, that misconception is, that in this Service and, perhaps throughout the Colonial Empire as a whole, officials hesitate to give their considered opinions for fear that those opinions may not be acceptable to their senior officers. I do not think that the analogy which the Noble Lord has made in regard to officers in the army is a true one. Matters dealt with in the army are, I expect, mainly technical on which a senior officer is in a better position to express a considered opinion than subordinate military officers. But that is often not the case in the Administration, and the idea that officers would hesitate to express their views for fear of offending their superior officers is unthinkable in a British administration where, I may say, slavish acceptance of the views of a superior officer is not regarded in any way as providing a high road to promotion.

I think it is a misrepresentation of the position of Provincial Commissioners to infer that they would in any way regard the letter of the Chief Native Commissioner as an attempt to coerce them to express an opinion which they did not hold. I am quite sure of that. They have also spoken for themselves and have expressed that point of view. The Chief Native Commissioner had no intention of trying to coerce them and there is no justification in the letter for that point of view. If he had tried to coerce them, surely he would have said in his letter: "I am going to oppose it and want your additional reasons for opposing it." Surely the words "Should your opinions and those of your officers coincide with mine," merely indicate a hope that he may have the support of administrative officers to his view. They are not a demand that the Provincial Commissioners should express views in agreement with his own.

There is no justification to be found in the letter for the assumption that any coercion was intended.

Government is unable to accept the motion for reasons which I think have been made obvious during the debate.

CAPT. THE HON. H. E. SCHWARTZ: Sir, I think it is a pity that hon. members on the other side did not join the recent Non-Intervention Pact! They would then have been able to supply me with such masses of ammunition which, had I wished, I could have used, I think, to some effect.

I tried in opening to speak with studied moderation, but I think the hon. the Chief Native Commissioner will admit that in my opening speech I avoided all provocativeness as far as I possibly could.

My hope that this debate would be confined to a few speakers and to reasoned argument, I regret to say, has not been realized, but nevertheless I do not propose to do what I might well consider myself justified in doing and really adopt the line some speakers have adopted during the course of the debate, but would say this; that this debate has been remarkable for an example of two things. First of all, the complete futility of debate in this Council in order to get the real opinion of people entitled and free to give that opinion. Secondly, a further example of the invariable insistence of the hon. the Indian members to make every single thing a racial matter, no matter what it may be.

THE HON. SHAMSUD-DEEN: On a point of order, Sir, if the hon. member is referring to anything racial I strongly resent it.

CAPT. THE HON. H. E. SCHWARTZ: The hon. member did not, but the hon. member behind him indicated otherwise.

THE HON. SHAMSUD-DEEN: Is not the hon. member imputing motives to hon. members when he says Indian members raise racial matters?

THE PRESIDENT: As I understood the hon. member, he was endeavouring to make a statement of fact and was not trying to impute motives to anybody.

CAPT. THE HON. H. E. SCHWARTZ: Certainly not, Sir. May I first of all deal with the two hon. members on that side of the House who did nothing to harm the case for which they were speaking, the Provincial Commissioners for the Central Province and Nyanza? They dealt not in the least with the motives of the Chief Native Commissioner in writing the letter, but they dealt, and quite properly dealt, with their views as to the Provincial Commissioners and District Commissioners and administrative officers generally, and the Provincial Commissioner, Central Province, suggested that I had made the innuendo that administrative officers were spineless people incapable of opinions of their own. I repent, I never suggested or thought of it.

All on this side of the House have a very high opinion of administrative officers, whether Provincial Commissioners or District Commissioners, and it would be futile for me or anyone else on this side to suggest that people who, by rising to the positions they had and the responsibilities they have, were not capable of minds of their own. Let me disabuse the mind of the hon. Member Mr. Pilling here and now. I never intended to suggest it, but what I do suggest is that the hon. the Chief Native Commissioner hoped by that letter to influence opinion in his favour. And I come back once again to the question which I asked in my opening remarks, if he did not, why did he write it? and not one single member on that side of the House or cross benches has been able to suggest why that letter should have been written, unless it was written for the reason we suggested.

My hon. friend Mr. Pilling will pardon me if I say it was a somewhat pathetic attempt by him to give some reason. He saw, with his usual astuteness, that the one point of the whole debate, why was that letter written, unless for the purpose we say it was, had never been answered or attempted to be answered by anyone, so he attempted to answer it. He said the Chief Native Commissioner was a member of the Board of Agriculture to which this Report was going to be referred. In other words, he was a member of a Board to sit in a judicial capacity to consider the Report. Therefore, said he, he wanted to do his best to get the support of all the administrative officers behind him. Those were his words, not mine, and that is the reason . . .

THE HON. H. G. PILLING: Does the Board of Agriculture sit in a judicial capacity? Surely it is advisory?

CAPT. THE HON. H. E. SCHWARTZ: No Sir. If a report is sent to a committee, to consider or advise, and it is in a judicial capacity it considers that report, takes evidence, hears arguments, and gives its report. The report may be in an advisory capacity, but it is splitting hairs to suggest that if a report or a Bill is sent to the Board of Agriculture, the Board would consider it in any way but a judicial capacity. Apart from that, apart from the hon. gentleman seeing nothing strange in a member of such a Board who have to consider the Bill going in with preconceived ideas the real point of his remarks was, of course, that he wanted to get the opinion of the administrative officers behind him so that he could go in and say: "I speak not only for myself but for the administrative officers." I accept that from the hon. Member Mr. Pilling. That is all the hon. gentleman wanted and said he wanted, and is what we are complaining about. The hon. Member Mr. Pilling has blown the gaff finally by those remarks of his. (Laughter.)

I understand, Sir, that it has been definitely decided that there is not to be a free vote. I did not expect it nor, with great respect to hon. members opposite, did I think it would make any difference as to whether there was a free vote or not. But I regret that there is not going to be a free vote merely for this reason.—That, as I left this Chamber on the day notice of this motion was given, four hon. members on the other side of the House, three of whom are present to-day and shall be nameless, both in public and private, said to me: "My goodness, he has put his foot in it!" It would be interesting to see how they would have voted had there been a free vote.

That brings me to what the hon. the Commissioner for Local Government has said, and, incidentally, when he says he declines to be pulled by the nose by the hon. the Chief Native Commissioner, it would probably be easier for him to be pulled by the nose than vice versa. (Laughter.)

THE HON. THE COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: On a point of personal explanation, I said led! (Laughter.)

CAPT. THE HON. H. E. SCHWARTZ: When he refers to those of my constituents who are Civil Servants, he says he wishes to disabuse my mind if I think they would support this motion. He may consider that they would not, but I beg leave to differ from him. I have not discussed the matter, naturally, with large numbers, but several with whom I have said it is an unfortunate thing that the letter was written. Of course, honestly, Sir, if the debate had taken place before a judge and jury, have you or any member on that side any doubt as to which way the verdict would go?

That is why I say this has proved the futility of debate in a Council such as this.

The hon. Member for the Coast used the words "Save me from my friends," an expression I have been thinking of ever since the hon. Member Mr. Shamsud-Deen sat down. What did he say in effect? (Mr. Pandya: That was me.) No, it is the hon. Member Mr. Shamsud-Deen that I am referring to. I did not understand the speech of the hon. Member Mr. Pandya. I usually do and take an interest in what he says, but, frankly, on this occasion, I did not understand him. It was probably my fault.

Just after the hon. the Chief Native Commissioner had said he had no desire to influence people in the least, up gets the hon. Member Mr. Shamsud-Deen and said not only did he give a lead as he was entitled to but actually the people he was

trying to lead thought so little of it that they gave a confidential document away to the other side. That is the way of supporting the Service which is being advocated by members on the other side.

The hon. Member Mr. Isher Dass I am afraid judges other people by himself, for he seems to think it is impossible for the European elected members ever to put forward a motion because they believe it to be right. He always imputes motives to members which exist nowhere except in his own imagination, and I will only say that if it is a question of motives I am not going to suggest them because you, Sir, have ruled it out of order already, but is anyone in the slightest doubt, apart from the actual question before the House, what the real motives of those gentlemen are in opposing the motion? It stands out a mile. Somebody spoke about forced labour, I forget who, but there was never any forced labour used by European settlers in this country.

THE HON. SHAMSUD-DEEN: On a point of order, is that not an innuendo? Have they not some ulterior motive in supporting the motion? I think the hon. member is entirely wrong.

THE PRESIDENT: The hon. member, as I understood him, did not impute any definite motive. He was merely asking a rhetorical question: was any member in doubt in his mind as to what the motive of the letter was.

CAPT. THE HON. H. E. SCHWARTZ: And the hon. Member Mr. Shamsud-Deen apparently has not!

Before I sit down, I think it is a pity that the hon. the Chief Native Commissioner did not explain why his friend thought it was so dangerous a letter to be made public. If this letter did not bear the interpretation we put on it, if it was a letter which, as the hon. Members Dr. Wilson and Mr. Pilling say, is a perfectly right and proper letter, that no one could possibly read anything wrong in it, why should the hon. member's own friend say he had better be careful and not let this letter come to light? But when I read that letter as any impartial person would read . . .

THE HON. J. B. PANDYA: I made the remark and said because it was not necessary.

CAPT. THE HON. H. E. SCHWARTZ: I was not referring to the hon. member.

We are finishing as we began, Sir. We have had a letter which has been admitted by hon. members who are going to vote against the motion, by the hon. the Deputy Colonial

Secretary himself, who most definitely admitted it, that the hon. gentleman desired to get support for his views. This letter saying "If your views happen to coincide with mine, I shall be strengthened," or "my position will be stronger," can only have meant one thing: "I want you to support me." That, Sir, from a commanding officer to his subordinates, that is the indiscretion, the error of judgment, and I defy anyone in this room to give me an answer if the hon. member did not mean that was why he wrote that letter.

I regret very much indeed that the hon. member did not take the line which, perhaps, presumptuously I gave him, but as he has not done so we shall have to face the steamroller and take this to a division, and shall do so with great regret. The division having taken place and the motion lost, our object in bringing it to light of day, which was impelled by no motives except those we have stated, will have been achieved, and we hope there will be no ill feeling on the other side as the result of it.

The question was put and negatived by 26 votes to 11.

Ayes: Mr. Bemister, Major Grogan, Mr. Harvey, Mr. Hoey, Colonel Kirkwood, Major Riddell, Capt. Schwartz, Lord Francis Scott, Sir Robert Shaw, Colonel Tucker, Mr. Wright.

Noes: Mr. Bale, Mr. Boulderson, Archdeacon Burns, Messrs. Daubney, Fazan, Gardner, Harragin, Hedden, Hosking, Isher Dass, La Fontaine, Mangat, Montgomery, Morris, Pandya, Dr. Paterson, Mr. Pilling, Sir Godfrey Rhodes, Messrs. Shamsud-Deen, Dr. de Sousa, Mr. Stronach, Capt. Tisdall, Messrs. Wallace, Walsh, Waters, Dr. Wilson.

EMPLOYMENT OF NATIVES ORDINANCE, 1910.

CAPT. THE HON. H. E. SCHWARTZ: Sir, I beg to move—

"That in view of the judgment of the Second Class Magistrate, Nairobi, in Criminal Case No. 603 of 1936, this Council is of opinion that section 29 of the Employment of Natives Ordinance, 1910, requires immediate amendment."

The decision is a very important one, for it does materially affect the employers of natives of whatever race they may be. In order possibly to forestall opposition from certain quarters of the House, this case which gave rise to the motion was a case in which I was defending an Indian!

Section 29 of the Ordinance in question reads;

"Every employer shall provide his servants with proper medicines during illness and also (if procurable) medical attendance during serious illness, and any employer failing so to provide shall, in addition to his liability

for breach of the section, be liable to pay any expenses incurred by a magistrate in providing such medical attendance."

The facts of the case in question were not in dispute, and if I say anything wrong the hon. the Acting Solicitor General, who was against me in this case, will be able to correct me.

The facts were that the employer, who was charged with not giving medical attendance to an employee, had no knowledge that the employee was ill. I took the point before the magistrate that there must be knowledge before there can be guilt, and the second class magistrate gave a ruling on those agreed facts before any evidence was called. He said:—

"The point before me in this case is as to whether or not an employer is responsible for ascertaining the state of health of his employee, under section 29 of Chapter 139, Laws of Kenya. It seems to me that the wording of the section is perfectly clear, for it says 'every employer shall provide.' Thus the moment an employee falls sick the employer is obliged to provide attention, and the onus of obtaining the information necessary for him to comply with the law is entirely on him. I therefore rule against Capt. Schwartz's contention."

It does not require me to emphasize how far such a dictum would lead. It would mean having a muster roll twice a day, looking at the employees, taking temperatures, and so forth. It is obvious that the meaning of the legislation was that if a native comes and complains to his employer, or if the employer ascertains from some other source that the employee is ill, he must provide him with medicines and, if he is seriously ill, with medical attendance, or vice versa. But it was never suggested that although the employer had no knowledge that the native was ill that he should be guilty of an offence if he did not give the native medicines or medical attendance.

It is perfectly obvious to me, and I hope the hon. the Attorney General will agree with me, that this decision is entirely wrong and a wrongful interpretation of the section in question. Feeling that very strongly, I took the case to the high court. Unfortunately for me, I took another point, I forget what it was now, a preliminary point on which I won, so the conviction was quashed. But, in spite of my earnest appeal, the high court refused to deal with this important point. Therefore, the ruling of the second class magistrate stands, although if I had not taken the preliminary point it would have been upset. But there it is, and I suggest that as it does stand at present the hon. the Attorney General would

give us some kind of assurance that the matter will be looked into and will be amended. I have understood unofficially from him that the Ordinance would be amended and this matter dealt with, and if he will tell us that, as far as I am concerned I am quite satisfied.

One other point, while not strictly arising out of this motion, is of importance, a question of employers and employees which has been brought to my notice, and perhaps the hon. the Attorney General could deal with it when he speaks: that an employer remains responsible both under this section and another for hospital fees for an employee who has become a deserter, and on this I have seen correspondence which I believe to be correct. If that is so, that ought also to be amended immediately. You cannot make an employer personally responsible for a deserter who falls ill hundreds of miles away and because you did not give him medical attendance or medicine you make him responsible for hospital charges incurred because the man deserted.

THE HON. CONWAY HARVEY: Sir, in seconding this motion there are just one or two points in connection with this subject which I should like to emphasize. I should like to make it clear that there is no desire on the part of employers in Kenya to shirk any liability for the welfare of their natives, and I believe that actually, if there was no legislation in existence, the extremely happy relations which I think are better here than anywhere else in the world between employer and employee, would continue.

The case mentioned by my hon. and learned friend is unfortunately not an isolated one. Cases are numerous, and are very frequent occurrences, but I am pleased to say they rarely reach the length of court. Curiously enough, only last week I was sent a large body of documents from a Songhor farmer, whose case was this—it definitely has reference to the same subject. He engaged a number of native employees in Kisumu. When they had been working for just one or two days one of them, by reason of his own indiscreet behaviour, had to go to hospital and medical attendance was necessary, and a minor operation was performed. Due in no way whatever to his work or to the fact of his employment with the Songhor farmer, but to his own indiscretion, as I have previously mentioned, the employer has been landed with quite a heavy bill, about Sh. 30, for one month's hospital fees, which I suggest is unjust and unfair.

That is happening all over the country, every week, and I should like in order to make the position in that regard perfectly clear to quote a hypothetical case which my hon. friend, the Attorney General will, I have no doubt, reply to.

Assuming that I engage a number of labourers in Kisumu, and instead of getting off the train at Koru one goes on to Mombasa, becomes involved in a brawl, and has an ear bitten off (laughter), that may involve very costly medical attendance for which, I believe, under the Ordinance, as it stands, I am entirely liable; and not only I, but the public at large, especially the employers, throughout the length and breadth of Kenya, will welcome a very definite assurance from the hon. the Attorney General if I am right in what I say in that respect.

There is one suggestion I should like to make, which would be this. I am not sure if it is practicable: that officers charged with responsibility in this matter, such as the labour officers, the medical officers in charge of hospitals, and possibly others, should be instructed to use a certain amount of discretion, and where obviously it is unjust, unreasonable and unfair to bill the employer with the cost of giving the native the necessary medical attention, it should be borne by the public revenue.

THE HON. SHAMSUD-DEEN: Sir, if the hon. Member for Nyanza had not got up, I intended to second this motion, not because the hon. Member for Nairobi South has said that the case originated from an Indian accused person, but because of the principle of the thing. I fail to see why an employer should really be rendered liable for unlimited liability in the shape of hospital bills when he only contracts to employ a native just for say, one month, or less than that. Government themselves, in the case of their employees who have entered into contracts with them to work for three or four years, do not make themselves liable, and why should the ordinary private employer be liable for medical attendance on a servant who is only working for one month or less?

I think this is one of the sections of the Masters and Servants Ordinance, and I agree that about twenty-eight years ago this section was justified, but to-day the position in most of the European and Indian families is such that even when they themselves are ill they cannot afford in most cases, the medical attendance that is absolutely necessary in some of the most urgent cases—I am referring of course to that poorer class of the population—and there have been cases where people have succumbed simply because of impoverished conditions; they could not afford medical attendance.

It is not only a question of knowledge by an employer of his servant being ill, but it goes much further than that, and I think, especially in the case of natives, that with all the funds that have been spent on the medical vote, it should be an automatic provision that whenever a person sends his native

servant to hospital he should be treated free and there should be no liability whatsoever on the employer to pay the bills. There may be a very complicated operation, and a native who works for a man only two days may be in hospital for two months.

I submit, Sir, that the responsibility of the employer should end with his sending that employee to the proper quarters for medical treatment, and nothing further.

THE HON. THE ATTORNEY GENERAL : Sir, unlike so many other members in this Council, I have joined the non-intervention pact that my hon. and learned friend referred to earlier, and I am afraid I am going to supply him with no ammunition whatsoever, because I am going to contradict him with regard to nothing he said, strange as that may appear! But, shortly, I will give my reasons for resisting this motion at the present juncture, and I should like to read the motion to the House, because I think we are rambling a little already :—

“ That, in view of the judgment of the Second Class Magistrate, Nairobi, in Criminal Case No. 603 of 1936, this Council is of opinion that section 29 of the Employment of Natives Ordinance, 1910, requires immediate amendment.”

All we have to discuss at this moment is : Shall we amend this Ordinance immediately or not, in view of what a second class magistrate said in a judgment reversed by the Court of Appeal on another point. My hon. and learned friend will agree that that judgment can never be quoted in any other court in the Colony. With regard to that judgment, my hon. friend has told you that he has not the slightest doubt that if he had not taken his first point the judgment would have been upset in the Court of Appeal on the second, which strikes me as poor reasoning why we should amend the Ordinance—because he did not go on with his point.

Whatever may be the opinion of distinguished lawyers as to amending this particular section, I can tell the Council that this section will be before the Council very shortly. As you all know, the three Labour Ordinances have been with the Secretary of State for some considerable time, and I have information that he has dealt with them and that in a very short time we shall be able to put completely new ordinances before you which will include the section which my hon. friend is seeking to amend. I sincerely hope they will be in before the end of this session.

As to whether or not it would be wise to retain the wording of the present section will be a matter of future discussion. There is a great deal to be said on both sides, and I will only

say at this stage that this section has been in the Ordinance since 1910, and has therefore had a long run. Personally, I have never heard of an actual case in court where grave injustice has occurred as a result of it. My friend may say it might have occurred in this case, but it did not; so wash that out.

Regarding the points raised by the hon. Member Mr. Harvey, I must tell him that I belong to a very close corporation known as the legal corporation, and if he wishes advice I have no doubt he can be directed by the hon. and learned member on his right (Capt. Schwartz), who knows of several excellent firms of lawyers who will give him the necessary advice on the subject. (Mr. Harvey: For a consideration!) I will not therefore let myself be drawn into giving free advice, particularly as it might be wrong! (Laughter.)

I could not understand the hon. Member Mr. Shamsud-Deen when he said that Government were not liable, whereas other employers were. The Ordinance makes no exception in favour of Government, and if Government employs a native—

THE HON. SHAMSUD-DEEN : I was referring to European and Indian employees for whom Government is not responsible.

THE HON. THE ATTORNEY GENERAL : I am dealing with natives, and it does not seem quite proper to bring in any other subject. If these employees like to come under the Ordinance perhaps a motion can be moved in the House. I can give an assurance to my hon. and learned friend that, as this point will be before the Council as soon as the new amending Ordinances can be brought in, I suggest that the motion might be withdrawn.

CAPT. THE HON. H. E. SCHWARTZ : Sir, in view of what the hon. and learned Attorney General has said, I ask leave to withdraw the motion.

I listened carefully to see if he said he agreed with me that this decision was wrong, but all he said was that a grave injustice might have been done. That is quite enough for me, and I ask leave to withdraw the motion.

The motion was by leave withdrawn.

*Council adjourned till 10 a.m. on Wednesday,
the 4th November, 1936.*

WEDNESDAY, 4th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, the 4th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, ESQUIRE, K.C.) presiding.

The President opened the Council with prayer.

ILLNESS OF H.E. THE GOVERNOR.

THE PRESIDENT: Hon. members will regret to learn that His Excellency the Governor has had a slight relapse and has been ordered to the Coast for a few days. Hon. members will appreciate that it is impossible for the hon. the Colonial Secretary to preside during the Budget debate, and His Excellency has therefore appointed me under Standing Rules and Orders to take the chair.

MINUTES.

The minutes of the meeting of the 30th October, 1936, were confirmed.

PAPERS LAID.

The following paper was laid on the table:—

BY THE HON. THE TREASURER:

Statement of Colonial Loans.

NOTICE OF MOTION.

Notice of the following motion was given:—

BY LIEUT.-COL. THE HON. LORD FRANCIS SCOTT:

"That, in the opinion of this Council, the action of His Excellency the Governor in refusing to accept the following question—

'For what public purpose His Excellency the Governor purported to set aside the law on the subject of the remission of the disqualifications imposed on Mr. W. G. Lillywhite, which action has since been declared by the Secretary of State to be illegal', put by the hon. Member for Aberdare, was an abuse of the prerogative conferred on him by section 22 (ix) of Standing Rules and Orders of Legislative Council."

ORAL ANSWERS TO QUESTIONS.

GOVERNMENT USE OF OFFICIAL GAZETTE.

No. 50.—MAJOR THE HON. E. S. GROGAN asked:—

"With reference to the Supplement to the Official Gazette No. 51 of the 13th October, 1936—

(1) What were the 'certain misapprehensions' which it attempted to remove?

- (2) Upon what precedent did Government or any member of Government responsible for the proper use of the Official Gazette rely on prematurely disclosing essential items of the Budget for the avowed purpose of influencing public opinion, whereas in ordinary practice the draft Estimates are not even submitted to Executive Council? (*Vide Pini Report, section 135.*)
- (3) Whereas the net increase in expenditure of £50,000 and the estimated increase in Customs revenue of £57,000 (disclosed in paragraph 5) related to the revised estimates (disclosed in paragraph 2) indicate a gross surplus of £94,500 which, after deduction of £47,000 consequent on the proposed abolition of the levy on official salaries, leaves a net surplus of £47,500, by whom, on what authority, and how, was the conclusion that 'even if on the existing basis of taxation full account is taken of increases in other directions the Budget will not balance' reached?"

THE HON. THE COLONIAL SECRETARY: (1) From the reports of meetings and other publications in the Press of the Colony, Government was satisfied that certain misapprehensions as to the financial position of the Colony were current.

(2) The Official Gazette is a Government issue and Government reserves the right to publish any matter which it considers to be in the public interest. In the present instance, it was used to acquaint the public with the true financial position of the Colony.

(3) The statement that "Even if, on the existing basis of taxation, full account is taken of increases in other directions the Budget will not balance" was made by Government as an authoritative statement of fact, which was arrived at by ordinary arithmetical methods.

The hon. member will be able to analyse the figures by reference to the draft Estimates for 1937 which have been laid on the table.

MOTIONS.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY: Sir, I beg to move:—

"That the Draft Estimates of the Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee for consideration and report."

These Estimates show a gross revenue of £3,490,922 and a gross expenditure of £3,425,545, thus providing for a surplus of revenue over expenditure amounting to £10,777. This surplus is not very different from that appearing in the 1936 Sanctioned Estimates; that is to say, £9,750. It is, however, now anticipated (as explained on page 3 of the Memorandum on the 1937 Expenditure Estimates) that the surplus on the 1936 working will be from £80,000 to £90,000.

Of the gross total of over £3,400,000 appearing on both sides of the 1937 budget, more than £1,200,000 is accounted for by reimbursements. A truer picture therefore of the Government's finances is obtained from pages 6 and 7 of the Draft Estimates, which show a net revenue of £2,228,690 and a net expenditure of £2,217,913, giving a surplus, as I have already stated, of £10,777.

The increase in estimated revenue and estimated expenditure over the Sanctioned Estimates for 1936 is roughly £60,000 in each case.

The increase on the expenditure side is accounted for partly by increases in services provided under the Agricultural, Education, and Medical Departments, partly by increases under pensions and loan commitments and under military expenditure, and partly by a long overdue resumption of contributions to water works renewal funds amounting to £14,000.

The increased revenue is expected to be obtained as to £57,000 from Customs duties, and as to £32,500 from the difference between the yield of income tax (if that tax is adopted), a modified non-native poll tax, and a reversion to the 1919 trades licensing fees on the one hand, and the yield from graduated non-native poll tax, education tax, and the amount accruing as the result of the Licensing Ordinance, 1934, which it is intended to repeal. Other heads of revenue throughout the Estimates show sundry increases, while on the other hand there is a decrease of £47,000 on account of the levy on official salaries which it is intended to remove. However justifiable the levy may have been as a measure to save the State in a crisis, Government feels that it cannot be justified once the crisis has passed or as a measure to increase surplus balances. In Government's view, the retention of the levy would no longer be equitable. Indeed, the latest figures of revenue and expenditure for 1936 suggest that it ought to be removed as from the 1st October this year, at a cost to Government of about £12,000.

Provision has thus to be made in the Revenue Estimates both to replace the proceeds of the levy, amounting to £47,000, and also to meet the net increase in expenditure of roughly £60,000, a total of £107,000.

It has been argued that because it is anticipated that the final accounts of this year's financial working will show a surplus of round about £90,000, there can be no need to raise this additional revenue. But the preparation of Colonial Estimates is not so easy a matter as this simple statement would seem to imply.

Estimates of expenditure are in effect authorizations to spend up to amounts which are calculated as near as possible to meet anticipated requirements. But those authorizations do not, of course, mean that the officers in charge of the votes are expected to spend up to the full amounts allowed unless it is necessary to do so. The result in practice is that it is found at the close of the financial year, when the accounts are made up, that, scattered throughout the Expenditure Estimates, are a number of savings which, in the aggregate, amount to a considerable sum. Such savings, however, cannot be estimated for, nor can they appear in the budget, for it is not known where they will occur.

On the other hand, it must happen in practice that the amounts allowed in some cases prove to be too small, so that the sanctioned provision has to be increased with the authority of the Governor by means of special warrants. These special warrants are referred to the Standing Finance Committee, and subsequently ratified by the Legislative Council.

To arrive at the total figure of expenditure in any given year, therefore, such supplementary provision authorized through the Standing Finance Committee by this Council must be added to the original authorized provision. Additional provision of this nature up to the 30th September has, in the present year, amounted to £140,000, some of which of course will be reimbursed, and the total departmental savings for the year are estimated to amount to a sum of £85,000. Even, therefore, taking into account these departmental savings—which happen, curiously enough, to approximate to the total estimated surplus—had it not been for a marked buoyancy of revenue the Colony at the close of the year would have faced a very heavy deficit.

On the revenue side, of course, anticipations are not always realized, and the working of the year will show certain shortfalls and, in other cases, certain increases. Departmental savings therefore have to be balanced against special warrants and possible shortfalls of revenue. In a satisfactory year the departmental savings are enough to do this with a comfortable margin and, as I have said, it is expected that this comfortable margin for 1936 will be round about £90,000. This figure is based partly on the several estimates recently submitted by heads of departments calculated on the figures for the first half

of the year, and partly on past history, which shows that this sum of £90,000 does not seem to be unduly optimistic in comparison with the results of previous years.

But it is not possible to estimate for such a sum in the 1937 budget. In the first place, although it is quite natural to suppose that if 1937 is no less satisfactory in its working than 1936 there will again at the end of the year be a comfortable margin, it is not possible to say under what particular heads of Estimates savings are likely to occur, nor is there any way of guessing the amount except by striking some sort of average on past years.

Secondly, we do not, of course, know that there will be such a margin. Any untoward event might produce a balance on the wrong side. A locust campaign, for instance, costing £50,000 or £60,000, would reduce departmental savings almost to vanishing point.

When the balance is on the right side the amount is added to our reserves; when the balance is on the wrong side the deficit has to be met from the reserves.

While therefore we hope and believe that the financial result of 1937 will be considerably more than the estimated surplus of £10,777, and therefore a welcome addition to our inadequate reserves, it is not a practicable proposition to budget for such an increase.

Nor would it be prudent to do so. We are, I trust, on the threshold of a period of greater prosperity, but the advantage will be lost if we allow ourselves to forget the lessons we have learnt during the all too recent times of adversity. The effects of the depression on the finances of Government cannot be completely removed for some years. Our margin of safety at the present time is not adequate; renewals funds have not been maintained, the contributions by Government to the Provident Funds have not been fully met, contributions to the sinking funds of the loans have been reduced to the statutory minimum of 1 per cent, and the expenditure on the upkeep of public buildings has been very inadequate. Apart from these commitments, surplus balances which on the 1st January, 1930, amounted to £708,000 fell by the end of 1933 to a sum of £205,000, a shrinkage of no less than £500,000.

This in itself shows how narrow is the margin of our safety.

Since the 1st January, 1934, our surplus balances increased to £429,000 at the end of August, 1936, a considerable achievement, though it must be remembered that a large part of this sum is frozen, and some attempt is being made in 1937 to improve the position so far as deferred liabilities are concerned.

But even if our hopes are fulfilled, and a time of relative prosperity is in prospect, it would be criminal folly to shut our eyes to the possibilities of another depression and to make no provision for such an eventuality. Provided therefore that the necessary care is taken to ensure that an unfair burden is not placed upon the individual, it is, I submit, our bounden duty to do what we can to rehabilitate Government finances, and, so far as is practicable, to take the necessary steps to achieve a reasonable measure of stability.

I now propose to examine the Revenue Estimates in greater detail.

Under the head, Customs and Excise, the estimated revenue has been increased from £682,500 to £740,000, an increase of £57,500 over the Sanctioned Estimates for 1936 and £15,000 more than the Revised Estimates. This figure has been decided upon after long consideration and discussion with the Commissioner of Customs as being a reasonable estimate based on known factors. It will doubtless be the subject of further exhaustive examination by the Standing Finance Committee when more recent data will be available. Many of the factors which contribute to any estimate of revenue from this source are, of course, uncertain factors, and any estimate can be attacked on the ground that it is either too high or too low. There may be arguments on both sides as to the facts. But it is a new departure to charge the Government, as it has been charged, with deliberately under-estimating Customs revenue so as to manufacture a case for the introduction of income tax. An impeachment of this character calls for no comment from me other than that I am surprised at the facility with which such a charge of wilful misrepresentation can apparently be made, and that it has not the slightest justification.

Under Native Hut and Poll Tax the figure of £540,000 has been retained, the same as that in the Sanctioned Estimates for 1936. The Revised Estimates for this year anticipate a shortfall of £20,000 on this figure. Honourable members, however, during the last week have had an opportunity of reading two reports on native taxation laid on the table on the first day of the session. It will be agreed that the conclusions of the Walsh-Montgomery Report leave little room for doubt that there has been a regrettable reluctance on the part of some of the native population of the Colony to meet their fair liabilities during the last few years. It is hoped that during 1937 a more complete collection will result in the estimate, which is generally admitted to be a reasonable one, being realized.

This estimate is, however, based on the present system. Sir Alan Pim has recommended (1) that the taxpaying age

should be raised from 16 to 18, and (2) that the tax on plural huts should be reduced from Sh. 12 to Sh. 6; that is to say, that the tax on the hut of the first wife shall remain at Sh. 12, while the taxes on the huts of any additional wife or wives should be halved. I am told by my hon. friend the Chief Native Commissioner that the loss in revenue consequent on the adoption of these two proposals might be as much as £70,000. It will be obvious that, if the figures appearing in the Draft Estimates can be relied upon, this will mean a substantial deficit in the budget. These proposals have not been incorporated in the Draft Estimates because we do not yet know if the suggestion of Sir Alan Pim that we should meet the deficit by borrowing will be agreed to by the Lords Commissioners of the Treasury. However, as His Excellency has stated, the inclination of this Government is to accept the Pim Report as a whole, even though some of the recommendations may cause some embarrassment, which we hope will be only temporary. This problem will have to be considered in the Standing Finance Committee, and it may be that the Estimates will have to be re-cast in consequence.

It might be said, it might be very reasonably said, that a reduction in native taxation should be accompanied by a corresponding reduction in native services. This would be in accordance with the Moyne formula which we have adopted in practice during the last few years, namely, that the value of native services should be approximately half the average direct taxation over a six-year period. If the taxation is to drop then, obviously, under this formula, the services must also be reduced. But in practice this is not possible.

During the last ten years we have built and equipped eighteen hospitals in Native Reserves, and we have engaged staff for them. They are now almost all overcrowded, and we cannot close the hospitals, turn away the patients and discharge the staff. Nor do I see how we can reduce the services under education. We have a vote of about £40,000 for grants to missions, who do so much of our education work for us. To reduce this vote by any substantial sum would not only be a breach of faith with the missionary societies, who have naturally engaged their staff on the strength of this vote, but would also, of course, constitute about the greatest disservice that we could possibly do to the native population. I think, therefore, that we must face the fact that a reduction in native taxation cannot be met by a reduction in existing native services, and that therefore acceptance of these proposals of Sir Alan Pim must mean a deficit on the budget which may or may not be met by borrowing.

The next item to which I have to refer is Head II, item 13, Income Tax, £63,500.

Against this item there are decreases of £17,000 in respect of Non-Native Poll Tax, £10,000 in respect of Traders' and Professional Licences, £11,500 for European Education Tax, and £12,500 for Asian Education Tax; that is to say, it is estimated that the yield from income tax will be £32,500 more than the yield from the taxes which it is proposed to abandon. Of this increase, £2,000 is estimated to come from pensions, and £25,000 from overseas shareholders in local companies. At the same time, a general readjustment of the burden is contemplated by which persons with comparatively large incomes will pay more than they have paid hitherto, while the less fortunate will pay less than hitherto.

I understand that Government is charged with undue haste in making provision for income tax in the 1937 budget. I do not really think that there is any substance in this charge; in fact, I do not see what other line of action Government could have been expected to take. Of the taxes existing at present, Sir Alan Pim, on page 233 of his Report, says:—

"The present system of taxation can therefore not be regarded as satisfactory for permanent retention, but at the same time, if the present taxes are to be abolished or modified, some substitute is essential in the interests of financial stability."

It therefore seemed to Government that there could be no justification for retaining these unsatisfactory taxes for yet another year, particularly as it is Government's hope, as I have already stated, to adopt the Pim Report in full. Sir Alan goes on to say:—

"The only practical alternative which has been suggested is that of income tax."

Now, it has been the opinion of this Government for a number of years that income tax is an equitable and practicable method of raising some of the money necessary to carry on the activities of Government. That view received the support of Lord Moyne. The present Secretary of State recently expressed the view that we should have been well advised to adopt income tax some years ago. Now Sir Alan Pim has endorsed this Government's attitude. In view of this authoritative support, it seemed to us there was no justification for further delay; in fact, had Government refused to insert provision in this year's budget those taxpayers, and there are many, who believe in income tax would have quite legitimately charged us with culpable procrastination.

The alternatives with which Government was faced in balancing the budget can be quite simply expressed as follows: On the one hand to retain the existing unsatisfactory and inequitable taxes, with probably some increase in the rates of payment; on the other, to introduce income tax.

The choice of the second alternative, to which I have already referred, was followed by the publication of the Income Tax Bill.

MAJOR THE HON. E. S. GNOGAN: On a point of order, Sir, did we not understand that this matter was supposed to be *sub judice*?

THE PRESIDENT: The hon. member is in order.

THE HON. THE COLONIAL SECRETARY: As soon as the Bill appeared, the opportunity was taken in some quarters to assume that Government intended to rush through what was termed ill-considered legislation, and some misunderstanding was created as to the Government's intentions in publishing the Bill, which were, as has since been explained, solely to allow the public as much time as possible to consider its provisions. As regards rushing the Bill through, there was never any intention of doing anything of the kind, and when it became apparent that misapprehensions were current on this point opportunity was taken to remove them and explain the facts. As is now known, no date was suggested for introduction into this Council, and it was never proposed to introduce the Bill until the budget had been considered and reported upon by the Standing Finance Committee. That Committee has, of course, the right to challenge any item appearing in the Draft Estimates of Revenue and Expenditure, and I have no doubt that this particular item will receive exhaustive examination. Therefore, as the hon. Member for the Coast just suggested, it is *sub judice*.

If, I say again, to make the position perfectly clear, eventually the Income Tax Bill is introduced, I do not think it can be rightly called "ill-considered legislation". It was very thoroughly considered in 1933, when a very able and experienced official came out to advise us. It was carefully examined by a select committee of this Council. Moreover, if on this occasion it again passes its second reading, it will be referred to another select committee who will doubtless subject it to yet another exhaustive examination.

There is little else to be said on the rest of the Revenue Estimates.

In the Posts and Telegraphs Department estimates there is an increase of £3,752, after allowing for the proposed reductions—already referred to by His Excellency—in inter-state telegraph and internal postage rates. These reductions represent a loss of revenue of about £6,500, and at the same time a concession shared by all communities. The possibility of

further reductions in postal charges is connected to some extent with the new Empire air mail scheme, which provides for a reduction of about 40 per cent on the air mail postal rates to England, and might thus entail a considerable loss of revenue.

The increase of £5,000 in the Mombasa water supply revenue corresponds with what is actually being collected this year. Here, however, we are faced with one of the deferred liabilities to which I have already alluded, and opportunity has been taken to replenish to some small extent the renewals fund, which has received no contribution whatever since 1931.

I do not think I need trouble Council with a detailed examination of the items under the succeeding heads.

There is an increase of £4,750 in the estimated revenue from mining royalties, but this is almost entirely off-set by a decrease of £4,500 in mining fees. These fees are derived mainly from the registration or renewal of mining locations. As mining operations move from the prospective to the development stage, the unfavourable areas are naturally rejected, and the area under mining title tends to contract.

Increases in respect of the sale of quinine and income from Stamp Duty Reserve Fund are cross entries, and do not therefore affect the net picture of the Estimates.

There is a slight expansion of £1,700 in the Forest Department revenue, which is to some extent set off by the necessity for increased expenditure.

The increase of £9,057 under the head, Interest, is also of a self-balancing nature, and is in respect of the loan floated in 1936.

The increase of £13,682 under the head, Reimbursements, consists mainly in increases in reimbursements in respect of Posts and Telegraphs and Customs Department. These are largely consequent on increased expenditure by the neighbouring territories interested in these departments, owing to the buoyancy in trade conditions.

I should like to call attention, however, to two other items, one in respect of the grant by the Carnegie Corporation on account of native agricultural instruction of £1,520, which appears at item 53, and the second, a sum of £1,923 which appears in respect of the Post Office Savings Bank at item 54. The Carnegie grant is in respect of irrigation and marketing services in native areas, and represents a full reimbursement of the expenditure which it is expected will be incurred. As regards the Post Office Savings Bank, the sum included in the revenue estimate represents the proportionate share due Kenya from Uganda and the Tanganyika Territory Savings Banks.

In 1936 they appeared as a sum of £3,500 at Head IV, Posts and Telegraphs. In accordance with the decision of the Committee appointed by the Secretary of State to examine the workings of the Post Office Savings Banks in the colonies, this section has been separated from the Posts and Telegraphs Department, and the colonial revenue is only reimbursed to the extent of the expenditure actually incurred. The position is made clear in a new appendix which will be found to have been included in the printed Estimates, Appendix K, of which an explanation has also been afforded in the Memorandum on the Draft Estimates. On these two items therefore there is a net loss of revenue of £1,577.

Details of the revenue under Head XIII, Colonial Development Fund, are explained in the Memorandum on the Draft Estimates under the corresponding head of expenditure. I feel, however, that perhaps it would be advisable to explain why the revenue head in 1937 shows a larger amount than that shown under the corresponding expenditure head. In previous years the respective heads of revenue and expenditure have been self-balancing. A new system of accounting has, however, been introduced in the 1937 Estimates in accordance with the instructions of the Secretary of State. Under this system, only those items which are completely covered by revenue from the Colonial Development Fund appear under the expenditure head. Certain items of expenditure, such as the Colonial Veterinary and Agricultural Scholarships Schemes, expenditure on malaria control measures at Mombasa, and reconstruction of wooden telephone routes, are met partly from the Colonial Development Fund grants and in part from the general revenue of the Colony. The proportionate share recoverable from the Colonial Development Fund which formerly appeared on the expenditure side of the Estimates has now been transferred from that head to the departmental head and, in consequence, to this extent the revenue head of the Colonial Development Fund shows an excess over the expenditure head amounting to £2,228. The distribution of these sums is made clear in the new schedule which has been incorporated in the Memorandum on the Draft Estimates, showing the allocation of reimbursements and cross entries and explanatory of the new revenue and expenditure tables which appear at pages 6 and 7 of the printed Estimates. As explained in the Memorandum, the revenue of £20,065 in respect of the Parliamentary Grant corresponds to the expenditure which is the balance of the grant of £50,000 made by the British Government.

As regards the expenditure side of the Draft Estimates, there is a gross increase, as I have already stated, of £107,369, the net increase being £50,308.

Under Head II, Administration, the printed Estimates show a net decrease of £2,625. At the close of my speech I shall refer to certain items of expenditure which, since the framing of these Draft Estimates, call for some variations which I intend to bring to the notice of the Standing Finance Committee during their consideration of these Estimates. Among these items are those which appear under the Administration head, and make provision for the maintenance of His Majesty's Consul in Southern Abyssinia. Owing to the change in conditions in that territory the retention of this officer is unnecessary, and it will be proposed that provision for the post should be deleted from the Estimates. The gross saving in respect of the abolition of the items concerned will exceed £2,000. This figure will be, to all intents and purposes, a net saving, since, apart from the provision of a small sum in gratuities and leave pay to the native staff of the Consulate, there will be no further expenditure in this respect.

I expect that the Estimates in their final form under this head will show a net decrease of about £5,000. This saving is accounted for by the reduction of the post of Consul in Southern Abyssinia, to which I have just referred, and the decrease of £3,250 in respect of the African Tropical Services Course.

Against other reductions—for example, under item 6, in the salaries of District Officers, excluding normal increments, and in the provision for passages—we have to set certain increases, which I shall deal with in a moment. The decreases are in consequence of the decision to cancel the provisional indent made to the Secretary of State during the earlier part of this year for five cadet District Officers to arrive in the Colony during 1937. These officers would have been required to bring the Administrative establishment up to the present authorized strength of 115 officers. In view, however, of the recommendations contained in Sir Alan Pim's Report and pending a full consideration of his proposals for the reorganization of districts, the substitution of taxation officers in Native Reserves for District Officers, and the consequent saving in relief and casualty staff, it is considered undesirable to take steps to replace officers who have either retired, been transferred or died.

In consequence of this decision, it is anticipated that at the close of 1937 the Administrative establishment will be some five or six officers under its authorized strength, and will, in fact, be at least two officers under its authorized strength as from the early months of 1937. Sir Alan Pim's proposals, as is explained in the Memorandum, cannot of course be accepted without considerable discussion and very full consideration. At the same time, it was felt that their introduction should not be frustrated by the recruitment of additional officers.

The promotion of a Labour Officer to the post of Principal Labour Officer under the sub-section "Labour" calls for no comment, as the explanation has been provided in the Memorandum.

Under the Registration and Finger Print Section there is an increase of £1,376. The detailed explanation given in the Memorandum shows that out of this total increase a sum of £702 is due to the reintroduction of the renewal system of registration certificates, which was made effective during 1936, with the approval of the Standing Finance Committee.

The estimates of the Provincial Administration call for little comment. The total figure of £87,160 shows a net increase of £1,805 on the expenditure of £85,361 in 1936. Out of this increase, a sum of £1,100 has been provided for "Petty Works". This sum has been allocated to provinces by votes of £200 and to extra-provincial districts in votes of £100 each. I am satisfied that this is an economic and necessary provision. On frequent occasions in the past, officers in charge of districts have found it necessary to apply to the Public Works Department for small sums of money for the purpose of minor repairs and replacements to existing buildings or small additions. The allocation of these small sums leads to a considerable loss of time in correspondence and in examination of the proposed work and consequent expenditure. It will now be possible for officers in charge of districts to carry out such works with the staff at their disposal, with a consequent saving on Public Works Department overhead costs.

The remaining increase of £705 is covered by increased expenditure on tribal police in the Nyanza Province amounting to £504, on chiefs and headmen in the Central Province amounting to £108, and on tembo supervisors in the Coast Province of £85.

In the case of the Agricultural Department, with which I will deal next, the net increase amounts to £1,501, and I think this is a suitable opportunity at which to point out that the three departments which I think may be called the Social Services Departments—namely, the Agricultural Department, Education Department, and Medical Department—all show substantial increases. I have already given the figure for the Agricultural Department; in the case of the Education Department the figure is £6,574, and in the case of the Medical Department there is an increase of £11,684. Our social services therefore show a combined increase of over £20,000.

It will be seen from the printed Draft Estimates that the increase of expenditure in the Agricultural Department on normal recurrent items is very slight. The Department is one

of comparatively recent growth and expansion, and, in consequence, the position in regard to normal increments has not yet become stabilized. In these circumstances, therefore, a yearly increase on this account must be anticipated for some time. Other main sources of increases are the inauguration of the cotton services which were recommended by Mr. Milligan, and have already received the approval of the Standing Finance Committee, and the inclusion in these estimates of the Colonial Agricultural and Veterinary Scholarship Scheme, which previously appeared against the head, Colonial Development Fund, and to which I have already made reference, and the proposals for the appointment of an Irrigation Officer, the cost of whom will be covered by reimbursement from the Carnegie Fund. All these matters have been dealt with in the Memorandum.

Under the Customs head there appears a net increase of £158. It will, however, be necessary to make certain additional provision in respect of item 15. The information on which this proposed addition is based was received after the Estimates had been printed, and in consequence it is proposed to refer the matter to the Standing Finance Committee.

The second of the Social Services Departments is the Education Department. As His Excellency has already stated, the need for education and for leadership and for the training of leaders is greater now among the native population of this country than has ever been the case before. This result can be achieved by means of agricultural services, by propaganda through the Administration, and by assistance from the Medical Department, but the achievement of final success must rest mainly with the Education Department.

In my speech on the Estimates for 1936 I called attention to the reductions which had been made in educational services, and I said that I could not see how any further material reduction in the cost of this Department could be made except by closing schools. Reductions in those Estimates in expenditure on African education amounted to nearly £4,000. The increase of expenditure during 1937 is estimated at £6,574. Rather more than half of this increase is on account of the new teacher training organization which has been drawn up by the hon. the Director of Education, and which has not only the approval of the Secretary of State but the strong support of Sir Alan Pim, who says:—

“So far as native education is concerned, the fundamental defect of the present position is that the facilities for training teachers are utterly inadequate in most parts of the Colony, though the Province of Nyanza is better off in this respect. Better training of teachers is the first essential in Kenya at the present time, and the cost of the organization necessary is put at £3,600.”

The cost of this service is shown at item 106, Grants-in-aid to African Schools, in an increase of £3,758. This is, however, a net increase on the whole item. The actual cost of this scheme is £9,758.

Other increases on these estimates are largely in respect of normal increments. The increase and decrease columns in the printed Estimates show the very considerable sums of £27,319 and £20,745, and without some explanation would perhaps appear to be misleading. These increases and decreases, Sir, are mainly accounted for by the re-naming of certain recurrent items which appeared in each section of these estimates in respect of such charges as electricity, water, purchase of materials, books, stationery, equipment, boarding expenses, etc. In consequence of this alteration, corresponding sums appear in the increase and decrease columns. These sums represent neither new nor, in the majority of cases, increased expenditure. They form a very considerable proportion of the totals which appear at page 40.

I need say little about the Forest Department. As all members know, this is a revenue-earning department and, in fact, in 1937 it is anticipated that the difference between expenditure incurred and the revenue earned will amount to £777 only. A net increase of £680 in expenditure is shown, but of this sum £550 is represented by increased expenditure on re-forestation and exploitation, which is most necessary at present and will result in increased revenue in future.

Under the head, Game Department, Sir Alan Pim's recommendation for the abolition of the post of Fish Warden has been accepted, at least at a temporary measure. I am not too happy about this, for trout fishing is so valuable an asset to the Colony, not only as providing excellent sport for our present residents, but also as an undoubted means of attracting visitors and future residents, that it cannot possibly be disregarded. (Hear, hear.) There is much work yet to be done in the way of improving facilities on the many rivers now stocked with trout. For this we can rely on the ready co-operation of the local angling associations. But there is work of another kind that needs attention, and that is the scientific investigation into the habits of the fish and their food supplies. The situation will want careful watching, and if we find that the fishing is deteriorating in Kenya, as has happened in other parts of the world into which trout have been imported, we may have to re-insert the post of Fish Warden in our Estimates.

Under Head XVI, Local Government Contributions to Local Authorities, I feel that some explanation is needed of the net increase of £6,369. This increase, as is explained in

detail in the Memorandum on the Draft Estimates, is accounted for by a set-off of £6,274 against savings under Heads XXVII and XXVIII, Public Works Department and Public Works Recurrent. This includes provision for the maintenance by a District Council of roads in North Nyeri and Laikipia. There is therefore an increase on these estimates of little more than £100. I warn hon. members, however, that if they turn to pages 90 and 94 of the printed Estimates they will not find a corresponding total decrease of £6,274 shown at the foot of the schedules. This saving, although actually shown by the Director of Public Works in the details of his estimates, has been engulfed in additional expenditure on contributions to Water Works Renewals Fund, and for additional maintenance for the roads under his control and for the road equipment for which he is responsible.

The increase of £11,684 which appears under the Medical head is by far the largest net increase in the Estimates, and amounts to approximately 20 per cent of the total net increase. This Department is the third and last of those to which I have referred as Social Services Departments. Of this increase of £11,684, £9,753 is in respect of native services. Of the balance I need say little. It is covered almost entirely by an increase of £1,600 on the cost of the upkeep of the Laboratory and £625 increased expenditure on medical and surgical stores. As regards the main increase on native services of £9,753, I must remind hon. members of the statement which I made in introducing the Estimates in 1935:—

“The statistics of the number of native who come for treatment are amazingly high; in some hospitals as many as two or three patients share a single bed. It is all to the good that the native is making more and more use of the services provided, but it all means expenditure and, quite frankly, I feel that, in the future, expenditure on this Department may have to be considerably increased. Turning the sick away from hospitals and dispensaries is unthinkable, but dressings and drugs cost money.”

This increased expenditure was therefore not unforeseen. It is true that Sir Alan Pim has stated that the medical services are costly. At the same time, he has admitted that he can envisage no method by which the cost of this service can be reduced. His Excellency has already drawn the attention of this Council to the essential part played by the Medical Department in raising the standard of native health and to the demand now coming from the native himself, generally in the form of practical co-operation, for services of which he has learnt to recognize the benefit. I do not feel therefore that I need stress any further the broad question of principle and policy, but I would point out that of this increase of £9,753

the sum of £6,160 is required for medical and surgical stores and equipment. The demand for further provision is consequent on the necessity for providing for a greatly increased number of patients, and I cannot see how the demand can be resisted. If I had inserted some smaller figure in the Estimates I know perfectly well that we should have had to meet special warrants before the end of the year.

Under the Military vote there is a net increase of £5,505 on recurrent expenditure and £2,448 on extraordinary expenditure. Of this increase, £17 only is on account of the King's African Rifles. Apart from this negligible sum, the increase in expenditure is a result of the acceptance of the recommendations made by the Committee appointed by the Governor to consider the suggestions for the reorganization of the Defence Forces of the Colony. These recommendations, which embrace the inauguration of the Kenya Regiment, with an officers' training corps as an ancillary unit, and an Auxiliary Force, have been provided for in full in the printed Estimates. The net estimated increase during 1937 over the expenditure on the Defence Force in past years will amount to £6,404. This includes, however, increased Military Extraordinary expenditure of £2,448. The actual additional recurrent expenditure on the local forces therefore amounts to £3,956, and in future years this sum should be capable of some slight reduction, since, in the first year of a new project, expenditure is always somewhat high.

The balance of the increase on the Military vote is in respect of expenditure on the Kenya share of the joint East African Coastal Defence over and above the expenditure in past years on the Kenya Royal Naval Volunteer Reserve. The declaration of Mombasa as a defended port has made this increased expenditure necessary. In accordance with the arrangement arrived at during the present year at the Conference of East African Governors, the neighbouring territories have accepted responsibility for their proportionate share of this total expenditure. This defence is part of a general plan for Empire defence and does not, I think, admit of question.

Under the head, Miscellaneous Services, there is an increase of £11,176, and a decrease of £2,401 under Miscellaneous Services Extraordinary. The majority of the increases in Miscellaneous Services are small sums, the grounds for the insertion of which in the Estimates have been explained in the Memorandum. I do not feel that it is necessary for me to invite further attention to these items, with the exception of item 42, Railway Share of Income from Stamp Duty Reserve Fund. The introduction of this item is consequent on a new system of accounting for this fund, and is more than counter-balanced by a corresponding revenue item.

The sum of £3,000 which has been allocated to expenditure in connection with income tax will doubtless be discussed by the standing Finance Committee during their consideration of the revenue side of the Estimates.

Pensions and Gratuities once again show an increase this year, an increase of £7,000. I can only remind members of the explanation which I gave in 1935, that in the distant future, after reaching a peak payment, expenditure under this vote will steadily decrease in proportion as the number of pensionable officers become gradually less in consequence of the introduction of the Local Civil Services and the elimination of Railway pensioners.

Police expenditure shows an increase of £1,392. This increase represents, in the opinion of Government, the minimum provision necessary to maintain the police at their present high state of efficiency.

Posts and Telegraphs estimates make provision for the insertion as a separate item of the Kenya and Uganda Savings Banks. On these estimates as a whole there are net increases of £4,921 in recurrent expenditure and £5,250 in non-recurrent. As is pointed out in the Memorandum on the Draft Estimates, this expenditure will be more than counterbalanced by increased revenue, and the surplus on the year's workings is anticipated to be slightly greater than that estimated for 1936, notwithstanding the reduction in postal charges to which I have already referred, amounting to more than £6,000.

Attention has been drawn in the Memorandum to the fact that the net decrease of £1,146 which is shown under the Prisons Head does not, in fact, give a true picture of the economies effected by this Department in the drafting of the 1937 Estimates. There is an increase at item 45, Raw Materials, Prison Industries, of £1,000. This increase, being directly revenue-producing, is not therefore an actual increase in expenditure in the cost of the Department. The actual decrease which is shown under this head is thus £2,146. This decrease is in the main due to the making effective of a proposal submitted by the Commissioner of Prisons to Sir Alan Pim for reducing the number of prisoners detained in district prisons by transferring all prisoners on long sentences to main prisons. This proposal Sir Alan Pim considered deserving of the most careful consideration, and as a consequence the Commissioner of Prisons has been able to show a saving on his Department exceeding the £2,000 suggested by Sir Alan Pim as a possibility.

I do not propose to comment on the increase of £11,250 under the head, Public Debt Funded, as this is self-explanatory from the printed Estimates, and has also been dealt with in the Memorandum.

The only other heads of Estimates to which I feel I should make some reference at this stage are the Public Works Department, Public Works Recurrent, and Public Works Extraordinary. These show respectively an increase of £11,060, a decrease of £1,575, and an increase of £4,515.

As explained in the Memorandum, Sir Alan Pim's recommendations for this Department have, in the main, been incorporated in the Draft Estimates. The post of Superintending Engineer has been abolished, though his place will be taken by a Senior Executive Engineer. The establishment of Executive Engineers has been reduced from four to two. Two posts of Surveyors have been abolished, and the post of Chief Accountant has been combined with that of Stores Superintendent.

The result of this reorganization is a saving of approximately £3,000. This, with the saving of about £1,000 already effected by the closing of the Eldoret Division, makes a total of about £4,000, which is not very different from the £6,000 saving envisaged by Sir Alan Pim, as the latter figure includes what are known as "hidden emoluments". The fact that this saving is not immediately apparent from the totals of expenditure under Head XVII on page 93 of the printed Estimates is due solely to the fact that these figures include expenditure amounting to £14,000 for the water works renewals. As explained in the Memorandum, this figure of £14,000 ought to be increased to £23,000 if circumstances permitted.

A decrease of £1,575 has, as I said before, been effected under Public Works Recurrent. I have already explained, when dealing with the head, Local Government Contributions to Local Authorities, that the Director of Public Works has, in consequence of the transfer of certain roads to local authorities, effected an actual saving of £6,274 under this head. This saving has been swallowed up in additional expenditure. The expenditure during the past years on the maintenance and minor improvement of public buildings has been reduced to a dangerously low level, and the time has now come when some effective means must be taken to put the public buildings of this Colony in a proper state of repair. It has only been found possible to increase this vote by £2,500 in the 1937 Estimates, but I feel I must warn members that it may be necessary in future years to make very considerable additions to this vote.

Expenditure on the maintenance and improvement of roads and bridges has been decreased by £4,000 owing to the transfer of certain roads to District Councils. It will be seen from the schedules that the actual decrease shown is only

£3,046. In 1936 new roads were constructed out of loan funds in the mining and tea areas. These roads represent a considerable liability on the Colony's revenue in respect of recurrent maintenance and repair, and it has been necessary to make provision to meet this additional expenditure in these Estimates.

Under the head, Public Works Extraordinary, the only item which calls for comment—an item which in fact more than accounts for the net increase of £4,515—is that in respect of Housing, Kisumu. It is proposed to spend £7,400 on this project during 1937. The sum is no doubt a large one, but Kisumu is steadily growing in importance, a large number of officers are required to carry out the duties of this station, and the housing accommodation for these officers is of a nature which beggars description. I feel sure that all hon. members of this Council who are acquainted with Kisumu will support me in my contention that the provision of a certain number of new houses cannot be delayed.

In earlier portions of this speech I called attention to the fact that these printed Estimates are to a slight extent incomplete, owing to the fact that certain anticipated demands for additional provision in 1937 have been made since the Estimates were printed. These demands arrived too late for inclusion in the Estimates, which were presented to Council on the 28th October. I propose therefore to raise them for consideration by the Standing Finance Committee during their deliberations on the Estimates.

The first of these items is the probable reduction of a sum of approximately £3,000 under Administration, General Staff, in consequence of the closing down of the Consulate for Southern Abyssinia. Small increases are required by the Provincial Administration in respect of clerks serving in the Arab and African Clerical Service who have recently passed their promotion examination and are consequently eligible for increased emoluments. It is anticipated that increased provision will be required by the Officer in Charge of the Northern Frontier District for tribal police, although the actual sum has not yet been computed.

Under the Agricultural Department vote, it is considered desirable to increase the contribution to the Amani Institute, which appears at item 18 on page 33 of the Estimates, by £115.

The growing volume of imports and exports has laid a heavy burden on the staff of the Customs Department, and, in view of representations made by certain commercial bodies, it is considered desirable that the staff of Asian clerks should be increased in order that the clearing of dutiable articles may

not be delayed unnecessarily. The provision of three additional clerks will demand an increase of £150 under the appropriate item.

Under the Forest Department, it is proposed that item 27, Contribution to Colonial Forest Resources Development Department, which has been inserted at £65, should now be increased by £35 to £100.

Representations have been made by the President of the Mombasa Nursing Home that this home is deserving of financial assistance from Government. The President has been informed that the question of assistance will receive consideration in connection with these Estimates, and the appropriate place for such consideration is the Standing Finance Committee.

It will be necessary also for consideration to be given to provision under the head, Military Extraordinary, of £500 for mortars and mortar ammunition. Details of the actual request and of the prices will be available when consideration is given by the Standing Finance Committee to the Estimates, but it is anticipated by the Commander, Northern Brigade, that this will not exceed the sum of £500 which I have mentioned.

There will be a few other items of minor importance.

Sir, in the course of my speech I have referred to certain recommendations of Sir Alan Pim, both under revenue and expenditure. I now propose to state quite briefly what is Government's attitude and intention towards certain other of his recommendations which are not reflected in the Draft Estimates and to which no reference is made in the Memorandum. A summary of Sir Alan's recommendations for economies is on page 229 of his Report.

I will say at once that Government intends to adopt at the earliest possible moment the proposals for the reorganization of the Secretariat, for the reorganization of District Staff, and for a reduction of the Administrative cadre, with the proviso that the acceptance of those under the last two categories must be dependent to some extent at least on the advice of District Councils. It seems to me possible that the closing of Thika and Nyeri stations, for instance, may involve the local inhabitants in considerably greater inconvenience than Sir Alan realized. The reorganization of the Secretariat involves the disposal of existing personnel, and cannot be adopted at once. It is confidently expected, however, that the proposed system of three Secretaries—namely, a Colonial Secretary, a Financial Secretary, and a Secretary for Native Affairs—will be in operation, perhaps in a somewhat experimental manner, next year. The remainder of the scheme, as Sir Alan explains, involves the selection and training of a staff of local

officers, which will probably take some time. I do not think that any resulting economy can be expected next year.

For the Department of Agriculture, Government intends to adopt the solution suggested in paragraph 259 of the Report, which provides for two departments with a Director at the head of each, independent of each other. Details are already being worked out, and this reorganization may result in some economy in 1937, but I am not certain. It is expected that this reorganization will be introduced simultaneously with the Secretariat reorganization.

In passing, I would remark that the total long-range economies envisaged by Sir Alan under this Department amount to just under £7,000, including hidden emoluments, and that some of these economies are dependent upon the establishment and maintenance of two new schools. I cannot find that Sir Alan has made provision for the cost of these schools, and it seems to me that this cost would more than swallow up the proposed economies.

Under the Department of Local Government, Lands and Settlement, the main proposal is the abolition of the post of Commissioner for Local Government. This proposal Government means to adopt, though not without some misgiving. In Government's opinion, however, we must have a Commissioner of Lands, for our land is too valuable an asset to be left to take care of itself, and a compromise may perhaps be effected by a reversion to the combined office of Lands and Mines.

With the recommendations under the Game Department, Prisons and Public Works, I have already dealt.

There remains the Government Press. In this Department the post of Assistant Government Printer is shown in the Estimates as in abeyance. This achieves the economy envisaged by Sir Alan as a possibility in paragraph 347 of his Report.

In connection with this budget, Sir, there has been so much public misrepresentation—even before it was produced—and so many misunderstandings have been thereby created, both as to the budget itself and as to Government's contemplated action in regard to the Pim Report, that I think I am justified in asking hon. members to disabuse their minds of the misunderstandings, to forget the misrepresentations, and to endeavour to examine the budget impartially and with unprejudiced and open minds.

Sir, I beg to move. (Applause.)

THE HON. THE TREASURER seconded.

Council adjourned for the usual interval.

On resuming.

MAJOR THE HON. E. S. GOGGAN: Sir, I beg to move the following amendment:—

"That all words appearing after the word 'referred' be deleted and the following words substituted therefor:—

back to Government for a revision of the Revenue Estimates so as to bring them to a figure compatible with the citation of spectacular economic progress elaborated by His Excellency in his address to Council."

I understand, Sir, that first of all, in moving this amendment, it limits me to a very narrow sphere, a very narrow phase, of the budget discussion, and, as I understand, it also debars me from speaking on the substantive motion, both of which doubtless will be the cause of general gratification to this Council!

Now the purpose of this amendment is to narrow the issue as closely as possible to what we believe to be the most important side of the discussion. One is faced with very considerable difficulty in the fact that we have been living up to date on a provisional budget, and now we are asked to live for a considerable period of time on a phantom budget, because this budget contains a very essential vital factor which is assumed to be unmentionable. There are various conceptions of this unmentionable factor apparently, from a reply that you, in another capacity, gave to a question of mine, and especially judging from my hon. friend the Colonial Secretary's speech in moving this motion, that this unmentionable factor still is a living entity, whereas, in actual fact, as far as I understand it, the official Government theory that it is not a living entity at all but that it is a kind of wraith that is floating between the earth of our economic troubles and the heaven of His Excellency's legislative monomania. My conception of it on the other hand is quite a different one. I regard it as having been at one time a perfectly respectable individual who lived in this country, found the climate unsuitable, died, and was buried, with the consent of the Government and the Secretary of State! But it is admittedly very difficult to discuss a budget which contains an item which is supposed to be *sub judice* and to be written in invisible ink.

The real case, on the other hand, is quite a simple one—the real case I propose to put, because it has already been made by His Excellency the Governor in his address. In his communication from the chair he said:—

"On this occasion, some comparison with the year 1930 which was in some ways a record agricultural year, may help us to recognize that the foundations on which hopes for the future may now be built are sound."

officers, which will probably take some time. I do not think that any resulting economy can be expected next year.

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Sir, I beg to move. (Applause.)

THE HON. THE TREASURER seconded.

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"On this occasion, some comparison with the year 1930 which was in some ways a record agricultural year, may help us to recognize that the foundations on which hopes for the future may now be built are sound."

He goes on to state in respect of trade imports that they are now back roughly to the 1930 level, and he goes on to elaborate considerably the fact. He said:—

“ Such bare statements of values do not, of course, indicate the progress of the last few years in terms of volume and variety of production,”

and so on and so forth, a long elaboration, and a very remarkable one, of the immense advance that has been made in this country since 1930 or 1929 in variety of production and in volume of production and the skill with which that production was effected.

In considering any budget, and especially the revenue of a budget, everybody has got to bear in mind what is usually called the tidal movement of economics, and that in a country largely and mainly dependent upon customs, revenue is more clearly indicated by the ebb and flow of Customs receipts. If we look back over the past history of this country, starting from 1924, which was the neap tide, we find the up-grade rising tide from 1924 to 1929 was an increase in Customs revenue amounting to £340,000; that the peak level of 1929, in other words the top of the spring tide, produced Customs revenue of £950,000. There was then an inevitable ebb from 1929 to 1934, the next neap, when there was a fall of £340,000, which was the nadir, so far as we were concerned, of revenue. From the 1934 to the 1937 estimates—to be more exact we ought to take the estimate of 1936—you will find that the rise has been roughly in the vicinity of £100,000, so that we have got a perfectly clear tidal movement with an ultimate variation on the old standard of production of something in the vicinity of £350,000, the variation from spring to neap, and we have to consider how far we have got in the up-grade, and what are the reasonable probabilities of that tidal movement continuing. His Excellency in his address has adopted as his gauge of the tidal movement the year 1930, and he compares 1936, quite properly, with 1930 in terms of general economic production. Yet we find that the estimates are £100,000 short on the Customs account of that particular gauge he himself adopts.

We are now compelled to consider what is the reasonable probability of the flow of the tide continuing in the ordinary way upwards. There are a number of factors at work. The local ones, which have been very adequately described in His Excellency's address, but there are certain extraneous factors also to be taken into consideration. There is a reference in the address to the recent currency alignment in Europe; in other words, to the collapse of the gold bloc; in other words the fact that all the countries of the world have now found out that their internal stresses have compelled them to adopt some measure of devaluation, as has been advocated by parties

in this country, but owing to our having the complete monopoly of the super-statesmen of the world, it has never been seriously considered here. But it is interesting to note that every other country in the wide world has now been forced to adopt the procedure which was recommended by some of us in respect of this country. We have also got to consider the fact that every country in Europe is to-day being compelled to re-arm on a colossal scale, and that cannot possibly be financed by any deflationary method of finance, and can only be financed by some inflationary method. That, of course, means a general rise in price level, and we have got a first-class example in the latest English budget, which is definitely budgeting for a deficit, knowing perfectly well that a rising price level and inflationary expenditure are bound to bring in a proportionate increase in revenue.

These are the factors that should influence us very largely in considering whether or no this rising spring tide, which is perfectly obvious up to the end of this year, is likely to continue. If we turn to the actual Estimates before us, we find that apparently His Excellency and his advisers have come to the conclusion that, instead of this being a rising curve, it is now going to flatten out, because if we consider the comparison between 1935 and 1936—and, of course, we have got that comparison pretty accurate now, because the revised estimates must be pretty correct now—I do not want to bore you with details, but you can take it from me that this is so and has been worked out carefully on the figures before us—you will find that a comparison between the revised estimate of 1936 and the actual revenue of 1935 shows a gross surplus of £149,000, less an abnormal factor of £85,000. Now, what I want to make clear is that, in considering the budget, and especially the revenue factor, the sources of revenue are properly classified in three categories. One can be described as adventitious, such as the Colonial Development Fund, Parliamentary Grant, and so on—things which vary from year to year—and there are two main sources, one of which is inelastic, that is to say, direct taxes, and the other which is essentially elastic and, generally speaking, consists of indirect taxes. Of course the adventitious factor does not react in any way whatsoever to the rising or falling tide. The direct taxes only vary very slightly with the rising or falling tide. But the ones that respond exactly to a rising or falling tide are the indirect taxes, the greater proportion of which are Customs. I have therefore extracted in that comparison what I call abnormal adventitious factors amounting to £65,000. I have not gone into great detail, but it shows in general terms that the reaction of the revenue to the rising tide through the reactive portions of the revenue amounts to an increase of £84,000, which is, as I say, a characteristic of the curve.

We pass on then to the next year, and we get a very remarkable result; that is the comparison with which we are now immediately concerned. If we compare the estimate of 1937 with the revised estimate of 1935 we find that there is a gross deficit of £17,000. That gross deficit of £17,000 is due, to the extent of £15,000, to an estimated reduction in receipts from direct taxes; that is to say, from the inelastic side. If we take the adventitious factor, we find that there is an increase of revenue amounting to roughly £3,000. So that when you take these two factors into consideration, the adventitious and inelastic ones, and see what the estimate really amounts to in terms of the elastic or responsive ones, we find that in effect Government is estimating for a reduction of £5,000 in respect of the elastic and responsive portion of the revenue, in other words those sources of revenue which are affected by the economic ebb and flow of the tide, and that despite the fact that Government's proposals for the readjustment of direct taxes involving a drastic transfer of direct taxes from the shoulders of the many to the alleged shoulders of the few, many of whom are supposed to be absentees, and therefore was bound to be reaction to an enormous extent on the indirect revenue; because, if you are going to transfer a vast proportion of a very large sum, amounting to something in the vicinity of £70,000 or £80,000, from the shoulders of the multitude to the shoulders of the few, obviously their local buying power is going to be increased, and they cannot possibly give effect to that buying power without inducing indirect revenue from the sources in which this country is enmeshed, and I think that is a very remarkable comparison; that is to say, Government, apparently having been compelled to disclose an increase of revenue from normal sources of £84,000 during the year we have just passed through, solemnly assert or assume that there is going to be a decrease of £5,000 in the year in which we are entering.

If we turn and consider how that very remarkable suggestion of a sudden break in this curve compares with past history, the general drift of the tide, we find that this 1937 estimate is £30,000 below—I am talking now of Customs only—the 1926 realization, eleven years ago, but it is £100,000 below 1930, the economic stage that His Excellency says we have already retrieved, and is no less than £240,000 below the 1929 peak, since when, according to His Excellency, vast improvements in the capacity for production in this country have taken place.

I do not propose to spoil in any way those large major comparisons, which I say make an unanswerable case, by a lot of elaboration in detail. I am only going to refer for the sake of example, for this is a more than cautious estimate of

revenue, to two items, and two items only. I am going to refer to native taxation. Now in the matter of native taxation, the budget provides for £540,000 revenue, whereas at the same time as this was published we were presented with these two documents here, in which it is stated quite definitely by my hon. friends the Treasurer and the Chief Native Commissioner that native wealth is greater than it has ever been. On page 23 of their report it is stated that £550,000 is the proper minimum basis of taxation. The words are:—

"We recommend that this figure of approximately £550,000 be accepted for 1937. In passing, we wish to state that the total figure errs, if anything, on the side of leniency, since the period employed in reaching this figure embraces only three years of prosperity, as against one year of declining fortunes and six years of extreme financial depression."

Now what earthly justification—if that is the considered opinion of the Treasurer and the Chief Native Commissioner—what possible justification is there for estimating a lower figure by £10,000, more especially in view of the fact that it is admitted that there has been a very heavy shortfall last year on collections, due not to the native's real capacity to pay but due to inadequate methods of collection, assisted by a system of bribery referred to in that other Report on the part of the native machinery through which these taxes are collected? In other words, if you read these two documents together, it is perfectly clear that £540,000 is at least a £10,000 under-estimate of the proper revenue, and that if attention is paid to the fact that there is a large shortfall, which should be recoverable this new year in view of the improving conditions, I do not think that there is any question that this is an under-estimate.

I turn again to the Forest Department, which has a total estimate of £30,000, of which more than one-third, namely £11,500, is on account of fuel and fuel royalties, which is actually less than the actual collections for 1935, a peculiarly bad year; and it seems incredible that an estimate of revenue from this source should actually be reduced this year when you take into consideration that the Railway has been shouting from the house-tops that its traffics are being increased by 40 per cent. I do not know how they can carry 40 per cent more traffic with 1 per cent less fuel, unless they have invented a new sort of engine which they have said nothing about.

These are the only two points that I wish to elaborate in my general thesis, and I think they are sufficient. But in the matter of the native taxation I was alarmed to hear, in the speech of the hon. the Colonial Secretary that there appeared

to be an intention on the part of this Government to submit to the dictation of Sir Alan Pim in this very, very important matter of native taxation. After an elaborate investigation by two of the most responsible Civil Servants in the country as to the conditions of the natives and the rate of tax that should be levied from them, and after a further conscientious investigation into another side of the same question, as to whether hardships in fact do exist in the collection of these taxes—and the'r recommendations—they are quite emphatic in respect of their belief that the present system of taxation is the best one that could be devised and that the basis of taxation is most lenient—are we actually going to allow that a gentleman who wandered out here for two or three months—and, by the way, had no reference from us whatsoever in that particular respect—that his casual opinion, gathered from a little chat here and there and a peep at a few natives from a motor car, is going to be allowed to override the considered opinion and experience of the whole of this Government. Because, if so, we are living in an intolerable state.

I do not want to elaborate that any more, except to issue one word of warning to my two hon. friends opposite in respect of their publication of the native taxation Report. That Report appears at the public expense, and for no carefully explained reason the two hon. gentlemen have gone wandering down the arid sands of Adam Smithian platitudes, like the Walrus and the Carpenter, seemingly ignorant that Adam Smith was merely a plagiarist, having borrowed from the French physiocrats those doctrines which led to the French Revolution! That, however, is merely an aside.

What is the explanation? I think I have made a perfectly clear and unanswerable case that the Government has based its budget on the assumption that this rising tide, which has still got £150,000 of flow ahead of it to come back to the best spring tide, has suddenly stopped and reversed. There must be some explanation. There are only three that I can possibly imagine. The first is that the Governor has some special and private knowledge of some gigantic impending catastrophe which is unknown to any of us. Another alternative is one which the hon. the Colonial Secretary has rebutted with every indication of indignation, but one which is very generally believed—that this framing of Revenue Estimates was deliberately contrived for a political purpose; in other words, that every single item throughout the whole Revenue Estimates, deliberately, or as a result of instructions from some overriding genius, has been reduced in detail to show in the aggregate the necessary diminution to justify the introduction of a measure of taxation against which there was considerable opposition. That is one solution. I should hate to imagine

that that is the solution, but it is extremely difficult to find another. I have searched very carefully, and venture to suggest that I have found one, and I am prepared to accept it as a possible and more polite alternative—that this is a case of somnambulism on the part of the hon. the Treasurer! (Laughter.)

The case is perfectly clear, that one large department of Government, which has been responsible for the collation of all this material showing the immense economic progress of the country, was inspired with enormous enthusiasm, and, on the other hand, some overriding genius behind the scenes responsible for the framing of the budget must have been in the very depths of despair or trance or entirely unconscious of what the other part of Government was doing, what every paper in the world was shouting from the house-tops, and of the economic happenings of the world; I have studied the matter considerably and know something about finance and its reactions on this country; I know that our powers of recuperation after a long period of stress are extraordinary—and I have no hesitation whatsoever in asserting that there will be without question on these figures a surplus of at least £100,000 and probably £200,000.

We have brought this amendment in, as I said, for a deliberate purpose, and I wish to draw the attention of the Council, with your permission, Sir, to the fact that this is not a procedure without precedent, because I had a sort of dim recollection in my mind of something similar having happened once before, and, with the assistance of some of my friends here, we have collected the facts. They are extremely illuminating and extremely apposite to the present occasion. These are the simple facts: On 12th October, 1921, during the consideration of the Estimates for 1922, the late Lord Delamere moved on behalf of the unofficial members a long motion:—

“The budget as originally presented should have been balanced in accordance with the instructions of the Secretary of State . . . and whereas unofficial members feel that the budget can be balanced provided overhead charges are drastically cut down, and whereas the Associated Chambers of Commerce and the Convention of Associations have laid it down that the country cannot bear the burden of the new Customs duties in addition to the taxes in the budget as originally presented, I beg to move that the budget be returned to the Government in order that the deficit of £412,000 may be balanced, and that this Council adjourn until next Monday for this to be done, after which the reading of the items and the criticism of the budget can be resumed.”

My old friend here, Mr. Conway Harvey, seconded the motion. The Governor, Sir Edward Northey, agreed to the adjournment of the House. He explained that he had just returned from home and had found a printed budget. See how close the analogy is! (Laughter.) The Acting Colonial Secretary informed Council that there was a general instruction in June or July to balance the budget before His Excellency went home, but it was found that after the greatest care had been exercised the Government could not do it. After His Excellency returned, the Secretary of State had telegraphed that the budget was not to be proceeded with until further instructions were received. The Treasurer agreed with the proposal—we had a reasonable Treasurer then (laughter)—that the Government should reconsider the budget, and Council was adjourned until the following day, when Lord Delamere's motion was accepted by Government after an amendment by the Treasurer. On the following Monday, the 18th October, the Government presented to Council a balanced budget by reducing expenditure by £185,293 and increasing the revenue estimates by £227,324. (Laughter.) The revenue increase was mainly due to revision of the Customs estimates.

I suggest it might be difficult to find a more exact parallel, and I suggest it would be difficult to find a more proper solution of your troubles than we have found for you by moving this amendment. We very carefully drafted this amendment as the only method we could see whereby, with some semblance of dignity, your Government can extract itself from the hopeless state of confusion into which you will drift by failure to follow this established precedent and by taking into active co-operation members on this side of the House. (Applause.)

MAJOR THE HON. SIR ROBERT SHAW seconded.

THE HON. THE CHIEF NATIVE COMMISSIONER: Sir, one reference has been made by the hon. member to native hut and poll tax and to the report of the hon. Treasurer and myself saying that in our opinion the figure of £550,000 was a fair measure of native taxation for 1937. Well, he must not take that as definitely the policy of Government. It is our opinion that in a decent year and if means are taken to tighten up collection, £550,000 might possibly and should be collected. But you must relate facts to figures. The collection in 1935 was £502,000; in 1936 the revised estimate is £520,000; that is, £20,000 less than the printed estimate. Surely, working on that basis, and before we shall be able to implement any recommendations for the tightening up of the collection, it would be entirely wrong to put a figure which could not be realized. We put in £540,000 because, if our recommendations are accepted, that figure could be produced. To have put

£550,000 would have been quite wrong, in my humble opinion. We have got to work hard to get the figure which is in the printed Estimates, and I daresay other members of the Council will say it is far too high. With that I do not agree, but before we get any such figure we will have to see that the whole population pays its fair due, that there are fewer evasions, and not so many exemptions which, possibly, are unwarranted.

THE HON. THE TREASURER: I should like, Sir, to support the remarks of the hon. the Chief Native Commissioner. In my opinion this is not an under-estimate but I rather fancy it will in fact be found to be an over-estimate. The hon. Member for the Coast still seems to think that I am the author of the Revenue Estimates. That, of course, is not the case, nor are they prepared in any haphazard manner. The various items are referred to the heads of departments who are cross-questioned by myself and the Colonial Secretary, and, after full discussion and examination of prospects and past history and all that sort of thing, they are finally agreed to by Government, and, in my opinion, they are reasonable estimates.

THE HON. SHAMSUD-DEEN: On a point of order, there seems to be an erroneous impression, Sir, particularly among my colleagues, and I should like to have your ruling. It has been ruled once that once a member speaks on an amendment he cannot speak on the substantive motion. I am sure this is wrong, and I should like to have a clear ruling on that.

THE PRESIDENT: The position seems quite clear. An hon. member who moves an amendment to a motion is, when he moves that amendment, speaking to the motion, and he is therefore unable to speak again to that motion later in debate, but once the new question has been put to Council, as in this case, a member is not debarred from speaking to the original motion if he speaks to the amendment.

* THE HON. THE COMMISSIONER OF CUSTOMS: Sir, I should like to make it perfectly clear to this House, at the commencement of what I have to say, that my estimates definitely have not been deliberately under-estimated, but are candidly and honestly put forward by me, and the Treasurer cannot accept blame for that portion of the budget.

The hon. Member for the Coast, during his remarks, went into past history, and I also propose to do so. I would first of all remind him, in regard to his remarks as to tides on various occasions this morning, of what he said in May last in Council when he referred to His Excellency's opening address with regard to the tidal wave of prosperity. He said:—

“On Monday, when we had the privilege of listening to Your Excellency's Address from the Chair, I had a

gathering sense of being Alice in Wonderland when I heard you elaborate the grounds that were obviously intended to suggest a rising tidal wave of prosperity flowing over this land. It is perfectly true that the general position has materially improved as a result of the increasing pressure being brought to bear and, in many cases, enforced on the victims of the tragic times through which we have been going, but there was no reference, that I remember, to the fact that this rising tide was liable to submerge and keep submerged and utterly extinguish the owners of the craft who provide the cargoes, and which are anchored by a short cable to the rocks."

So much for his rising tide of prosperity.

Going further back into history with regard to the preparation of the Estimates, the Minority Report of the Standing Finance Committee of 1935 on the Draft Estimates (page 23) reads as follows:—

"In view of the past history of the last few years we contend that the time has now arrived when it becomes the duty of the Standing Finance Committee to impress upon Government in the strongest possible terms the fact that henceforth it is imperative that Revenue Estimates should be framed on a really conservative basis."

And also on pages 23-24:—

"Revenue Estimates can only be described as conservative or safe if based on actual average receipts during the last two years and reasonable adjustments are then made on that basis."

Again, turning to the Minority Report of the Standing Finance Committee on the Draft Estimates for 1936, at page 35 it reads:—

"With regard to the Revenue Estimates as a whole, we are satisfied from the evidence which was laid before us that these have been compiled on a strictly conservative basis."

Now, Sir, applying the Minority Report formula, the Customs and Excise Revenue Estimate for 1936 is £682,500, and subjected to the acid test prescribed by the Minority Report of the Standing Finance Committee on the 1935 Estimates, viz. comparison with the average actual receipts for the years 1933 and 1934, viz. £616,988, it shows an increase of £65,512; similarly, the estimate for 1937 now under discussion, £740,000, shows an increase of £66,000 odd over the average actual receipts for the years 1934 and 1935, viz. £673,318. Apart from all that, the difficulties of estimation are somewhat

considerable. Kenya and Uganda are one unit for purposes of Customs, and approximately 85 per cent of Uganda's Customs revenue is drawn from collections in Kenya. These transactions are internal, and are susceptible to many unseen factors, and it is particularly important to note that the Kenya retentions for a current year are affected very much from October to December, January to March, a period embracing two financial years, and a period of pressure for goods under transfer to Uganda. Explaining this point further, the basic estimate so far as Kenya Customs revenue is concerned does not stop at a computation of the duty likely to accrue from the first clearance of goods ex ship or ex bonded warehouse, but takes into account the movement of open stock goods between the territories. It is obvious therefore that there is a considerable estimating margin of error in respect of each of the three monthly periods of pressure which, apart from other influences acting upon the Kenya and Uganda position as a whole, tends to distort estimates when compared retrospectively with actuals. My submission is that the 1937 estimate of Customs and excise revenue in the light of the foregoing, and on the evidence of the 1936 accepted figure, and also remembering that the indications of improved exports and better commodity prices must be viewed with the background of the reckoning which automatically arises from the toll taken by years of depression through which we have passed, justifies my claim that the Estimates of Revenue are really on a conservative basis.

LT.-COL. THE HON. W. K. TUCKER: Sir, it is only a short time ago since I decided to speak to this amendment. Indeed, all my time has been spent in an endeavour, on the substantive motion, to convey to this House the prevailing view of the City of Nairobi, a part of which I have the honour temporarily to represent, in regard to this unfortunate acrimony and dispute which has disturbed the tranquility which we all hoped had come to stay in this country. But there is a feeling that some expression should be given from this side of the House to show that the hon. Member for the Coast was not crying in the wilderness alone, and while I, personally, was very impressed by the appeal made by the hon. the Colonial Secretary at the conclusion of his speech, I am quite sure he would be the last to wish us to refrain from qualifying, where we can justify, the theme which ran through the amendment as proposed.

It is five years since I had the honour of occupying a seat in this House, and the last important speech I made was on the 1932 budget during the autumn of 1931, when we were occupying at a different point precisely the same trough of depression as we are to-day. We were going into it then; we are, to use His Excellency's own words, emerging to-day,

But we have not emerged, therefore I may be indulged perhaps in harking back to that 1931 debate or debates, if it does help, and I earnestly believe it does, to justify the point of view of this amendment. It is far from me to talk about what has, it is suggested, been done deliberately, consciously or sub-consciously, but I do suggest, and I want this taken in good humour, that it is possible, whether it is in the trough of depression or in a room or in a community, to get the wrong atmosphere, and I do feel that the atmosphere that prevailed in this House in dealing with the 1932 budget was precisely the atmosphere prevailing to-day in so far as the Government side is concerned.

On that occasion, no matter what the cost, unduly high Estimates of Revenue were insisted upon, and that is exactly the same principle that is being applied in our minds in the reverse direction to-day. As a background for the very few remarks I intend to make, I would like to say that we divided the work up in those days, and I was told off to deal with Customs items of revenue. It was, I may say, printed and submitted to this House on the 27th August, 1931, as £866,000. Leading merchants in every town in this country, together with the Chambers of Commerce we talked about the other day, were very thoroughly canvassed, and members on this side had no hesitation in saying in debate on that 27th August, 1931, that £750,000 was the maximum that ought to be inserted, or £166,000 less than Government felt should be the case. Hansard has been quoted once or twice. I will quote it shortly. The Government spokesman, in reply to a statement which it was my duty to make on that occasion, indulged in an aeronautical metaphor about flat spins, that "a flat spin cannot continue indefinitely; either the machine rights itself with sufficient flying speed to enable it to climb from the lower level, or it ends in irretrievable disaster, and proper manipulation of the controls and the avoidance of any feeling of panic are essential in circumstances such as these." He went on to say that "since the period of depression will have been in existence for some two and a half years, it is reasonable to assume that the world-wide attempts to remove the causes of the present depression will at least have been partially successful, and that an upward tendency should begin to assert itself before the end of next year."

We started off with £866,000 on that side of the House; we were begging for a reduction to £750,000. We went, as we did in those days, into select committee, and that famous, or notorious, select committee sat for at least ten weeks examining more in detail every item than has been done before or since. That select committee by the 1st October had become equally satisfied that the Customs revenue should be stated at £675,000 or less.

We got that far, Sir. We conferred with Government, as was our function, day by day, hoping against hope that Government would see our view, because it had such tremendous effect on the other side of the budget. It was partially satisfactory to learn that at about that time Government had come down from their point of view to a matter of £761,000, due, as they suggested, and which we challenged, to the fact that England had gone off the gold standard, because the commercial community had assured us that it had very little effect, and also due to the factor that the infestation of locusts had materially increased in the meantime. I am sorry to make this so long, but I personally feel, as my colleagues do, that this extraordinary set of figures has a bearing upon this problem. Government, despite our representations, finally inserted £750,000 in that budget, and the only other figure I wish to mention in that regard is that, at the end of 1932, so far from getting £860,000 or £750,000 or £675,000, which we advocated, the total revenue collected from Customs was £597,000.

Are we not justified in assuming that, in the same way that our figures and your figures so largely differed on the downward slope of that trough of depression, so in the same way we submit that the upward journey in that trough is being expedited far more than Government admits, and, I will go further and say, Government believes. (Hear, hear.) I raise this point with all the more assurance because, thanks to the confidence which successive Governors have reposed in me for fourteen years, I have taken a very active part in the final adjustment of the revenue figures of the Railway, and I am sure I shall not be indiscreet when I say that, in my mind and in the minds of my unofficial colleagues at a recent meeting of the Railway Council to fix the 1937 revenue, we came away with the feeling that the official members as appointed by His Excellency the Governor were even more buoyant than the unofficial members, and I find it a little difficult to reconcile the attitude shown on the one body as compared with the other, even after taking full account of the Uganda conditions which enter into the Railway budget, as well as other similar factors. (Hear, hear.)

That being so, I very heartily support the amendment, and I hope I may be allowed to say in passing, as I did at the beginning, it is all ancient history to be talked out in the best of humour. I could, but will not at this stage, read out to the House what Hansard records of the last debate of Government of 1931, except to say that the spokesman for Government on the second occasion departed from his aeronautical metaphors. I want to make it clear in regard to that, and to the present

Commissioner of Customs, I am passing no reflections or casting any aspersions on him, because I have taken two recent public opportunities of showing the high regard in which I hold him.

THE HON. THE COLONIAL SECRETARY: Sir, Government is unable to accept this amendment, not from any feelings of self-righteousness or satisfaction or any belief that its own Estimates are infallible, but simply because, if the Estimates are to be referred anywhere, they should be referred to the body which it was intended should deal with them—the Standing Finance Committee. It was for this purpose that the Standing Finance Committee was created. Incidentally, I should have thought that if hon. members thought if we had under-estimated our revenue they would be very much more likely to get satisfaction from a body on which there are at least three unofficial members who, I understand, are in sympathy with that point of view, rather than from myself, who, after all, have been compiling these Estimates during the last two or three months and must have some natural prejudice for believing they are about as good as we can manage.

I was not quite able to understand the hon. Member for the Coast when he suggested that we seem to be budgeting for some unforeseen gigantic catastrophe or at least some ebb tide. We are not budgeting for any ebb tide or any unforeseen catastrophe. We are budgeting for a rising tide to the extent of about £100,000 additional revenue, and the only question is whether we are budgeting for a tide rising fast enough.

We may be wrong. If we are, surely, as I said at the beginning of this answer, the appropriate body to refer these figures to is the Standing Finance Committee who should be able to perform that function for which it was created. Under our Standing Rule and Order No. 52 (3), "When the motion referred to in sub-Rule (ii)"—that is, to refer the Draft Estimates to the Standing Finance Committee—"has been adopted, any member of the Council shall have the right to appear and be heard before the Committee at a time and place to be fixed by the Committee."

MAJOR THE HON. E. S. GROGAN: On a point of explanation, did I understand the hon. member to say that the Government is budgeting for an increase of £100,000 revenue?

THE HON. THE COLONIAL SECRETARY: That is what I said in my opening speech.

MAJOR THE HON. E. S. GROGAN: What I said was that Government was definitely budgeting for reduced revenue, as distinct from the revised Estimates of Revenue for the current year, to the extent of £17,000.

THE HON. THE COLONIAL SECRETARY: On the spur of the moment I do not know whether that is correct or not, but in Standing Finance Committee we can go into all the details, and see who is right and who is wrong. For that reason only, I am unable to accept this amendment on behalf of Government.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Sir, in rising to support the amendment so very ably put forward by the hon. Member for the Coast, I should like to ask first of all whether Government accept the picture put forward in His Excellency's address the other day to show that there was this increased prosperity in the country or not.

To come to a few figures. My hon. friend the Commissioner of Customs quoted two minority reports of the Standing Finance Committee, both of which I think had my signature to them, pointing out that we urged conservative estimates. If you take 1935—in 1934, that was; we were estimating for 1935, and 1934 happened to be a year of the worst exports of this country which has been for over a decade or more—obviously one had to urge conservatism. In 1935 I think we said that we agreed that the Estimates were conservative. Well, Sir, did not events prove that we have been correct in our submission? They have been very conservative. One question I should like to know is what, on the latest figures available to him, which must be up to the end of October now, my hon. friend the Commissioner of Customs estimates the actual revenue from Customs will be in 1936? That figure would be of immense value to this House if we could have it.

If you take the figures I worked out of the actuals in 1935 and for 1937—I think I have got them correct—after deducting all the reimbursements, it only allows for an increase on that of actuals of £37,000. If my figures are correct, that only allows for an improvement on two years, when everything has been going better, of 1.68 per cent, which, I submit, is not a reasonable estimate and is certainly not in accordance with the figures which were put forward by the hon. mover of this amendment, showing how in the past the curve of prosperity and depression has acted on this country. Again, if you go back to the figures of 1930, you will find that the actual revenue for 1931 was £2,144,867 (I am talking now of the net figures), and was just £83,723 less than what is estimated for in 1937. Curiously enough, that little sum of £83,700 is exactly the amount which has been put down in these Estimates to be found by income tax. (Laughter.) Now, if you will go back again to these Customs figures, you will find that though that sum, the total amount of revenue collected in 1931, is £83,000 less than what is estimated to be collected this year; the returns

from Customs revenue were £73,000 odd more than has been estimated for in this year. I suggest, Sir, that this sum of £83,000, which in fact you may take as £73,000 because of the £10,000 surplus, is a sum which is not beyond the capacity of human endeavour to find without inflicting on this country a new form of taxation which many of us think would be very much to the detriment of the country as a whole.

I beg to support the amendment.

CAPT. THE HON. H. E. SCHWARTZ: Mr. President, the hon. Member for the Coast has tried to find in the course of his speech some reason for what in our opinion is a perfectly clear and very peculiar under-estimation of the revenue, and he suggested three reasons. I am not concerned to discuss here which of these reasons is the correct one, or in fact if there is a reason at all, but I am genuinely quite clear in my own mind that this under-estimation is there, and at the end of 1937 it will be found once again that, so far as the Revenue Estimates are concerned, we are nearer the mark than hon. members on the other side of the House.

I think it will be difficult to point to any difference of opinion that has arisen in recent years with regard to Revenue Estimates. Customs estimates especially, where it will be found that the Government estimate, when it disagreed with ours, was not furthest away from the mark. Estimates are only interesting as long as they are estimates, and once we get actual figures for the year it does not matter in the least what the estimate was before. I would beg the Standing Finance Committee, and the official members on that Committee, not to go in with minds completely made up, but to believe that sometimes members on this side of the House are right with regard to Revenue Estimates, and not to ignore the remarks made by the hon. mover of this amendment as being so much "moonshine", but to take to heart what he has said, and not, if I may respectfully say so, to adopt the attitude which I think the hon. Chief Native Commissioner is inclined to adopt. (I gathered that from a few remarks he made with regard to the native hut and poll tax.) He says, and the hon. Treasurer says, in their report:—

"We recommend acceptance of the principle that the sum of £550,000 is a fair annual native contribution in direct taxation in existing circumstances."

What did he say when got up this morning? He said, "You must realize, even though the hon. Treasurer and myself believe that this is the proper figure, that is not necessarily the view of Government." If these two people, these two hon. gentlemen are . . .

THE HON. THE CHIEF NATIVE COMMISSIONER: On a point of explanation, I think I said that £550,000 a year was the figure which we thought could, or might, be collected, but Government has not accepted it yet.

CAPT. THE HON. H. E. SCHWARTZ: Precisely, he said at the start that while he and the Treasurer thought £550,000 was a fair figure to put in the Estimates, that was not the figure which Government had accepted, and must not be taken as the opinion of Government. May I ask why, if Government are, as the hon. the Colonial Secretary says, only anxious to budget for fair Revenue Estimates, they should deliberately refuse to accept the figures given them by their two leading officers who think it fair revenue in existing circumstances?

THE HON. THE TREASURER: On a point of explanation, I am one of those officers, and the position is perfectly clear to me. We say that the proper provision in direct taxation of the natives is £550,000, but in consequence of the fact that it is first necessary to tighten up the methods of collection we say that the actual amount accruing next year will be, at the very outside, £540,000. I say that that is an over-estimate rather than an under-estimate.

CAPT. THE HON. H. E. SCHWARTZ: Apparently the hon. gentleman differs from his colleague, who on a point of explanation, repeated the remark that he considers £550,000 is a reasonable sum, and Government does not. I hope that at least in the Standing Finance Committee the hon. the Chief Native Commissioner will have the courage of his convictions, and that the agreed figure should be put up to £550,000.

THE HON. THE COLONIAL SECRETARY: On a point of explanation, it is not true that Government refused to accept the hon. the Chief Native Commissioner's estimate of £550,000. The Chief Native Commissioner never submitted that to me as an estimate, but said he thought that that sum was what it ought to be, not what it would be. The estimate submitted to me was £540,000, and that I accepted.

CAPT. THE HON. H. E. SCHWARTZ: The hon. gentleman will do me the justice to remember that I do not know the intimate conversations that go on between the heads of departments and himself in framing the budget. I am only reading what I see in cold print and repeating what I hear in the cold voice of the hon. member. Twice to-day he has said, "I said I consider that £550,000 was a reasonable figure to put in the Estimates in existing circumstances, but Government does not accept that yet." Now we are told he told the Colonial Secretary something different. I do not know what he told the

Colonial Secretary, but the report says "under existing circumstances", which means circumstances which do exist, not circumstances that may exist when they have done this or that and tightened things up. If it does not mean what it says, let us have it reprinted or a corrigendum put in. The figure ought to be £550,000 and, if the hon. the Chief Native Commissioner believes that as he has told us, he should have told the Colonial Secretary, and not put one thing in the report and told the Colonial Secretary something else. All this makes me wonder what the real reason is for the under-estimates and writing down the revenue side. (Hear, hear.)

The question of the amendment was put and negatived by 24 votes to 12.

Ayes.—Mr. Bemister, Major Grogan, Mr. Harvey, Mr. Hoey, Col. Kirkwood, Major Riddell, Sheriff Abdulla bin Salim, Capt. Schwartze, Lord Francis Scott, Sir Robert Shaw, Col. Tucker, Mr. Wright: 12.

Noes.—Messrs. Bale, Boulderson, Archdeacon Burns, Messrs. Daubney, Fazan, Gardner, Hebden, Hosking, Isher Dass, La Fontaine, Montgomery, Morris, Pandya, Dr. Paterson, Mr. Pilling, Sir Godfrey Rhodes, Dr. de Sousa, Mr. Stronach, Capt. Tisdall, Messrs. Wade, Wallace, Walsh, Waters, Dr. Wilson: 24.

The debate was resumed on the original motion.

The debate was adjourned.

*Council adjourned till 10 a.m. on Thursday,
the 5th November, 1936.*

THURSDAY, 5th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Thursday, the 5th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, ESQUIRE, K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The minutes of the meeting of the 4th November, 1936, were confirmed.

ORAL ANSWERS TO QUESTIONS.

VETERINARY OFFICER, ELDORET.

No. 53.—THE HON. A. C. HOEY asked:

"Will Government state:—

- (1) The cost of maintaining a Veterinary Officer at Eldoret during the years 1934 and 1935?
- (2) The total amount of revenue earned by the Veterinary Officer, Eldoret, in 1934 and 1935 by—
 - (a) inoculation fees,
 - (b) sale of vaccines and serums, and
 - (c) other sources?"

THE HON. THE DIRECTOR OF AGRICULTURE: (1) 1934, £1,942; 1935, £1,926.

- (2) (a) 1934, £3,105; 1935, £1,106.
- (b) 1934, £222; 1935, £180.
- (c) Nil.

MOTIONS.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved:—
"That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee."

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Sir, I should like to preface my remarks by expressing my regret that illness has necessitated the departure of His Excellency for the Coast so that he is unable to preside over this session and the discussion of the Estimates for this year.

I should like to begin my remarks by quoting the beginning of His Excellency's address to this House the other day. This is what he says:

"Five years ago in my address at the opening of the Budget Session of Council, when we were facing a deficit on 1931 of £150,000 and a further deficit of £110,000 on 1932, I said that we should have to seize every opportunity during the years to follow to lower the overhead charges of this Government to a figure which we could bear with confidence and safety."

I should like to point out first of all that the deficit of £150,000 in 1931 contained no less a sum than £139,000 of extraordinary non-recurrent expenditure, so that on the actual recurrent expenditure that year the deficit was just under £10,000. But that is only a detail.

What I should like to point out to the House to-day is, what has been the result of this endeavour to "seize every opportunity to lower the overhead charges" of the Government? These are the actual figures of recurrent expenditure in 1931, actual, and in 1937 estimated. In 1931 the actual recurrent expenditure was £2,185,300. From that of course I have deducted Public Debt Funded and so on. In 1937 it amounts to £2,170,595, a figure which represents a decrease in these very heavy overhead charges which His Excellency referred to, of less than £15,000. Government may think that is a very admirable achievement in a period of five years, but I am afraid quite a number of people in this country will not agree. If that is all that can be done in five years of strenuous effort to reduce the overheads of Government, which can only result in a reduction of £15,000 or less, I say Government have failed in the endeavour which His Excellency said had been the main object of their policy during those five years.

I go even further. I say we would not have had any reduction of expenditure at all if it had not been for the persistent efforts of the members on this side of the House. Owing to our urge, Government reluctantly appointed first of all the Expenditure Advisory Committee which made recommendations of very considerable savings, which were put into effect; and, following on that, again owing to our persistence, the Economy Committee was appointed two years ago. Now, Sir, when that Committee was appointed my

hon. friend the Colonial Secretary said in this House that it was impossible to reduce expenditure by a single pound. That Committee made recommendations showing a possible reduction in expenditure amounting to well over £100,000—indeed I think it was more; I think it was in the neighbourhood of £120,000—and on my hon. friend's own statement, subsequently, last year, about £65,000 of these recommendations were actually put into effect. I draw attention to this because I think we can justly claim that the unofficial side have taken a far larger part in bringing about this small reduction which I have just pointed out to you, than the Government would ever have done on their own. In fact, had it not been for our action, instead of there having been a reduction of £15,000 in those five years, there would have been a very large increase. I should like to point out again with reference to these two Committees which, I think it must be admitted, were appointed owing to the persistent urge from this side of the House and on which the officials were strongly represented, and on both of which Committees the unofficials took a leading part in putting forward recommendations; these two Committees have very obviously received the complete approval of Sir Alan Pim, as he repeatedly refers to them in the course of his Report, in terms which seem to signify his approval, and I suggest that as an illustration of how much the unofficial community in this country can be trusted to use their responsibilities for the good of the country as a whole whenever given the opportunity to do so.

In spite of what these Committees have done, we were not satisfied that economies have been pursued as far as they could have been and, as admitted by His Excellency, at our instigation Sir Alan Pim was invited to come out to this country and to explore any further methods by which the overheads of this country could be further reduced. We put up this proposal and it was accepted by His Excellency. Now, Sir, when two parties who had a disagreement came together, and agree to a method by which they could solve these difficulties and could find some mutual basis for agreement, it is a quite unheard-of practice that without any reference to the other party one of these parties should change the whole terms of reference on which that agreement has been based. But that is what happened in this case. We asked for Sir Alan Pim to inquire into the whole field of Government expense in Kenya with particular reference to the costs of administrative and technical services, and to report where in his judgment total expenditure could be legitimately reduced whether by re-organization or other means without detriment to efficiency. That was his first term of reference. When publication was made of Sir Alan Pim's approaching visit we found a second term of reference—which had never been

referred to us and without our opinion being asked about it and we never in any way told Government that that was necessary—added to the terms of reference—

"(2) to examine into the present position of Government finance having regard to the revenue and expenditure of the present and recent years and the prospective revenue for 1936; and to advise whether any, and if so what, modifications in the existing system of taxation in Kenya should be effected consistently with preserving the financial stability of the Government."

I wish to say that the result of that second term of reference has been most unfortunate. It has raised two questions about as controversial as any questions could possibly be. The first one is, of course, the old controversial question of income tax, and the other, which is likely to be controversial in the future, is that of native taxation. Sir Alan Pim, I do not suppose, had any wish to go into the question of taxation unless he had been specifically asked to do so by that term of reference, and he has made recommendations which require very, very careful consideration. I am not going at this moment to touch on income tax, but I will touch on the native taxation side.

We had it out yesterday in this House clearly that two senior officials of Government went into this question very thoroughly and recommended that the fair amount of taxation in direct taxation from the natives was £550,000. Lord Moyne, who was sent out some years ago, an ex-Cabinet minister, to report on the incidence of services between the different races in relation to the taxation paid, after going very carefully into the whole question, recommended a formula by which the natives were to get half their direct taxation returned to them in the form of direct native services. That has been the basis on which estimates have been framed during recent years. Now Sir Alan Pim comes along and makes two recommendations here which if put into effect, on the estimate of the hon. the Colonial Secretary, would mean a reduction in their direct taxation of somewhere round £70,000. If that is done and unless it is made up from the natives in some other form, it means that the native services will have to be reduced by about £35,000.

Now, Sir, all of us would deplore that there should be any reduction in the services of the natives as they stand to-day. His Excellency, in his address, paid a tribute to members on this side of the House in saying that on all occasions he found us only too ready to help in any way in connection with native welfare. That is perfectly true, but there are limits to altruistic philanthropy. So long as the finances of the Colony allow, without increased burdens of

taxation on other sections of the community, we are only too anxious that the natives should get adequate services to help them, whether it is medical, educational, agricultural, etc. But if a formula is settled on as has been done, and if that formula ceases to function, then this question has got to be seriously considered, and it would be calamitous if these recommendations to decrease their provision for direct taxation by £70,000 were put into force, and the whole system of native services thrown out of gear. In this particular budget which we have before us, it is already stated that the natives are getting £16,000 more than they are entitled to under the Moyne formula.

I have a suggestion which, I think, is worthy of consideration now, and that is that the natives should make some contribution (not big, of course, but small) towards their medical services and possibly educational services. In the past there have been many advocates of this system not so much from the financial point of view but owing to the fact that natives value services for which they pay something rather than those which they get free. It is a fact which many of us have experience of, that if you have a native ill and he has to go to hospital he would rather go to a mission hospital where he has to pay something rather than go to the Government hospital where he gets free treatment. Actually, of course, if it is one's own employee, one pays a shilling a day for accommodation in the hospital up to thirty days, and I suggest that that is perfectly reasonable. But I further suggest that that principle should be extended to employers of natives in a place like Nairobi where they go to clinics and things and get free treatment. I do ask Government to go into this question seriously now because we have reached the point when the question of direct contributions from the natives in the form of taxation is not meeting the services they require, and the objection before to making them pay anything was that this was what they got in return for their taxation.

I would like to go rather briefly into the question of the implementation of Sir Alan Pim's recommendations.

First of all, there are three Departments which have obviously made an effort to start in to try and carry out these recommendations. First, the Game Department, where the Fish Warden has been cut out for this coming year. And I should like to say that I share the views held by the hon. the Colonial Secretary that we have got to be careful we do not damage the fishing in this country, which is one of the greatest assets we have. Now coming to the Prison Department. My experience of the Commissioner of Prisons is that this officer is always thinking out ways and means of improving the

efficiency of his Department and ways of finding reasonable economies, and he has already started to try to follow the lines suggested by Sir Alan Pim. The third Department which is also making a start is the Public Works Department, but that has not gone very far and is not showing particularly great savings at present. But at any rate it shows the will to do something.

Now, Sir, when we come to his recommendations of the other parts of the Government I should like to point out that so far as this budget is concerned we see no recommendations which in any way implement his proposals. First of all, the re-organization of the Secretariat. I was glad to hear from the hon. mover yesterday that Government did intend seriously to carry out that proposal. Personally I think it will be of immense value to this country, and at the same time one must hold out one word of warning which, I think, will be shared by members on either side of the House, and that is we must see that three Secretariats are not built instead of one. We then come to the re-organization of district staffs and administration officers. All that has been done on these lines is the cancellation of the appointment of five new officers to come out next year. But looking through the estimates I can see no savings on administrative officers of the five who presumably would have been replaced if these five officers had come. I hope that when we get into the Standing Finance Committee the Colonial Secretary will adjust these estimates to effect these savings as I understood yesterday from him that several officers would be leaving during the course of the year. Nor yet is there any indication of the appointment of the special taxation officers which was recommended not only by Sir Alan Pim but also in the other report dealing with native taxation. With regard to that, Sir, I do trust that Government will take to heart the words reiterated so often throughout Sir Alan Pim's Report of urging the employment of the cheaper local people in preference to the very expensive overseas recruited officers. That, Sir, appears over and over again in his Report and I trust Government will take that to heart and will follow it out as much as possible. Coming to the Department of Agriculture I should like to know what has happened to a scheme put up last year by the hon. the Director of Agriculture for the re-organization of his Department, a scheme which had a very large measure of approval from people interested in agriculture but which apparently has now disappeared into the wastepaper basket or into a pigeon hole or something. I would like to know what happened because quite frankly I think his scheme was probably a better one than that put up by Sir Alan Pim although both have a certain amount of common ground. The other Department where there are any signs in the budget of

economies is the Department of Local Government, but I understood the hon. mover to say that this would be dealt with during the course of the year. Now, Sir, in regard to this Report and Government's methods of implementing it, what do we see? Within a week of that Report being published out of their box comes a ready-made Income Tax Bill which Government must have been sitting on all this time ready to produce at the first possible moment. But when it comes to economy, they are all long-range things which Government had not had time to consider. I suggest that Government knew just as much about the recommendations of Sir Alan Pim with reference to Administration, Agricultural and Local Government and so on as they knew what they were likely to be about income tax and therefore they could just as easily have worked out the schemes to put these recommendations into effect; and in the same way as they have worked out the scheme to put into force the recommendations on income tax. We asked for Sir Alan Pim to come here in the hope that we would get some further reduction in the overheads of Government on the same lines as His Excellency stated in his speech. He said:—

“ . . . We should have to seize every opportunity during the years to follow to lower the overhead charges of this Government.”

What is the result? Sir Alan Pim certainly only recommended savings of £48,000 and of that a good deal of it could certainly not be shown at once. I think it may say that the reason why he was able to show such a small reduction in expenditure—there were two reasons—one, that the ground had been covered so very fully and efficiently by those other two Committees which I have already referred to; that there was not a very large field for him to range over, and the second reason was that in view of the Secretary of State having already taken a decision with regard to the emoluments of the Civil Service, he did not consider it was any good his going into that question again. We all know, Sir, that the crux of the whole question is these heavy personal emolument charges. Practically the whole of the expenditure side is made up in that way; and so unless that question was tackled it was fairly obvious that he would not be able to recommend very large economies.

I should like for a moment to turn back to His Excellency's address and touch on a few points which occurred there.

He refers to the fact that Messrs. Liebig (Rhodesia), Ltd., are probably going to start in this country and take a large amount of native cattle. That, Sir, I think we must all welcome as a very advantageous step in the economic position

of this country. It will help enormously in getting rid of a lot of the poorer stock in this country; will distribute more money among the natives which again will be distributed in the form of purchases of goods and so on, and must have a very beneficial effect on the revenues of the Colony. I believe also that there is hope that a modified bamboo pulp scheme will eventuate, which will be of great benefit to the country. His Excellency also refers to a scheme for the settlement of retired officers from the Indian Army, and I am sure that we must all be glad that at least half of the scheme which was put up by this Government has been approved. We understood at first that the whole scheme had been turned down; but now we must welcome the fact that at any rate half has been approved. Unfortunately the other part has not yet received approval. I should like to quote these words of His Excellency on this subject—not directly on the same subject but on the same thing:—

"In addition to retarding land alienation in general, a result of the prolonged period of financial depression, drought, and past locust infestations has been the great difficulty experienced by farmers in meeting their rental obligations."

So it is the question of land alienation which I want to refer to. I submit that the financial depression has not been the only, or even the chief, cause of retarding land alienation. The real cause has been lack of faith on the part of Government, in London as well as here, in the value of white settlement. They have been half-hearted about it. Until that faith is re-established and until Government have a definite policy and really mean to see that policy through, there will still be a retarding of land alienation; and on this subject, Sir, I should like to say this: that I do hope Government will go into this question of alienating land on a different basis to the way it is done to-day. At present, if somebody comes out here and wants to buy land he finds every possible difficulty. He has to wait for months before land is put up for sale, it then goes up to auction; he very likely is outbid by some richer person who is wanting to speculate, and even if he does succeed in buying it he may have to put about twice as much into the purchase of the land as he intended and that money is lost to him for development of the land. I submit, Sir, the proper policy for Government is not to try and make capital money out of the sale of land, but to get land taken up and developed, and they should make it as easy as possible for anybody who wishes to buy land to come along and be able to do so.

With regard to the Kenya Land Commission recommendations, His Excellency points out that a great deal has been

done to settle this question and that the European elected members have been very helpful in trying to get these matters settled and he says:—

"I wish to place on record the Government's appreciation of the very reasonable and helpful attitude taken by them towards these questions."

We have tried to be helpful and reasonable but, Sir, we have always stressed that there are two sides to this bargain, and one side, which has not been implemented—and as far as I know nothing has yet been done—is the side to safeguard the highlands to us, as was agreed and recommended by that Commissioner. I regret to say that there is no reference made to that in His Excellency's address.

Two other matters in that address I should like to refer to. It says:—

"His Majesty's Government have decided that the Royal Air Force Unit now at Nairobi will be permanently retained there and that it shall be raised to the strength of a complete Squadron as soon as circumstances permit."

What I want to ask, Sir, is this: does the Imperial Government pay for that or are we going to be charged? It is not stated by His Excellency.

The last point, nearly the last point which comes up, is on the question of the reorganization of the Defence Force. Some of us feel rather strongly on this question. Personally, I hope that the new scheme will be a great success and that it will get the support of everybody in this country, but I do take grave exception, Sir, to the honoured name of that Defence Force being changed now into Auxiliary Force. It is Kenya Defence Force, and that is the proper name it should have, and when His Excellency says "I foresee before long a Kenya Regiment and an Auxiliary Force of which the Colony may well be proud," I should like to say, Sir, as one who has had a great deal to do with the Kenya Defence Force, that we have had a force for some years past of which everyone who has had anything to do with it has been extremely proud, and we do not want any new force to make us proud.

In this address also it is stated that there is going to be reduced postal charges, which it states will be a loss of revenue of some £6,000. I put it to the hon. the Postmaster General that it is an invariable rule that wherever postal rates are reduced revenue increases. I believe that nearly always happens, it has in this country before, and I have no doubt that that £6,000 loss of revenue will never eventuate; in fact, there will probably be an increase.

Whilst on this subject of the post office may I make an appeal, now that we have a new fresh mind in charge of that service, that those of us who have rural telephones shall be taken into rather favourable consideration with a view not only to helping us but also to getting more revenue for Government. My point is this. I have to pay £12/10 a year for a telephone. I have no objection at all to paying that sum if I get a proper service, but in actual fact all the service I get is 42 hours in a week. That is less than two complete days. I think, as everybody knows, if one lives out in the country the chief object of a telephone is at odd hours when you may want to ring up a doctor, a veterinary surgeon, police or some such thing. Well, Sir, actually I can use my telephone from 8 till 12 and from 2 till 5 on Monday, Tuesday, Wednesday, Thursday and Friday, from 8 till 1 on Saturday, and from 9 to 11 on Sunday, a total of 42 hours. I consider that that is not an adequate service, and I hope my hon. friend, who I know—at least from what I have heard—has very constructive practical ideas, will go into this question.

I now, Sir, wish to turn to the question of the levy on salaries. Personally I have always held that it is an entire misnomer to call the levy on salaries revenue. What it actually is is a curtailment of expenditure with regard to the officials of the country. In these Estimates it is shown definitely that this levy shall be wiped out from the 1st January. We on this side of the House believe that the time has come when all these temporary impositions should be wiped out, and we will support the proposal to wipe out the levy on salaries from the 1st January, even though it goes considerably beyond what Sir Alan Pim recommended in his Report. But we do have a stipulation in conjunction with that, and we consider that it should be possible to do that without putting any increased burden on the other parts of the community. We consider, Sir, that if Government were honest they would take off the levy on salaries on the one side and take off those temporary taxes on the other side, which they propose to do in the estimates, but that they should not be reimposed upon us in another and worse form of taxation. When Government have satisfied us that the levy can be faken off and these other temporary taxes have been taken off without any increased burden on the people of the country, then I can assure you we have no wish to see the Civil Servants of this country burdened with that levy any longer. But when you propose, as I think was the suggestion put forward yesterday, that this should be made retrospective I am afraid we cannot agree as the figures put up by Government show at present this cannot be done without an increased burden on other people.

Presently I hope to show that it can be, but in the meantime, Sir, it will be very wrong for Government to look so much to their own interests as to propose taking away this £12,000 from the general revenues of the country to put back into their own pockets when at the same time they have just refused a very moderate proposition which I put up the other day that Government should fulfil to the full its original intention of bringing the price of maize for export up to Sh. 4/60 a bag. As you know, Sir, I gave warning that I proposed to move a motion to that effect and the reply we had was that Government could not consider it. This matter would only cost Government about £3,000. While that is turned down, when the maize growers, who everybody admits have been through a hell of a time recently, a worse time than anyone can imagine, and now there is just prospect of getting a little better prices next year, it is turned down for them, but it is proposed to give back the money to the official side of the population, who in fact have not suffered by the depression. They have actually been better off owing to the fact that in times of depression the cost of living decreases.

There is one little point in connection with this which does surprise me. I can only imagine it is a question of overlooking on the part of Government. I would like to remind this House that some years ago, before there was any question of a levy on salaries or anything else, the European elected members came of their own volition to Government and asked as a temporary measure, to help do their little bit towards helping in the difficult financial position, that it should cut our allowances by 33½ per cent. That was done, Sir. Our proper allowance which was agreed to some years ago was to be £3 a day, and we agreed voluntarily to have that reduced to £2 a day. I must say that at a moment when it has been decided to abolish the levy on salaries, it is very surprising that there has not been a figure put into these Estimates from 1937 onwards for the remuneration in the form of fees for attendance at Council, etc., should be put back to the figure which it ought to be at. I said, Sir, this must be a matter of overlooking on the part of Government, as otherwise of course it makes one rather think of the old adage "charity begins at home"! (Laughter.)

I want to come perhaps to a more important part of this debate. I understood the hon. the Colonial Secretary to say yesterday that there had been no alteration in Government's intention with regard to this Income Tax Bill. I am afraid I cannot accept that statement. This House has the power to appoint Standing Committees to which it delegates certain work. One of these is the Standing Finance Committee, and at a meeting of the Standing Finance Committee the Colonial

Secretary, as Chairman, with his usual perfectly candid honesty and courtesy, informed us quite definitely that Government intended to put this Income Tax Bill into force this year, come what may, and that all we could do was to go into the question of the details of the Bill. That, I think, is a fact, and that is not in accordance with the statement which has now been made—I hope I am right in this, I want to get it quite clear—that in fact whilst the words "Income Tax" with £83,500 against it appears in the Estimates, in fact Government have not decided to introduce income tax but the whole question is *sub judice* and is to remain in abeyance pending the Report of the Standing Finance Committee. I submit that those two things are not the same, and therefore there has been a change in the—shall we say?—methods of Government from what was originally intended. (Hear, hear.) As I understand it, the whole question of the finances of the Colony, both on the expenditure and revenue side, are to be thoroughly explored by the Standing Finance Committee and that that Committee is to be in a position to hear evidence from anyone who may be able to give evidence of some value, and that when that is done it has then got to be considered as to whether or no any additional taxation is necessary and if so what form that taxation should take, and that when that has been done the Report comes back to this House where it shall be liable to the fullest discussion and criticism from all members of this Legislative Council. That, I understand, is the actual position and I suggest, Sir, that that was not Government's original intention.

I want my hon. friend the Treasurer to listen to these figures. I have taken Government's own figures from the Estimates. I have of course deducted reimbursements and so on. In 1935, including land sales, the total revenue actually received was £2,221,065. In 1936 the revised estimate of revenue is put down at £2,250,250, or an increase of £29,000. How does Government reconcile that figure with the figure in their Financial Appreciation No. 7 in which they say that at the end of August the revenue exceeded the revenue of the corresponding period of 1935 by £154,259? If you take £29,000 from that it leaves about £125,000. Is it suggested by the hon. member that during the last four months of this year the revenue is going to be £125,000 less than it was for the last four months of 1935? These are their own figures. Let us go to 1937. The printed Estimates show that the estimated net revenue is £2,228,600; in other words it is about £31,000 less than the estimated revised revenue for 1936 which I have just pointed out on Government's own figures must be a very gross under-estimation. To get that figure comparative there is £47,000 of levy which comes off the revenue side which ought to be added on, and from that one should deduct

the £33,500 which Government admit is an increase on the direct taxation. That leaves a difference of £14,500, so that if you add that on to the 1937 revenue you find that the estimated revenue for 1937 is £6,060 less than the revised estimate of revenue for 1936. I do not know how Government can explain that. Yesterday the hon. mover of the motion pointed out that during the first eight months or so of the year £140,000 on Special Warrants had been issued. Some of this I know was covered by reimbursements. He also said that in spite of that there would be a surplus of about £87,000. Personally, I submit that this is an under-estimation. But if you add these two together it comes to a sum of £237,000, and £237,000 must have been in excess of the original Estimates for 1936. Against that, of course, you have got to take off about £70,000 for unforeseen savings, so in fact you get a sum of round about the sum I took just now, £150,000 or £160,000. If my hon. friend opposite can explain these figures away I shall be very grateful, for they are merely figures I have taken out of their own books and are their own figures.

If I may say so, the reason why we get so mixed up with these figures of revenue and expenditure, and so on, but especially revenue, is that Government will work on what they estimated the year before was going to be revenue instead of what the actual revenue is. Here we are in the eleventh month of the year and Government must know, within a few thousands of pounds, what the revenue for the first ten months of the year has been. If you take these figures of mine—and you take the Government's own figures—you will find that the revised estimate should be somewhere in the neighbourhood of £3,375,000 in 1936. There is bound to be some improvement in 1937, I think everybody agrees to that, it has been pointed out very clearly. Even if you only take a very small improvement there should be in 1937 on the present basis of revenue, revenue amounting to £3,400,000. In arriving at that sum I have been very much more conservative than my hon. friend the Colonial Secretary, who said that he proposed to budget for an increase of £100,000 this year—at least that is what was reported in the Press. I do not know how Government can refute these figures because they are their own. If these figures are right, how can Government justify putting these figures of revenue before us in this present budget? They say it is not for the purpose of forcing income tax on us, and knowing my hon. friend the Colonial Secretary I know he would not say anything he did not mean, so we accept that. What I do ask is that when we go into Standing Finance Committee the Government will go into all these figures, let us have them all out in black and white on the table, and find out exactly and with a good will try and do the

best for the country. And the best, of course, is to have as low taxation as it is possible to have, whatever form it takes. (Hear, hear.)

I am now coming to the question of income tax itself. I am not going into all the pros and cons, but I am going to bring forward some of the very great difficulties which seem to face us. I think all of us who have been thinking at all about this part of Africa in recent years agree that we must look on this part of the country as one economic unity, Kenya, Uganda, Tanganyika, and perhaps to a small extent Zanzibar. I do not see myself how it is possible to have income tax imposed on one part of that country without it being imposed on the neighbouring territories. The difficulties are obvious. Immediately the country which has income tax suffers by businesses being transferred over the border to the countries where there is no income tax. One of the difficulties encountered on the subject of the levy on salaries was that of officers of the joint services. Of course, exactly the same difficulty, absolutely the same difficulty, arises if you have income tax imposed in one of the territories and not in the other two. This point of view has had very great support. The European Elected Members have had the unaccustomed support of the Chamber of Commerce in Mombasa, who very often do not agree with us! We have had the support, quite independently—we knew nothing about it, that they had arrived at the same conclusion—of the Chambers of Commerce in London, and only the last day or two we have been reading in the papers of the very able report of the Treasurer in Uganda and the action taken by the Government of Uganda on this subject. The Treasurer of Uganda stated that income tax in Uganda would bring in very little, would be very difficult to collect and very expensive. Why it should be so easy and so inexpensive to collect in Kenya when it is so expensive and so difficult to collect in Uganda I do not know.

But there is one thing which stands out a foot, Sir. Uganda, in that memorandum, stress that they must have an investigation into customs and so on. We do not want to have our customs arrangements upset, but it is no use putting our heads in the sand and pretending that there is no danger of such a thing happening. It is bound to. What is the position in Uganda to-day? They have an immense surplus balance which they do not know how to spend. Supposing the view is taken which I think will very likely be taken, that this is one economic unit of these territories, and if income tax is imposed in one it must be imposed in the others, and if Uganda are told that they have got to have income tax, what is their reaction? They say "All right if we have to, we do not want the extra money, but we must have relief in other directions," and immediately the whole question of the

customs union is in the melting pot. It is no good pretending there is no such danger, there is; it is obvious, and you cannot blame Uganda people if they do so.

In short, during recent years, the relations between the people of Uganda and the people of Kenya have improved so much that I feel confident that if any such investigation took place the representatives of Uganda would do their very best to try and avoid upsetting our economic structure here. I am sure they would play the game in that way. It is my opinion that by suddenly putting income tax on in this country and not have it in the other countries, would be disastrous, and not only disastrous but unworkable. For this reason we European Elected Members have sent home a memorandum to the Secretary of State asking that a full commission should be appointed on an inter-territorial basis to go into the question of the proportion of direct and indirect taxation in these countries. In the meantime, we will do our best to help Government to balance their budget this year if Government will accept some of the figures which we believe are correct. I do trust that Government will take that line.

I shall just finish up by quoting what Sir Alan Pim said himself in his Report on Zanzibar:—

"I have considered the alternative of a general income tax but do not consider it practicable in the circumstances of Zanzibar. In the first place, agricultural income would have to be excluded as already subject to the very heavy clove duty and moreover, exceedingly difficult to ascertain. In the second place a large proportion of the tax would fall on the Indian commercial community. An income tax can be imposed on them as Indian practice has shown, but even after long experience of the working of the tax in India evasion is extensive and Zanzibar has no officials with the special qualifications and knowledge required for dealing with Indian accounts. The income tax levied in Kenya in 1921 had to be abolished within two years though its administration was under the direction of an officer seconded from the Inland Revenue Department in England. The Tanganyika Government has also taken the view that an income tax is unworkable."

That is the Report from the gentleman on whose Report here the Government base their views that it is necessary to impose income tax on this country. We do not want to have perpetual strife and struggle. We want to move together with one object in view, the benefit of the country at large and all the people in it, and I do make an earnest appeal to my hon. friends on the other side of the House that when we go into the Standing Finance Committee, we may all get

down to these figures and try and evolve revised Estimates which will be framed on such a basis that will cause no undue hardship on any part of the community. (Applause.)

Council adjourned for the usual interval.

On resuming.

THE HON. J. B. PANDYA : Mr. President, it is only natural that in the discussions a good deal of attention is being given to what we call the Pim Report. Now in my opinion, the title is a misnomer, it should have been correctly called "The Historical and Statistical Survey of Kenya, edited by Sir Alan Pim." I think it would be quite correct to say that as far as we are concerned on this side of the House, it has been a very great disappointment from the point of view of its economy proposals, and that the delay in the publication of that Report was the cause of expectations which ran very high in this country, and when it was actually published we found that it contained proposals for long range economies, and a very small figure, namely £18,000. But Sir Alan Pim committed the very unpardonable sin of suggesting income tax in that Report.

So far as that Report is concerned, all the details which have been mentioned there were available to us in this country in various Reports—the Expenditure Advisory Committee, Select Committee on Economy and the Economic Development Committee, and if these details were taken out of the Pim Report, we should have had a Report of 30 pages which would have been published much earlier. It would have at least taken away the plea of not having sufficient time for consideration of its proposals. I can quite see that these views are not acceptable to the Government side, or to the members on the Government benches, because I think they do consider this Report to be the greatest monument of historical importance in regard to the finances and present position of affairs in Kenya. I do not grudge them this temporary satisfaction, because they have been hearing this kind of thing in opposition to their viewpoint continuously in the last few years. We have been openly attacking them, often to the extent of saying that they were deliberately dishonest in manipulating the figures, and that charge has been repeated this year. Recently the hon. Member for Ukamba also coined the phrase calling them "spineless gasbags". I suppose it is only natural and right that they should have this little satisfaction that is available to them in this Report. There is not the slightest doubt that this Report is a very definite and crushing vindication of their viewpoint on the finances of the Government. As far as the unofficial side is concerned, I hope we have learned a lesson from this Report, that we have here among

us people who could have dealt with these kind of things in a better way than so-called experts who come to this country and make a mess of things.

Coming to the details of the Pim Report, these economies of £18,000 have been partly implemented, but most of them might or might not materialize, and Sir Alan Pim was very greatly handicapped by previous decisions in regard to services made by the Secretary of State and the policy of this Government. I have pointed out many times in this House possible avenues of economies in Government expenditure, and I find that to a certain extent I am supported by Sir Alan Pim. In his Report in paragraph 276, Sir Alan Pim observes that replacements of Europeans by Asians "would produce substantial economies, but is largely a policy of Government in this regard". Again, in paragraph 343, in regard to the Post Office, he observes :

"As in other departments the possibilities of economy lie mainly in the substitution of cheaper for more expensive agencies, but in order to yield any substantial reduction in expenditure this would involve the replacement of Europeans by Asian or African staff."

Again in paragraph 367, discussing the possibility of economies in the Public Works Department, he says :

"Additional economies could also be secured in the Stores Department by the gradual replacement of part of the European staff by cheaper agencies."

These are naturally the only possible economies in Government expenditure on a larger scale, and instead of going straight to the point in recommending certain economies on these lines, it was unfortunate that Sir Alan Pim had not the courage of his convictions in this matter. He simply got out of this position by suggesting that it was the Government policy which he did not wish to interfere with.

In regard to Europeans being replaced by cheaper agencies and the direction in which these economies generally could be made, he suggests in his Report in paragraph 276 that "the proportion of Europeans in the Customs service is lower than that in most other services". Now, Sir, we all realize and acknowledge that the Customs Department in this country is one department which is run very efficiently and economically and Sir Alan Pim gives us the direction in which economies could be obtained by other departments in this country. If in such a very well and efficiently run department the efficiency of the service does not suffer by the employment of Europeans in a smaller proportion, it would be quite reasonable to believe that if that policy were followed in other departments there would be no lowering of efficiency in regard to these services.

Pointing out the possibilities of economy in the European Civil Service, Sir Alan Pim observes in paragraph 193 of his Report :—

"The first and most essential is that recruits should not be obtained from overseas on pensionable terms for duties for which adequate arrangements can be made locally."

This, I am quite sure, is the policy which Government accepted. But in paragraph 106, Sir Alan Pim again observes that "the examination results of the last five years suggests that the supply of qualified candidates who have received their education locally may be limited, at any rate for some time to come." Therefore, Sir, it appears in this particular instance that the possibilities of economies are much limited in the near future.

Pointing out the Government's generosity to the Civil Services, Sir Alan Pim observes in paragraph 95 that the efficiency bar is only nominal. During the last five years there are only six instances of officers being held up at one of the efficiency bars. I have observed in this House often that in this country we have a large number of officers in the officers grade who should only be performing mere clerical duties and that is one of the reasons why our Services are so costly in this country. In supporting this viewpoint, Sir Alan Pim observes in paragraph 124 :

"The clerks are not expected to write précis of facts, or to refer to written minutes to relevant precedents or connected files, or to draft letters in accordance with the orders of a superior officer. These branches of work, which in some other administrations are performed, and performed satisfactorily, by the clerical staff, are in Kenya part of the functions of officers of administrative rank enjoying comparatively high scales of salary."

In the same paragraph he further observes :

"The Establishment Section, in which the clerical staff is entirely Asian, forms an exception to the above remarks. In this section it is a part of the duty of the senior clerks to refer the establishment officer to relevant precedents."

This shows, Sir, that at least among the Asian staff this very desirable practice is in existence, but it is surprising that, having mentioned this in connection with the efficiency of the Asian staff, Sir Alan Pim observes in paragraph 108 that scales of pay "are substantially higher than would be paid in India for similar posts, and even allowing for the higher standard of living of Indian residents in Kenya, the terms laid down are not ungenerous". In this connection, Sir, I should like

to observe that Sir Alan Pim seems to have been carried away by his Indian experience in this particular matter. If he really wished to establish that principle; that in regard to the Indian community in this country in Government service their scale and standard of pay should be based on what they obtain in their homeland, then I think he should have reasonably established that European servants in this country do not get any more scales of salaries than what they obtained in England. There is no comparison, therefore, in this particular instance with regard to the posts which are occupied by Indians. He goes on to say that as far as the Indian Local Civil Service is concerned, the examination results in this country are so satisfactory that at least in future we can always count on obtaining recruits from the locally-born. If that is an accepted fact, I fail to understand the argument that the scales of pay of these people who are born in this country should be based on the scales of similar posts in India. They entirely differ in their outlook of life and in regard to the cost of living, and if a fair comparison was to be made it should have been made between the Local European Civil Service and the Local Asian Service. If those two services are taken into consideration in regard to emoluments and scales of pay, as I have so often mentioned in this House, there is not the slightest doubt that the Local Asian Civil Service is on a very ungenerous scale. I mention this because I cannot allow the statement made by Sir Alan Pim to pass without opposition and without saying that there is very little substance in his remarks.

Sir Alan Pim says in paragraph 111 that "13 native clerks are serving on Asian terms". I have not the slightest objection to that, and I am glad to find there are natives in this country who are being allowed to serve in the higher grade services, but I should like to ask Government how many Asian clerks are serving on European grades of service? So far as I can make out there are none serving on these terms. Surely there are certain officers in the Asian Service who deserve such consideration, and I should like to appeal to Government that they should follow that policy even to a small extent in regard to the Asian Service.

Coming to the re-organization of the Secretariat, the hon. the Colonial Secretary informed us that the Government proposed to adopt these recommendations. If this is done, from the point of view of economy and efficiency we have not the slightest objection to such proposals being accepted, but if in any way, directly or indirectly, implies a constitutional advance or any other thing, then we on these cross benches are opposed to such a re-organization. I am afraid that this re-organization has been unfortunately taken by European unofficial members to imply that it means at the same time the re-

organization of the Executive Council. The hon. mover did not mention this, but there might be some source from where such information was given. It might also at the same time be that the wish is father to the thought and it was presumed that this would be the case. If it is only the satisfaction of which we had an instance the other day in this country, that the straightforward references by the hon. the Colonial Secretary that these Estimates would be referred to the Standing Finance Committee, were taken as a constitutional advance and a great victory of the popular side, I have not the slightest objection to that satisfaction, but, as the Secretary of State has said he is going to hear the views and criticisms on the recommendations of Sir Alan Pim from this House, I should like to say that if this re-organization in any way means the re-organization of the Executive Council, and if it is proposed to disturb the ratio of the representation of the various communities on that Council, then we are very definitely opposed to such re-organization.

In regard to this re-organization, in paragraph 146 Sir Alan Pim suggests making a division of duties among various secretaries, so that European education would be under the control of the Colonial Secretary, whereas Indian education would be under the control of the Secretary for Native Affairs. In the first place, the division of the education of various races into different hands is objectionable in principle. Secondly, it would give a definitely inferior status to Indian education if it is to be under the Secretary for Native Affairs. We have a very strong feeling on this question, and recently, when this Report was discussed at Mombasa, a mass meeting passed this resolution:—

"This mass meeting wishes to record its strong opposition to the recommendation of Sir Alan Pim to split up the education department, i.e., to put European education under the Colonial Secretary and Indian education under the Secretary for Native Affairs. It considers that introduction of such racial divisions in administration of such an indivisible subject as education is highly undesirable and harmful."

I submit that when this part of the recommendation comes under discussion, Government will give due weight to these views.

Coming now, to the revenue side of the budget. I think, at least on this side of the House, there are hardly two opinions, that it would be quite correct to say, that the country as a whole is overtaxed, and that it is very much desirable to have remissions of taxation in various directions. It is quite another thing whether present circumstances justify such remissions. That is a question of detail, and argument, but I am

quite sure even the Government side would not object to this statement, that it is very much desirable that remissions should be made.

This brings me to the question which is very controversial, namely, the income tax. It is one of the major items of taxation in these Estimates, and I think it would be therefore quite right and proper that I should give a little time towards the discussion of that issue.

This income tax is opposed on three issues; one is that there is no necessity for this additional taxation, because it is possible to balance the budget without such taxation. Secondly, that such a tax would be unacceptable to the European community without some form of implementation for a constitutional advance in the form of financial control. Thirdly, that if such a tax is to be imposed it must be introduced after a very careful examination of the direct and indirect ratio of taxation by an *ad hoc* commission, and an examination on the basis of the East African territories.

On the first issue that there is no need for this taxation on the present figures in the budget, we have had the figures from the hon. mover justifying the insertion of this item on the revenue side, and we have also had from the Noble Lord figures showing that the budget could be balanced without this tax. Now, if we go a little further into the examination of these figures we find that in the 1937 Estimates poll tax is estimated at £52,000, and income tax at £83,000, a total of £135,000. This is in place of the graduated poll tax £74,000, European and Indian education taxes £25,000, the official levy £47,000, and the difference in the trade licences £8,000, a total of £154,000, so that it will be actually £19,000 less than what was actually the case in 1936. If the levy is to be taken off and the temporary taxation to be removed what will be the position? The position would be that we shall have to find the difference between the poll tax £92,000, traders licences about £8,000, and if we take the present figure of £10,000 as the surplus reasonably to be put into the Estimates, it gives a total of £50,000. If we can find £50,000 either by increasing revenue or by reducing expenditure, then we can balance the budget on these grounds.

The main argument in regard to this revenue side is that it is unfortunately based on very much conservative lines, that in view of the present position of trade and the improvement in general conditions of the agricultural producer it will be quite reasonable and fair to be a little more optimistic in regard to estimation of revenue. That argument I submit is an absurd one, because it is always very reasonable to expect that when the conditions are on the upward grade they do not immediately go down to the extent of having very much lower

revenue, but I do feel that while we, on this side of the House, are perfectly justified in making this statement, and it is also for the Government benches to defend themselves, it is quite true to say that this argument has been levelled against them for the last two or three years, and in 1934 I remember that we said that they deliberately over-estimated the revenue, and now that times are improving we say that they are deliberately under-estimating the revenue. The difficulty is this, that there is no definite conclusive evidence available on either side so as to enable us to find out who is really right and who is wrong, but if we can trust past experience I must admit I was one of those who said that certain items were over-estimated and I found myself in the wrong. I do not know whether this time when I say it is under-estimated that I am likely to be in the right. It is very difficult. Perhaps it might be well, as I suggested some time ago, that we should create another post, that of astrologer in this country, and leave it to the astrologer to find out from the Zodiac and other stars and the moon and sun and so on whether these Revenue Estimates are likely to be right! But apart from that, I do not find any way out. Even if we take, as I have suggested, a rosy picture of the situation, and I think it is quite fair to take that picture, the point is we have got to find £50,000 more. I cannot persuade myself to believe that there is a margin of error to that extent in these Estimates and, after all, it would be reasonable to say that there must be some margin of error left so that we may not be landed with a deficit in the coming year.

The alternative, therefore, if we do not wish to have income tax, is to carry on with the present unscientific form of taxation, namely, the graduated poll tax, and carry on with paying increased trade licences. If at any stage in the financial position of this country I was satisfied that the expenditure could be brought down to a level which would allow us to do without this form of taxation I should be perfectly willing to concede that we should wait for another year, but my experience unfortunately has been in this country that once Government gets some form of taxation imposed they never afterwards remove it, unless they get something in its place and if our fate in this country is going to be that, rightly or wrongly, it is much better that we should switch on at the very first opportunity to a better form of taxation than to keep on this most unscientific form of taxation. My difficulty is two-fold; that, on the one hand, I find a necessity, and increased demands, for social services in this country, namely, educational facilities and medical facilities. Indians have to-day very small medical facilities, and I know in the future demands from Indians, especially for educational and

medical facilities are bound to increase every year. If we take these things into consideration it is very difficult for me, however much I may wish to escape income tax—and I can assure you that I do wish to escape if I possibly can!—however much I should like to escape income tax, it is very difficult for me to believe that I will be allowed to escape it when we have these social services to take into consideration. Therefore, as far as I am concerned, I am going to submit to the operation by Government in order that we may get relief in some other desirable directions.

With regard to this income tax I think it will be quite correct to say that it is one of the fairest of taxation schemes as acknowledged by all authorities in these days, and I am going to quote Adam Smith, though my friend the hon. Member for the Coast has said that he borrowed what was actually the origin of the French Revolution, but I am quite sure after such a long time even the French Revolution has become more respectable! The first principle which is mentioned by Adam Smith is that—

“The subject of every state ought to contribute to the Government as nearly as possible in proportion to their respective abilities.”

I think in these days this principle is universally agreed, and on the basis of this principle I do not think we can say that income tax is unfair. I quite agree that in this country it does not bear out that principle very fully because we have got a basic tax which is not based on the ability to pay, but I am quite sure beyond that the tax is quite fair. It is no doubt contended that this tax will have to be very largely paid by one section of the community, namely the Europeans. In the first place, I should like to say that it implies that they have better opportunities to earn more money in this country than other sections of the community. If this is so, is there anything unfair in the State asking them to part with a portion of the income which they can well afford to pay? The hon. mover has said that in this estimate of income tax £25,000 is likely to be paid by absentee shareholders who are taking away profits from this country and £2,000 by pensioners. The point I should like to make is this, is it really unfair we should take this £25,000 from those gentlemen who are not present in the country and who do not contribute in any way to the burdens of this country? Therefore I think it is quite right to say that this tax is not necessarily an additional tax but an adjustment of some of the amount of tax which is to be obtained from the community as a whole.

It has been said that we speaking from these benches have not got to that state in the payment of income tax which justifies our support to that form of taxation. It is no doubt

said that only 3 per cent of the Indian taxpayers would come into this scheme, and it is therefore natural for us to support such a tax. Of course, on the same grounds it would be said exactly the other way, but I do not think it is fair to assume that we have not the responsibility because we are not likely to pay much more under this tax. The percentage basis is hardly fair, because it would be quite correct and reasonable to argue that it is the total amount of contribution towards that particular tax which should be considered and not the percentage of taxpayers, and when we come to that what do we find? That under the new scheme of income tax, according to the Government figures, 8,125 Europeans will pay £61,087 and 15,534 Indians will pay £36,265, and this amounts to about 60 per cent of the contribution paid by the Europeans. Therefore it cannot be reasonably said that if we are contributing 40 per cent of the revenue we are speaking without any responsibility in this matter.

With regard to this scheme of taxation, there is another principle from a well known financial authority, when he says:

"That if every tax is to be discussed solely from the standpoint of those who pay it, I do not think there will be any tax which will escape adverse criticism. But the State has to look at it from another standpoint. The State has to look at the whole scheme of taxation from the standpoint of its necessity, and secondly from the standpoint of the comparative ability of the different classes to pay their particular share of the total revenue raised from the community."

What this really amounts to is that if there is the necessity for taxation—and which as I said before we cannot escape—then it is the duty of the State to see that that tax is collected in a manner in which it will not be a hardship to individuals and classes, and on these grounds we can safely say that the income tax measure agrees with these general principles laid down in this particular instance. We have been playing with this form of taxation since 1921 and we have tried to carry on without it for 15 years. At the same time, we have not escaped actual taxation, because it was put up in the form of increased customs duties in an indirect way. Now I think we have reached a stage when it appears to be very difficult to escape it, and so from my point of view it will be far better to accept it as soon as possible so that the taxation side of the budget is based on a much more scientific basis and we can then fairly claim the remissions of taxation for which we are all anxious. I think it would be quite correct to say in this regard that we shall find quite a large majority of taxpayers in favour of this form of taxation. Unfortunately we have in this country racial divisions which do not accept the

principle of identity of interests, but if that was possible then I have not the slightest doubt that a large majority of the European population would identify themselves with the viewpoint which I take to-day and that there would not be such unanimity in opposition.

The second reason why we are opposed to this tax is that it is not acceptable to the European community without financial control. It appears to be a political move and a very clever move to obtain financial control under the guise of acceptance of income tax. There are many reasons why we are opposed to such a thing. In the first place, I think that we cannot agree to hand over the finances of the country in which three million natives and 40,000 Indians have got a great interest and that such finances should be handled by a microscopic minority of the European population of this country. I quite agree that we have among us very able financiers and economists, like my friend the hon. Member for the Coast, whose very well thought of schemes for devaluation and bond schemes unfortunately were not accepted by the experts at home. While we have such individual experts here, I think it would be quite fair to say correctly that collectively we do not agree the European community is fitted or competent to handle the finances of the country. We have in the last few years during the boom period, had experience of their handling of our finances when the Government expenditure was very largely increased due to support by the unofficial side; if I may be permitted to quote only one instance, which is very recent, and quite appropriate, and perhaps is the focus of a good deal of attention in this debate, that is in regard to the official levy. I submit that with my little experience and knowledge, it was a great mistake to have accepted the official levy as revenue on the credit side of the budget, and I am quite sure the Noble Lord said this morning that he at least was against that and always opposed it. It was an accepted fact by the unofficial side that this £47,000 was accepted as temporary revenue, and it was also assumed that at a certain stage it would disappear. If competence in finance had been shown by any one of us we should have definitely demanded that that £47,000 should be a permanent reduction in Government expenditure, either in the form of reduction in services or in the form of a permanent reduction in the scales of salaries. If it was in the form of services it should have been in our hands then to agree whether we did require further services and were prepared to pay for them.

But what has actually happened is that it must be considered that the disappearance of this item of £47,000 from the revenue side is really the necessity for the imposition of income tax to-day. If that was not so, we should have balanced the budget without income tax. In connection with

this £47,000 we thought we were getting something for nothing, that these services were rendered very cheaply and that we were not paying this £47,000, and our mentality in supposing we were getting something for nothing has really resulted in that we have got it to-day as a boomerang in the form of income tax. I say, Sir, that this is entirely due to our own folly and it is no use complaining against it now. That is one instance which proves that if we had had a little more foresight on the unofficial side in regard to financial aspects of various items, the situation would have been quite different.

There is another reason why we are opposed to this financial control. I shall be quite frank and say to my unofficial European friends that it is entirely due to the fact that in this country unfortunately they have not given fair play to the weaker side of the people who do not happen to have the same control or the same sort of voice in the management of affairs. If it was really the intention that such control was in the interests of everybody concerned, and if they agreed with the point of view of Ruskin:

"A strong and wise man has his strength given to him not that he may crush the weak but that he may support and guide them"

and in the principle well brought out by a poet that:

"Oh 'tis excellent to have a giant's strength but 'tis tyrannous to use it like a giant",

if they accepted these maxims of fairness in this country then I am quite sure that we from these benches would not be so strenuously opposed to any demand for such control and, more so, because we are likely to have a share in that control. But facts being as they are, it is very difficult for us to support such a scheme and the right way, if I may suggest it to my unofficial colleagues, would be that in future they should try to satisfy the other faces that they do wish to consider their view-point with sympathy and consideration and actually put into practice the principles of fairness, equity, and justice and by readily agreeing to the safeguards required in this matter.

Coming to the third point, that it is necessary before income tax is introduced to have an examination by an *ad hoc* commission into the direct and indirect ratio of taxation in this country, if it was really a serious demand and if it was not based on any other considerations, perhaps one might say it is quite fair to make such a demand. But I have seen in regard to this income tax controversy the arguments advanced, the position taken and changed again from the point of view of tactics, not on principles perhaps, but in order to gain time or to escape income tax. And if we take it for granted that such a commission makes an inquiry and finds

that the direct ratio of incidence is very much higher than the indirect one, I fail to understand what practical result it could have in its implication when revenue is necessary to balance the Budget. That demand can only come after we have put our house in order and have accepted a form of taxation in a scientific manner, then it would be quite fair that some sort of inquiry might be necessary, to realize and find out the directions in which remissions could be given. This inquiry is now supported on an East African basis. I am very glad to find that we have ultimately found in this country the necessity of consideration of various items of taxation on the basis of East African territories. But it is well known that the views of Tanganyika and Uganda, at least in regard to protective duties, so widely differ from our views in this country that if we lent ourselves to such an examination it would be very difficult then to resist the demand for a reduction of these present prohibitive duties. As far as I am concerned I am one of those who believe such duties should be reduced. But then, what is the position? On the one hand we say we agree with Uganda and Tanganyika in not having income tax. On the other hand if as a result of that examination it was found that customs duties should be reduced we shall not accept it. How are we going to have it both ways? How can we balance the budget by not having income tax? Therefore I say that this examination on an East African basis is rather leading us to very dangerous ground, and I for one would be quite prepared to accept such an inquiry after we have here put our house in order in regard to income tax so that our hands may be quite free then to accept the reductions in the desired direction of customs duties. On these grounds I do not think that any useful purpose would be served by such an inquiry on a big scale.

There is another reason why we have been faced to-day with this demand for income tax. We have in this country an indirect form of taxation through customs duty, and the principle we have accepted here is protection of our industries. I do not believe that to-day that policy is in the right direction and that, in my viewpoint at least, I feel that these duties are not protective but prohibitive, and there is still a big margin for reduction even on a protective basis. Sir Alan Pim supports this view and in paragraph 66 he states:

"The expansion in such receipts will however be substantially less than would have been realized if the duties imposed had been based on purely fiscal considerations, and the growing needs of the country will, therefore, as in other similar cases, make it essential to consider alternative sources of revenue, more especially including direct taxation."

In paragraph 382 he also observes :

"If the Customs tariff in Kenya had been drawn up purely from the revenue yielding point of view the necessity for any substantial direct taxation of non-natives might not have arisen."

Here we are in a vicious circle. We say that in order to escape the direct tax we shall have to have an indirect tax, and we find that because we have started the indirect tax that we have got to accept the direct tax. The position has become on account of this, very difficult indeed even from the point of view of local people. On the one hand we find that this policy has resulted in increasing the cost of living of even locally produced articles, and on the other hand that very policy has made it necessary to have enormous increases in customs duties which bear very harshly on the poorer sections of the community. From recent figures we find if we compare it to its equivalent ad valorem on cheap boots and shoes it is 56 per cent, on cheap underwear about 60 per cent, on cheap piece goods about 50 per cent, and on common salt, a definite human necessity, about 86 per cent. All these forms of very high duties are a result of that policy, and that policy is definitely having its effect not only on imports but has resulted in a loss of revenue. The experience of other countries who have this policy is also of a different character, and there is a feeling in countries like South Africa where they followed this policy that it is no longer tenable. In one of the articles written in a very well known journal which discusses Empire problems in connection with South Africa, the author wrote :

"The economic troubles of the farming community provide a natural source of discontent to town and country alike. The Government maintains an internal price for maize, wheat and dairy produce, though the subsidized exports of surplus has led to its inevitable result. Production so far from being discouraged has increased. The surplus to be thrown on world's markets steadily grows. The consumer rebels against being compelled to pay high prices for the necessities of life while being taxed to enable the producers of these articles at a far low figure to the people overseas. The urban population threatens withdrawal of its support if the policy is continued."

We have reached that stage. I believe in this country, and it would not be far wrong to say if we persist in this policy we shall have a similar revolt in this country. If we accept that as a policy we must now try to come down to a reasonable rate of customs duties. The only alternative is income tax—there can be no other.

Coming to the discussion of the question of native taxation, I am entirely in agreement with the recommendation of Sir Alan Pim that those taxes should be reduced as suggested by him. I entirely sympathize with the difficulties of the Government in which they find that it is not possible to have £70,000 required to meet these recommendations, but I have not the slightest doubt in my mind that it bears very harshly on the native community. It is not quite correct to say now that the natives do not pay any other way. That was perfectly true some time ago. But the natives are now coming into the orbit of civilized life and their wants are increasing. I have quoted figures and percentages of duties on cheap articles towards which natives make a very big contribution, so I think it would be quite fair to say that the natives are paying in an indirect way:

In this connection, Sir, we have two Reports laid on the table. One is in regard to the abuses in the collection of taxes and of that commission of inquiry I was a member. I do not think in that particular Report it would be quite correct to assume that there were not certain abuses of which we had evidence of a serious character. I am quite sure there were serious cases. But in regard to the other Report which is laid on the table, the hon. the Treasurer and the hon. the Chief Native Commissioner should be complimented on going into very great detail and finding ultimately that it would not be possible to have any alternative system of fair and equitable taxation in regard to the native population.

I do not know whether they started with the assumption that it was not possible to find such an alternative system of native taxation, but they have quoted the principles of taxation of Adam Smith of which I gave one portion earlier in my speech. I submit, Sir, that I do not think that in this particular instance that quotation is fairly made. The main point in that quotation is that the tax should be in the ratio of the ability to pay, and that is implied not in the restricted sense in which it has been used, namely, adjustment between natives themselves, but that quotation is only useful in the sense that it should be used in the ratio of tax which the native should be fairly required to contribute towards the expenses of the State as a whole. If we take that as a principle then I am quite sure the whole basis of that Report will be upset, because it starts from the contribution that must be made by the natives, namely £550,000, based not on their capacity to pay but on the previous revenues which the Government had collected. But the mere collection of revenue is not an indication that they are paying very fairly; in all probability more might have been squeezed out of them. I am quite sure there are grounds on which we could show that it was so, and the

first thing in that case to find out is whether that £550,000 is based on any grounds which can be justified on the principle admitted by them. If we take the average native wage in this country we find they get about Sh. 10 to Sh. 12 per month, and the direct tax is about Sh. 12 per head, which means about 10 per cent of their gross income. I should like to ask, which of us, Europeans or Indians, in this country are prepared to accept that 10 per cent on gross income as a fair basis of direct taxation. Here we are objecting to much less than 10 per cent on gross income, and it should also be remembered at the same time that the natives to-day are paying their indirect taxation as well. Therefore I must submit that that basis of £550,000 to be squeezed from natives is not a reasonable one and could not possibly be the basis of taxation for them. It has been argued that if the direct taxation is reduced then the services will equally be reduced or should be reduced. I do not think that that is a correct interpretation of what Lord Moyne suggested. I think it was meant as far as Lord Moyne was concerned (he came here in 1932) that he found on the one hand the native population were paying such a large tax directly, and on the other hand their services were very much below the figure, and he reasonably asked Government to accept the principle that in any case they should be given back 50 per cent on what they actually contributed in direct payment. In view of the fact that the natives do contribute through Customs duties, it is quite fair that the services should not be reduced even if the direct taxation amounts to a lower figure.

It is also said that while prosperity in native reserves, and generally in the country, has increased, that correspondingly the difficulty of the collection from natives of these taxes has also increased. There must be some reason for it, and as far as I am concerned I feel that the reason is not far to seek. To-day the natives are getting civilized, their wants are increasing but unfortunately not in the ratio in which their earnings have been increasing. Their earnings have been for a large number of the population practically stationary, whereas their wants have increased by a hundredfold. They started from a nil point. They did not require anything more than a raw hide or a blanket; now they want modern, up-to-date suits, with hat, and tie and collar. How can we reasonably assume it is necessary or possible for natives in the state in which we find them to-day to accept the responsibilities of civilization in the manner in which we wish them to accept it; that is, to pay taxes first and obtain their necessities afterwards. That is not to be reasonably expected of them, and we must therefore conclude that in view of the fact that their earnings have not increased in ratio to their wants which are created by a modern Government, therefore their direct ratio

of taxation must be based on their new basis of civilization. I think if we do not accept it to-day we shall have to accept it ultimately.

Now, Sir, with regard to the official levy, we are all in agreement that it is now no longer possible to advocate its continuance in the present circumstances, that in view of the fact that in 1936 we have a surplus balance it is not fair to carry on building up a surplus at the cost of that levy. Therefore it is generally agreed that the levy should come off. But I would like to say that in the East, when an offering is made to the god or gods, it is expected to be paid back a hundredfold! While we are here making an offering to the Government gods of £47,000, I do not hope to get a hundredfold, but I hope they will agree to the remission of taxation to an equal amount. There is also a general belief that when we make an offering to the evil spirits, commonly called devils, then it is consumed and never returned! I have not the slightest doubt that Government members would accept the role of the former, but if they happened to accept the role of the latter, then God help us!

Coming to the expenditure side, we find that while the Government has implemented certain portions of the Pim Report it will be a long time before we can implement the whole portion of it. But it is quite fair to request Government—and I think in this more depends on the spirit we show on this side of the House—that having had previous experience of the boom period we shall have to watch very carefully every penny of the expenditure of Government, and it will be very necessary that wherever our services amount to a big figure the expenditure will have to be cut to its lowest level. In this connection, now that we are entering into a period of improvement all-round, it is reasonable to assume that Government surplus would also benefit and it would be quite proper at this stage to request Government to define their policy as to what they feel they are likely to do when the surpluses are increasing. I am against the accumulation of surpluses to a very large amount, but I think it must be considered that a certain amount of stability of the finances of the country is necessary. In the first place we are certainly entitled to ask for a remission in taxation, and though a beginning appears to have been made by reducing the postal charges I hope that in other directions the same thing will occur.

I am very glad to find that, at least, in the proposals of the Government, if they are accepted ultimately, we are doing away with the education tax in this country. It would not be correct to say that they are doing away with it because it has to be paid partly in addition to the poll tax, but I am sure

that in due course that portion will also be taken away. In this connection the Director of Education in 1930 in his annual report observes:

"It is open to question whether an arrangement which in effect divides the inhabitants of the Colony into three separate groups in respect of a social service which affects the community as a whole is a right one. It might well be argued that in education at least those who can pay least need most, and that the interest of the community as a whole justifies expenditure from general revenue on a generous scale irrespective of the capacity of one or other section to pay its share."

Now, Sir, those are the views advocated by the departmental head, the adviser of Government, and I entirely agree with him that as time goes on in regard to social services like education we shall have to forget these restrictions of which we have heard this morning and that it will have to be based on the principle of those who pay least need most. In this connection, if we refer to the figures of 1935, we find that, for the European secondary education the cost was £37-8-0 per head, and for primary education £19-10-0 per head, which works out at an average of £23-12-0. With regard to Indian education, separate figures for primary and secondary education are not available, but the average figure is £6-4-0 per head, and so we find here a difference of 300 per cent in the ratio of this social service. I am not at all jealous of the opportunities offered to other sections of the community, but I wish to emphasize that this particular thing will have to be kept in view and that the social services will increasingly require the attention of Government, and our taxation measures will have to be based on such necessities.

With regard to European education, Sir Alan Pim, in paragraph 283 of his Report, observes:—

"For a community as scattered as the European community in Kenya it is inevitable that schools should be boarding schools, but even allowing for these conditions the cost to the country is very heavy."

We have not heard anything this morning that expenditure would be reduced in these various directions, and if we do accept such economies I am quite sure we can escape this new taxation.

Coming to the question of agriculture, I should like to take this opportunity to convey our feeling of gratitude towards the hon. the Director of Agriculture and His Excellency the Governor particularly, who have agreed that ultimately, in the small centre, the Indian settlement, at Kibos, sugar machinery shall be imported and a sugar mill erected. I quite agree

that, while they have allowed them to erect such a factory, the present position is rather very difficult, and it is likely to take a long time before they can put up such a factory. The present position of these farmers there is really tragic. They cannot get even Sh. 5 per ton for the sugar cane, and the price of jaggery is not more than Sh. 2/25 per cwt. This does require great sympathy and consideration, and, in regard to the point about the maize subsidy which was made by the Noble Lord, I think the position of the Indian settler is also deserving of very great sympathy and consideration. It is also known by those who have visited that area that the roads are in a pitiable condition. In fact, it would be incorrect to say they are roads. They are impassable during the rains, and in dry weather are hardly tracks. I think the Government should do something to support that small settlement.

In regard to the veterinary service, I am in entire agreement with the Government policy which has been announced by the hon. mover, that they propose to accept the recommendations of Sir Alan Pim in having two departments. We have seen in this country recently that the native stock industry has a very big future, and it is quite right that it should receive the attention of such a separate department which will deal with the problems which will be presented by native stock. In this connection I think the Government policy which is now being followed at the Coast is rather penny wise and pound foolish. We have recently seen that, due to the interest taken by the veterinary service there in the native milk and ghee supplies, we are getting more independent. I knew the days when we were getting milk from Ulu and ghee from Nyanza, but now, due to the efforts of the Veterinary Department, we have our own supplies.

Recently the Government has reduced at the Coast one post of an assistant who was attending to the port clearance and other small work at the Port of Mombasa. Naturally that would reflect on the activities of the department in that area. Fortunately, we have at the Coast a very efficient officer, Mr. Hassan, who is really responsible for this great improvement in the native milk industry at the Coast, and I am very glad to find that the Government has recognized his services and efficiency by providing for him a personal allowance of £100 in these Estimates. If we want to make the best use of such an efficient officer, I think it is necessary he should be given time to attend to these various questions in the native reserves. By taking away his assistant, Government will make it very difficult for him to do so, and in my opinion it is false economy.

I should like to discuss another question, namely the District Councils. I do not want to take up very much time in this particular matter, but this is the only opportunity we get

of discussing these issues; the alternative otherwise is to bring in a motion. I should like to discuss the matter from two aspects: the first from the point of view of economy, and the second from the point of view of Indian representation on these Councils.

In regard to economy, it was stated by the majority of members of the Select Committee on Economy that we could save £15,000 by abolishing these District Councils and handing over the roads to the Public Works Department. That was not accepted by the Government, and the argument was that it would be possible to save that amount by the amalgamation of the various District Councils. As far as these Estimates are concerned, I do not find any reflection of this argument or any saving in the Government expenditure due to that amalgamation. Sir Alan Pim observed in paragraph 363 of his Report:—

"That the Government have decided in favour of carrying further the development of this form of local government, even though it is on very unusual lines. The reasons for this decision are partly political and partly of principle."

Even Sir Alan Pim has to observe that this form of local government was on very unusual lines. The case is absolutely unanswerable when we find that the whole of the amount which is being spent by District Councils is supplied by Government from general revenue, and that the effect of this has been that, while we are paying for the maintenance of these District Councils with money collected from general revenue, we are not permitted to save £15,000, which we could save, by abolishing them. And the reasons are partly political. Even if we grant that, the difficulty is how can we justify the existence of these Councils which are maintained from public revenues and there are no representatives from the Indian community.

THE HON. CONWAY HARVEY: On a point of order, Sir, such a grossly inaccurate statement should not pass unchallenged.

THE PRESIDENT: I do not know if the hon. member Mr. Pandya is likely to speak much longer. It is now 1 o'clock, and perhaps the adjournment might be taken.

The debate was adjourned.

*Council adjourned till 10 a.m. on Friday,
the 6th November, 1936.*

FRIDAY, 6th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Friday, the 6th November, 1936, **THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.)** presiding.

The President opened the Council with prayer.

MINUTES.

The minutes of the meeting of the 5th November, 1936, were confirmed.

MOTIONS.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved:—

"That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee."

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

THE HON. J. B. PANDYA: Sir, the hon. Member for Nyanza interrupted yesterday, and I am very glad that he did interrupt, because I think he is perfectly right in saying that it would not be correct to say that there is no Indian representation on the District Councils. The exception is the Nyanza District Council where the Feetham Commission recommended Indian representation because of the presence of a large block of Indian agriculturalists in that area.

But I was referring in my speech particularly to the question of other District Councils where there are no Indian members. Sir Alan Pim in his Report quotes in paragraph 361 the Feetham Commission Report:—

"One of the most salutary principles for the creation of a sound system of public finance is that any authority which is entrusted with the expenditure of public money should also be charged with the direct liability for raising either the whole, or a substantial portion, of the revenue required to meet such expenditure."

Now in the last six or seven years that we have had District Councils in this country so far no attempt has been made to tax locally to meet the expenditure of these Councils, and therefore the whole of the expenditure of these Councils is being met from general revenue. We have therefore a

great claim for representation on those Councils. The Government, I must admit, did view the representations by the Indian community with sympathy and were in favour of nominating Indian members on these various Councils, but unfortunately the fact that they were going to do so, people came to know about it in advance and it appears that great opposition was raised by the unofficial European community against the appointment of Indians on these Councils. This, Sir, again is one of the instances where we complain about not dealing with us fairly.

I think, Sir, that in this particular instance the District Councils really came into existence through the Report of the Feetham Commission, and it is only fair that the recommendations which were made by the Feetham Commission in this regard ought to be put into practice. Without taking up the time of the House in going into further details I would read the extract from the Feetham Commission Report on Settled Areas which, at page 115, in connection with Indian representation, observes:

"(1) That Indian traders in townships have an interest in the condition of roads of the district surrounding the townships which they use, in many cases both for transporting their own stock-in-trade and for transporting native produce, and that, in the early stages of district councils, the money spent by such councils on the maintenance and construction of roads will be mainly, if not entirely, provided from general taxation;

(2) that district councils will, according to our proposals, as successors to district committees, have general advisory powers with regard to questions affecting their district, including questions affecting the administration of, and sale of plots in, townships which have not been developed to the stage of having an executive municipal authority of their own;

(3) that the district councils will have powers of initiating hospital schemes, in the preparation of which the needs of the Indian community should, when possible, be taken into account;

(4) the possible liability, as mentioned above, of Indian traders in townships to payment of vehicle taxes imposed by district councils.

We think that weight must be allowed to these considerations. It is inevitable that, in their advisory capacity, district councils should be called on to discuss matters affecting Indians as well as European interests, and their opinions will have greater authority if they

include Indian representatives who take part in their discussions and bring directly to their notice questions specially affecting Indian interests.

In view of these considerations, and for the purpose of enabling Indian members to co-operate as members of district councils in the general interests of the areas concerned, we propose that the Governor should have power to nominate at his discretion according to circumstances either one or two Indian members to any district council."

I would not like to add anything to this case because it is quite strongly made out, but I am surprised to find that, although originally the Feetham Commission recommended in such strong terms the nomination of Indian members on District Councils, Government up to now have not taken any steps to put that into practice. My reason for bringing it forward this morning is that Government should now take it into consideration, as it has been brought to their notice again, and that in due course they will appoint Indian members on the District Councils.

Government has a policy of supporting cotton cultivation at the Coast. We are all very glad that that policy is definitely put into action quite seriously, but I should like to suggest in this connection one or two things. At the present moment, I am informed, that, particularly in the Digo District, there is some sort of disease which not only affects cotton but even other crops, such as muhogo, maize, etc., and that at the present moment we have there an assistant agricultural officer and he is not qualified to cope with this disease. Therefore we desire that at least in that particular district we should have appointed in the near future a fully qualified agricultural officer. With regard to the Teita Reserve, in the Voi District, I am informed that at the present moment the Tanganyika Government is providing some sort of inspection of cotton cultivation in that area. I do not think that we can permanently have that courtesy from a neighbouring territory and it is very necessary, in view of the fact that that area is to come under the cotton cultivation scheme that the assistant who is now in the Digo district should be posted to the Voi district.

With regard to the experimental farm which we have at the Coast at Kabarani, I am informed that there are two fully qualified agricultural officers and one assistant agricultural officer and that it is not necessary that there should be two officers in that area, so if one of them is placed in the Digo district it would not be necessary at all for Government to increase the staff at the Coast; but if Government considers that it could not possibly be done then I am quite sure a good case is made out for additional staff in regard to this cultivation at the Coast.

Coming to the question of the Mombasa Water Supply, I am going to raise the issue about a reduction of rates for water at Mombasa. I am not at this stage going to raise the question of its being handed over to the Mombasa Municipality because my friend the hon. Member for Mombasa is going to do that, but I should like to take the opportunity to very emphatically protest against the profiteering policy of Government in regard to these water rates at Mombasa. I do not wish to go into various figures from the beginning or inception of that scheme up to date, but it would be quite sufficient for my purpose to quote the 1936 figures which show that the revenue from water supplies at Mombasa was £45,000 and the expenses in running the works was £7,750. Loan charges for all loans up to date was only £14,000, which with sinking fund £2,600 totals £24,350 and this leaves a net profit of £21,000 for that one particular scheme, which is not a scheme for the whole country but only for Mombasa. This £21,000 forms part of the surplus on 1936, which we say we estimate at about £87,000, and if there is no case for building up the surplus with the levy on official salaries, I can hardly imagine a weaker case for building up the surplus by the addition of a profit of £21,000 at the cost of water consumers at Mombasa. I think, Sir, that even if we take into consideration the £10,000 which is provided towards renewals on water works in 1937—although from 1931 not a single penny has been provided towards the renewal funds—even then we find that £11,000 is the amount of profit made on that concern. This profiteering by exorbitant charges for water to poor consumers cannot be supported on any grounds whatsoever, and when we particularly notice the waste of water which actually takes place—because when you find that water cannot be consumed it is thrown into the sea in very large quantities, and I do not think that can be sufficiently condemned by anything less than calling it a criminal waste—it brings out the fact that there is no justification for these very high rates for water at Mombasa. If this high rate was to be taken by the Municipality there might be some grounds for we could say that we would ultimately benefit, either through the rates or through other amenities, but that not being so I think there is not the slightest case in favour of Government continuing the present policy. The water rate at Mombasa is Sh. 3 per thousand gallons. I understand at Nairobi it is only Sh. 2. I think quite a fair case is made out for reducing it to the figure of Nairobi. I hope this will be taken into consideration.

In regard to medical facilities at the Coast, it is acknowledged by everybody to be very unsatisfactory. We have heard about this scheme for a group hospital for so many years, and I should therefore like to ask the Director of Medical Services when he replies when, in his opinion, the scheme is likely

to materialize. We are all very anxious about it, and I hope something will be done to put this scheme into realization at an early date.

In connection with the services for the Indian community, the hospital and medical facilities are very inadequate indeed, and last year through the efforts which we made we were fortunate in persuading the hon. Director of Medical Services to provide two nurses for Indian needs. One has been already engaged and I hope the other will be engaged next year.

There is one point to which I should like to draw the attention of the hon. Director of Medical Services, and that is in regard to the need for some sort of accommodation for private wards for females at Lamu. They have complained about this for a long time, and I hope that will receive consideration. There is also another point which I am asked to make representations on with regard to Lamu, and that is that there is no qualified mid-wife there, and that place being out of the way, it is very necessary that such provision should be made in the Estimates.

There is another point in regard to the needs of Mombasa to which I should like to draw attention. To-day we have at Mombasa a Port health officer who is quite a young man and who has recently taken his degree. In our opinion at the Coast, the responsibility which this post involves and the importance of a place like Mombasa, it is very necessary that there should be a senior man posted to that place. Up to now this appointment has been only temporary, and therefore no opposition was raised, but I am informed that the department has now made the appointment permanent, and therefore we take this opportunity of bringing it to notice that it is not fair that such a place as Mombasa should be deprived of the services of a senior man who has more experience and who can deal with people and circumstances with more restraint and courtesy. I have nothing to say against the present holder of the post personally, I do not know him sufficiently, but our views are based on a particular consideration of the needs of the town and I hope that they will receive the sympathetic consideration of Government. After all, in these things efficiency is not the only qualification. There are certain other considerations which should receive attention at the same time.

With regard to the communications at the Coast, there is a committee which is now inquiring into the situation, but I should like to emphasize the need for all-weather communications between Lamu and Mombasa. This is necessary also in the interest of the development of that area.

This brings me to the question of the suggestion of Sir Alan Pim in regard to handing over that district of Lamu and putting it under the Northern Frontier District. The people

of Lamu are definitely opposed to the transfer of that area to the Northern Frontier District. I should therefore like to take this opportunity of informing Government that we do not approve of such a change taking place. The people at the Coast have been associated in their economic social and commercial relations with Mombasa and Zanzibar for many centuries, and it is only natural that they do not like to break this association. At the same time, they do not like to break the administrative relations at the Coast.

There is another small point in regard to Lamu which I have been asked to make, and that is the very unsatisfactory condition of the cattle loading pier at Lamu to which attention is continuously being drawn. It is, in fact, a great cruelty to the animals being shipped from that particular jetty, and in view of the improving financial conditions of the country as a whole, I hope Government will take these things into consideration.

VEN. ARCHDEACON THE HON. G. BURNS: Mr. President, there are certain features of the 1937 budget on which I want to say a few words this morning. I was unfortunately late for the beginning of His Excellency's address at the opening of this session and only heard, I suppose, about half of it towards the close, but I have, Sir, read the address as given in the papers and also as printed for our information by Government. There are three or four points which I should like to deal with from the point of view of the African, and the first of these is (if I may be allowed to take it) that of education. Others will no doubt deal with this subject as affecting the communities which they represent. I shall confine myself entirely to African education.

We were informed by His Excellency that the number of African children attending school had risen during the five years of his rule to over 80 per cent. I am not quite sure whether His Excellency included in those figures the children attending non-aided schools as well as those attending Government schools, but if it were that he did not mean, or that it was not in his mind, the children attending non-aided schools, then the percentage of course would have to be very much higher than His Excellency gives in his opening address.

I should like to pay a tribute to the Director of Education and his officers for the way in which they have carried on this difficult work of theirs during the period under consideration; although with a reduction in the money allotted to them of £18,000. The Director of Education has my sincere sympathy in trying to meet all the demands that are made upon him from every section of the community, but I am glad to see that in this year's budget he is being given a little relief among

the various heads as he has worked them out in his Department, and more particularly am I glad to see that there is provided for him a sum of £3,738 for the teaching and training of teachers. In my opinion there is no more paramount need in the whole of the Colony as far as African education is concerned than this training of African teachers of every grade. If the recommendations laid down by Sir Alan Pim are to be carried into effect and the African is to be prepared to take his proper place in his own country as recommended by Sir Alan Pim then, Sir, I think that the Director of Education deserves all the help that he can be given in this respect. Although I am not a member of the Standing Finance Committee my colleague here is, and I hope that that Committee will deal sympathetically with this aspect of the budget and certainly give that, if not more, towards the carrying out of this long desired need. I think, Sir, this has been overdue for a good number of years, and I congratulate the Director of Education on having worked out a scheme by which these teachers are to be trained and prepared for their future work.

There is one other point before passing from education to which I want to draw the attention of this hon. House, and that is the education of African women and girls. It is difficult for other people who have not perhaps had a great deal to do with this matter to understand why the African girls and young women, many of them now married, are so far behind the African boys from the point of view of education. To us who, of course, came to this country and did pioneer work in the various reserves and various districts the thing is perfectly apparent. When I first came here I remember the first missionary, now dead, the Rev. Mr. McGregor, was sent out into the Kikuyu country up to Karura's district, and he was sent with some *askari* to protect him from the natives who it was thought might do him harm. He objected to this very strongly, but the Government insisted that they should go. He suffered it as long as he could until one morning he got out of the tent and said to the *askari* "You clear out and I will take on the responsibility myself, for my own life."

When a man goes into the reserves he gathers round him a group of boys and in that way his work starts. When the old men and the elders of any tribe or village see the boys being educated they get into panic, and if the girls should happen to go to the school they at once become very much alarmed indeed, the reason being that they believed that if the girls are going to be educated they will get less for them in regard to the bride price than they would if the girls remained as heathens. Then the astute old gentlemen—as things went on and the girls themselves began to demand education and to go and receive education—when they saw them being educated and cleanly dressed and all that sort of

thing, if a young man came to ask them for the hand of their daughter in marriage, they would say "Oh well, now this girl is educated and cleanly dressed she is worth ever so much more than she was when she was a heathen," and so the bride price went up. If we are going to get true helpmates for these young men who, we are hoping, will take the place they should in the Administration and the Railway Department, and other walks of life, we must try and make provision for the education of the girls so that they will not be a drag on the men to whom they are married. I do, therefore, urge that all that can be done will be done in this respect.

Having dealt with the point of education, if I may I should like now to turn to the medical services. This service has a very deep and sincere place in my thoughts and in my desires, and when one hears and reads of the wonderful progress that has been made during the past five years, we are inclined rather perhaps to sit back in our chairs and pat ourselves on the back and say "What a wonderful lot has been done for the African from the point of view of medical science." I go back, not five years but thirty years. When I first came to Nairobi thirty years ago I remember with what difficulty one had to try and persuade a sick person to go into hospital to be treated, and as a rule they refused until their disease had run its course and then at last they went in. When in many instances they died in hospital, and the poor hospital had to bear the blame and condemnation for the death of these people. But to-day the position has changed in the most amazing way. We read from the Report of the hon. the Director of Medical Services such words as these, that during the year 1935 no less than 1,400,000 people were treated by that Department throughout the whole Colony, 6,000 operations were performed, maternity cases were attended to, and all that could be done for the people as far as the means put at the disposal of the hon. the Director of Medical Services would allow has been done. I am not quite sure whether the hon. the Director of Medical Services has included in his figure the number who were treated by the eight mission hospitals which are in the Colony. If not, then the numbers must be considerably increased for in these hospitals we have thousands of patients and out-patients who have been treated in the hospitals and in the dispensaries. Again I say that, taking all this into consideration, we must not sit back in our chairs and think the native has got the full benefit from this medical science; at least that he has got as much as he pays for, which seems to be the principle on which we are working at the present time. I do feel most strongly that the hon. the Director of Medical Services should be helped in every possible way and when prosperity returns to this Colony (which we are all hoping and looking for) that these forty-eight officers who

are operating in the Colony will be again strengthened and brought up to the original number of, I think, seventy-two. I do make a strong plea for that. There is more than enough work to be done by all these officers throughout the reserves.

There is one section of the community for whom I make a special plea—I did so at the last budget session, I reiterate it—that is, the section of the community suffering to-day from that loathsome disease called leprosy. I have seen some of those people suffering, and it is a sight to make one sad beyond any words, and if I can by any means in my power draw forth the sympathy of the Standing Finance Committee so that they may set apart if only £200 or £300 for the alleviation of these sufferers and also for the help of those who are trying to deal with them, I should indeed be very glad. But there is one way, and I am not saying this as an advertisement, in which all hon. members in this House may very materially assist this branch of the work: if they would during this month—on the 26th or 27th—send a substantial donation to the Venerable Archdeacon Pitt-Pitts who is holding a garden party in the hope of raising some money to relieve these poor people.

Before passing from the medical services I would fail in my duty if I were not to mention the work that is being done, though oftentimes perhaps unrecognized, by the ladies on the farms and on the estates throughout the Colony with regard to the relief of these sick ones under their charge. One cannot but admire the ladies, for, apart from the mere fact that these suffering natives have no claim on them other than that they are working on their estates, yet throughout the whole Colony the ladies on the farms are doing splendid work with regard to the alleviation of those poor sick ones who are working on the farms; not only the labourers, but their wives and children also.

One turns to the Agricultural Department, and one is very, very grateful to see that provision is being made in the budget for certain agricultural officers who will in the reserves train the people in the proper methods of agriculture. The work that has been done by this Department, and by the officers under the sympathetic supervision of the hon. the Director of Agriculture, deserves all the praise we can give to them. Certainly, from what I have observed, these officers have done and are doing a very profitable work indeed throughout the whole of the reserves. The native does not always see the reason for the demand that is made upon him in regard to his methods of agriculture. He likes to use his own methods; he likes to put in five or six different crops in a little plot of land in the hope he will get something from the seeds he plants. When it is demanded of him that he perform

his agriculture in a new and more scientific way, it does not at first appeal to him to be a reasonable thing to expect of him, but the thing is becoming apparent, and I am sure natives throughout the reserves are beginning to realize that the work done by these officers is for their benefit and for the benefit of the whole community. I do offer the hon. the Director of Agriculture my appreciation of the work that is being done by these officers, and I am very glad that he is going to have assistance in this work.

One now turns to the Veterinary Department, and again we heard yesterday from my hon. friend Mr. Pandya that there is a suggestion that it should be made a department by itself, as separate from the Department of Agriculture. Whether that is to be so or not matters not, but I want to pay a tribute to the work done by the officers of the Veterinary Department throughout the various reserves, especially in the Nyanza Province, in the last five to ten years in the production of ghee, training the natives in the proper way of drying their hides, and in the grading of the products which they produce from their shambas. I do indeed hope that his department will be allowed to go on and continue its good work, training the natives so that they will be able to deal with the diseases that may come into their herds of cattle and use preventative measures for the stopping of that disease.

I should not forget to speak of the splendid way the Public Works Department have carried out its work, and owing to their work in the reserves women are relieved from being beasts of burden, and their products are now able to be carried on lorries and by mechanical transport.

I now turn, Sir, to the matter which is to my mind the most important in the whole position as far as I am concerned, and what I want to emphasize is the question of native taxation. I notice that in His Excellency's speech—I must be very guarded in my words—I notice in His Excellency's speech that he refers to two reports that have been laid on the table at this session, and in that speech he said something like this: that he was glad and gratified to find that with regard to the Commission under His Honour Judge Webb—and I should like here, Sir, to pay a tribute to His Honour Judge Webb for the patient and kindly way that he conducted the inquiry with regard to native taxation from the beginning to the end. One cannot speak too strongly of the patient way, under very trying circumstances often, in which he carried out his work—(but when it is said as it has been stated and will be repeated not only in this Colony but in England) that His Excellency was very glad to see that although there were certain irregularities (a very nice, handy sort of word!) in the native reserves in

connection with the collection of taxes, they were not of a very serious character, and that there were not so many or at least not as numerous as were made out to be.

I am the person who was responsible for the appointment of that Commission, and I do say to-day that what I said twelve months ago was absolutely true and, may I say, to a lesser extent is true to-day. I think the hon. the Chief Native Commissioner will bear me out when I say as we went round our itinerary, with the other members of the Commission, and listened to the evidence that was brought from the few—I emphasize this—brought from the few out of the very many who wanted to give evidence, that he himself on more than one occasion gave utterance to words such as these: "There is no use in flogging a dead horse. We have been and it has been borne in upon us that these abuses are not unknown and that they are very widely spread. Therefore, what is the use of going on further?"—We have taken such evidence as would justify us in saying that the abuses are there." One of your responsible District Commissioners in giving his evidence, made a statement such as this: "The past four days have been a shock to me as I listened to the evidence with regard to the abuses throughout the district of which I am in charge." Other officers as we went from place to place gave utterance to practically the same words.

As far as I am personally concerned, all that I would ask and all that I should feel justified in asking for, is that the evidence as such should be laid on the table of this House. I know the printing of such evidence cannot possibly be undertaken because of the cost, but I am convinced that hon. members of this House, if they listened to it as I have listened to the evidence given there, and as I am convinced that that evidence was true, I say that if the things that were done and are being done, perhaps not in the same measure now, but certainly were, to the African women, because she happened to have a black skin and has no one to stand up for her, were done to the ladies in any other sections of the community, there would be such a *kelele* that would be very hard to subdue. This thing, Sir, has been going on, and it was my hope and the reason why I signed the Report that in consequence of the Commission taking evidence things would improve. I will be told "Well, you were one of the members who signed the Report of which you are now speaking." Yes, I was one who signed the Report, but with a reservation. The copy I sent in to the Secretary of the Commission had my reservation on the end of that copy. But I had hoped, Sir, that the very fact the Commission having gone round and that this thing was ventilated would cause the headmen and the chiefs to be more careful in their treatment of natives in the future than they had been in the past, but I do say almost every week I receive letters of complaint. Only

last week I received a letter from a man at Kisii asking when the Commission was going there to take evidence. Well, the Commission is now dead and I suppose it will be put away in a pigeon hole or something of the kind. Yet, I do not think so, because I believe the British officer is too just to allow the irregularities and injustices that are being perpetrated throughout the reserves even to-day to go on, and when he hears of them, as I know to be the case, he will at once take steps to cause them to be done away with.

Turning to taxation, as we have it, in connection with the Report of the two hon. gentlemen who produced this very able Report, although perhaps I do not agree with all of it, but the amount of labour they must have put into it must have been very considerable indeed. We are told in their recommendations that the sum that should be obtained from native taxation is the sum of £550,000. They give their reasons for putting down that sum. I am very glad indeed to see that the Government has not accepted that sum, certainly not for the present, and I was very much astonished to hear the hon. members on this side of the House asking and urging the question on the Government how it was that it had not accepted the recommendation of these two gentlemen and put down the figure for 1937 at £550,000. At the same time, these very gentlemen—and I do say so with all restraint—were asking Government to remove from their own shoulders the burden of the non-native poll tax, education tax and other things like that and, at the same time, they would be prepared to put on to the shoulders of the natives throughout the Colony an extra sum of £10,000. It is a thing that beats my comprehension.

CAPT. THE HON. H. E. SCHWARTZ: On a point of order, Sir, as I was the person concerned in this, I wish to say that there never was any suggestion of increasing native taxation by £10,000. The fact that you put a one-line figure in the budget does not make natives pay more or less. It is purely a question of estimation of what in fact they will pay.

MR. ARCHDEACON THE HON. G. BURNS: Sir, I thank the hon. Member for Nairobi South for his words, but I think it was he himself who pressed the Government for a reason and asked why they had not accepted the recommendation of these two gentlemen who brought out this Report, and put down for native taxation during 1937 the sum of £550,000. Passing on from that I cannot but reiterate that I am glad the Government did not accept it and that the sum of £540,000 has been put down.

But before passing on to deal with that, very briefly I should like to say that the reason and the only way by which this sum of £550,000 could possibly be collected from the natives of the Colony was by retaining the age of 16 years,

when the youth of the Colony was to pay his taxes. Eliminating that age and bringing it up to 18, I think the hon. gentlemen who dealt with that Report will agree with me that the collection of £550,000 could not possibly be brought about. Here I do make an appeal to this House with regard to these youths. I think every native should pay something towards the revenue of the country in which he is living, and so help the Government in the services which they render him, but I do say that if we are going to follow the principle that the natives must be trained and educated to take their places in the Colony that they deserve, and is their due to take, and that is payable out of the taxation which they are to pay to prepare them for that position, I say that any man who has any knowledge of the training of Africans—I have some little knowledge for I have been at it for the last 37 years—I say that the age when a boy is most plastic and when he can be trained for the work which the Government and the honourable elected members, and Sir Alan Pim especially, would wish him to take, is between 15 and 18.

And to take a boy from his school or drive him out of his reserve—drive is perhaps a strong word—compel him to leave his reserve and come into Nairobi or various centres to find money with which to pay his taxes, is hindering the very work which we are so anxious to see take place, and which Sir Alan Pim has so strongly recommended. Having driven them out of the reserves and when they cannot get work they are arrested and put into detention camps, and we have the colossal figure of 840 or 850 natives in these detention camps during 1935. I do not want to speak about these camps because they are a sore point with me; they are a nuisance to the whole Colony, as I cannot see they are of any benefit to the country. The Government has to provide housing accommodation for them and give them, I suppose, blankets or something of the kind, and has to provide the attendance of *askaris* to look after them during the time they are in these detention camps. I do ask seriously, what is the benefit to the Colony of these detention camps? What benefit does the Colony derive from these men detained in these camps for two or three months, as the case may be, what benefit do these people in these camps get from being detained? We are told that in Nyanza Province there are young fellows there, with an inclination for clothing and all that, and therefore they are to be given some hard work to do. I entirely agree that detention camps should be done away with, and where there is a real case of a boy who does not want to pay his tax and does try to get out of it, he should be made to work, and he would then think three times before he goes for three months into a detention camp or prison as the case may be. But my plea is with regard to boys who

are now being taxed at the age of 16. I know I am a voice in the wilderness, but I shall go on crying as long as I have a voice in this matter. I do appeal to Government very earnestly in regard to this matter that they will give due consideration to it.

I think I have over-stepped my time, but there is one other point which I would like to bring out and that is the shifting of the natives from Pangani village on which natives in Nairobi have spoken to me. I know I will be told that this is a municipal matter, but I do feel very strongly in the case of some of these, especially the older people who served in the olden days as carriers, porters and *nyaparas* to Europeans going up-country, and when that kind of labour was done away with they were given a little place to settle in. I think the greatest care should be exercised with regard to the removal of these people from Pangani. I think, Sir, that it may be a very good thing when it is finished, but in the process of moving these people there is a very real danger of creating serious trouble and especially, if I may say so, these people should not be touched or interfered with during their season of Ramazan. They should be allowed to remain in their place until that is over and then not only should they not be given glorified collins—I do not know whether I am speaking to any member of the Municipality, but I can express it in no other word—as some of the houses that have been erected in the municipal area are to-day, but they should be given fairly decent houses where they can spend the remainder of their lives in some comfort and with some sense of the justice that the Government has meted out to them.

I do not think, Sir, that there is anything else that I want particularly to speak about this morning from this point of view, but I do urge more particularly—and I am sure the hon. Chief Native Commissioner himself and the district officers throughout the country will see to it—that in regard to these hardships that are still being perpetrated throughout the reserves with regard to the collection of hut tax that the chiefs and headmen will be given to understand that while the taxes are to be collected they are to be collected in a just and reasonable way so that the natives will not have to make the complaints that they are making. Someone will say to me, "Of course, they make them to you because they know you have a soft heart." Perhaps I have, I have a very soft heart for the natives, but I do recognize justice, Sir, and I think that the native is willing to pay his taxes and with very few exceptions the native is quite prepared when the time comes to pay his taxes, but they should be dealt with sympathetically, not by the officers, for I am convinced they do deal with them sympathetically, but by the headmen and their chiefs in the various areas.

One other point and then I sit down, and that is with regard to the sale of tax stamps. Complaints have been lodged with me that certain chiefs will not allow a stamp to be sold in their area. It may be now that they have received orders that they must do so, and that the natives be allowed in every reserve to buy these stamps and so make it more easy for them to provide the tax which the Government demands of them. I see in the report of these two hon. gentlemen that after the 30th June there is to be imposed an extra tax of Sh. 2 on all defaulters. May I earnestly suggest, Sir, that the time be lengthened a little bit, and that they be allowed to go on as long as they can show that they are really trying to collect their taxes and put it on the card, that the time be allowed to go on until the last day of August and not on the 30th June as they suggest in their Report?

DR. THE HON. C. J. WILSON.—Sir, from the point of view of the native the chief feature of interest in this year's budget is, of course, the question which has been raised by Sir Alan Pim about hut and poll tax.

This has been referred to sympathetically by my colleague, but there are one or two observations which I should like to make. And if my colleague and I do not look at our subject at precisely the same angle, perhaps our combined view may have some of the advantages of stereoscopic vision, so that the resulting picture may stand out in better relief.

In discussing the question of native taxation in relation to this year's budget, my first difficulty is that I am quite uncertain and in the dark about the intention of Government with regard to Sir Alan Pim's proposals in the matter. The hon. the Colonial Secretary has told us that it is the intention of Government to accept Sir Alan Pim's recommendations, as I understand him, in full. On the other hand we have in the Estimates the figure of £540,000 for hut and poll tax. That figure cannot possibly be reached if Sir Alan Pim's proposals are put into effect. I understood the hon. the Colonial Secretary to say that the proposals could only be made effective if approval were obtained from the Lords of the Treasury to make good the resulting deficit by borrowing. If that is the only hope then, I should imagine the proposals are doomed. Of course it would be a wonderful way out of our difficulties. But even if the unexpected happens, and the authorities at home approve of this proposal, would this Government be prepared to meet recurrent expenditure by raising a loan annually? I should not think that likely, though it would be quite in the Kenya tradition so far as private concerns go! (Laughter.) But for the purpose of discussing the main question now, I must assume that this loan proposition will not be adopted.

If Sir Alan Pim's proposals for altering hut tax and the age for poll tax should come to nothing, there will of course be great disappointment among those who have hoped so long for alleviation of native taxation. They will have had their hopes raised; only to have them dashed to the ground by Government's decree that there can be no reduction in the total amount of tax to be collected from the native population.

Should that be the decree, I quite admit the difficulty of disputing it. So much money must be spent on Government services for the native population, and just so much money must be obtained from the native population, so long as there are no other available sources from which it can come. It is easy to say that the native is overtaxed: relatively to the rest of the population he certainly is. But, on the other hand, his needs for social services are greater. And if an appeal can be made for reduction of native taxation, an appeal still stronger can be made for the maintenance of social services; and not only for their maintenance but for their extension and improvement.

I have heard it said, or I have read, once or twice recently, that the natives cannot afford the services they are getting. That, of course, is a hopeless statement. Rather it is the case that the natives cannot afford not to have those services maintained, for only by that way is there any hope of their continued social and economic advance. Which is the better: to reduce taxation and services, or to maintain them both? The first would be a temporary relief to the individual, but would be doing a lasting wrong to the whole native society; the second may be inflicting some hardship on the individual, but will be of lasting benefit to the whole. What other alternative is there?

I listened with interest to the Noble Lord, the Member for the Rift Valley, yesterday, and he certainly did not favour any further contribution from general revenue to native services. I also listened to the hon. member Mr. Pandya, who stressed the case for reduction of taxation. He put forward the proposition that when Lord Moyne laid down that the amount spent on native services should be as much as half the amount contributed by direct taxation, the converse was not implied. I only wish we could get that argument accepted, but I doubt whether we shall.

But, leaving on one side for the moment the question of the total amount which might fairly be expected from the native population in the form of direct taxation, there is for consideration the further question—whether the incidence of the tax on the individual is fair. No one can say that this question has suffered from too little consideration or discussion. We have here on the table to-day three Reports all

bearing in part on the subject, and of course there is Lord Moyne's Report. The question which occurs in one form or another in all these Reports is: How can the individual incidence of taxation be more equitably adjusted? And the pity is that so much discussion has led to so little practical result.

I must admit to a feeling of disappointment after reading this latest Report by the hon. Treasurer and the hon. the Chief Native Commissioner. While reading it there was an uncomfortable sort of feeling that the inquirers were more convinced of the necessity of raising a certain total sum of money annually from the native population, than of the need to adjust individual taxation. There seemed too great a readiness to turn down proposals for altering the method of taxation as being "too difficult", "impracticable", "impossible", and so forth. It is very disappointing after all these years, during which it has been realized that the present system of native taxation is unsatisfactory, and after such authorities as Lord Moyne and Sir Alan Pim have recommended alteration and improvement, that still Government can make no practical proposition.

And yet the eventual possibility and practicability of a better system of taxation is admitted in this Report. On page 47, paragraph 154, where the appointment of taxation officers is recommended, it is said:

"As they acquire a more intimate knowledge of their work they should be in a position to evolve an improved formula for the assessment and collection of direct native taxes, a task quite beyond the powers of an administrative officer, who is the subject of continual transfer."

The last part of that quotation seems to me to contain a very damaging admission, but this is not the occasion to discuss that.

My point is that if an "improved formula", that is, I take it, some better basis of taxation than the present crude hut and poll tax—I hope I do not misunderstand the meaning of this passage and the phrase "improved formula"—if some better system of taxation could be evolved by these hypothetical taxation officers, then the practicability of some other system of taxation is recognized, and the only difficulty in the way would seem to be some defect in the present native administration. If that is so, if the obstacle to a better system of taxation is the imperfection of the present administrative machine, then there is no justification for Government's apparent intention to continue the present taxation methods indefinitely. If the state of affairs can be remedied it ought to be remedied, and the sooner the better. If there

is conceivable a better and practical method of reorganizing the present system, then there is no excuse for the continuance year after year of the taxes in their present form.

It may be that the solution of this long-standing problem is in this proposal to appoint special tax officers. I think that this proposal to create special taxation officers should be acted upon without delay, and I think that some provision should be made in this budget, so that at least a beginning could be made in this coming year. (Of course they must not be called "taxation officers"; "revenue officers" would be a better description.) I suppose I shall be told that it would be scandalous to think of making provision for new appointments until some of the existing officers have been cleared out of the way, and that a change of this nature cannot be hurried, and so forth. But I do submit that in this matter of native taxation there is need for hurry. For one thing, with this Report by Sir Alan Pim now in public circulation and under constant discussion, there is no chance of keeping the movement for the reduction of the present taxes within bounds. The knowledge that high authority has criticized the present system of taxation will greatly strengthen the agitation against it. And if it is the intention of Government not to allow any reduction at the moment it will certainly be wise for Government to make some more effective gesture than merely a shrug of the shoulders, and to say something more positive and hopeful than "It can't be done." What is wanted to clear the situation is some positive evidence of Government's intention to put the matter of native taxation on a reasonable and equitable basis with the least delay. Only by some such counter-attack as that will Government be able to hold off the attack which will be made on its present position of "let things be".

The other reason for action, and for immediate action, is that, as everyone knows, there is increasing difficulty in the collection of existing taxes. That difficulty is not going to be made easier by the publication of the Pim Report, nor by certain other recent events. The problem needs to be tackled, properly and promptly, for the sake of everybody, and most of all for the sake of the African himself because, so long as there is this shortfall in revenue from hut and poll tax, the African will suffer in two ways: there will be less money to spend on native services, if the Moyne formula is adhered to, and there will be less chance of any relaxation or re-adjustment of taxation.

We have been told that much of the shortfall is due to default by natives who have the means to pay tax but who refuse or evade payment. It is unfortunate that education does not always develop in the individual a keener realization

of his financial obligation to the State. It is most regrettable if this tendency to avoid payment of tax is in any way associated with centres of education and other social or religious activities in the reserves. If I may, I would like to suggest to my friends the missionaries that an occasional sermon from the text "Render therefore unto Caesar the things that be Caesar's" would be of real benefit to their converts! (Laughter.)

On the subject of the Moyne formula and the Native Betterment Fund, it is stated on page 5 of the Memorandum on the Draft Estimates that the provision for direct native services next year will be £16,000 more than would have been allotted to the Native Betterment Fund. I accept the correctness of the calculation, though I admit I do not know how the total expenditure figure is reached. The total of the votes for natives services included in the Medical, Education, Agricultural and Public Works Departments Estimates is only £263,000 odd. If my calculation is right I do not know where the other £20,000 appears. But it is satisfactory to know that expenditure on direct native services is not being strictly kept down to the limiting figure of half the average revenue for the previous six years. That is to say, it is satisfactory for the moment, but obviously there will not be continued general satisfaction if the revenue figure keeps dropping and the expenditure figure remains stationary or rises until the ratio loses all resemblance to the Moyne formula. This is the point which was emphasized by the Noble Lord. Therefore the revenue figure must be maintained.

The figure appearing in the Estimates for hut and poll tax is £540,000. With all respect to my hon. and venerable colleague, I think in view of the fact that the average amount collected in the ten years previous to 1935 was over £546,000, the figure estimated does not seem to high, for it is quite certain that the wealth of the natives is increasing with every year, as is also the population. The discrepancy between the figure of £540,000 in the Estimates and £550,000 in the Report on Native Taxation has been wrangled over I think enough already, but what I am concerned to know is how it is proposed to collect £40,000 more in 1937 than was collected in 1935? What is the procedure which is expected to produce that extra £40,000, but cannot be expected to bring the total collections up to the theoretical figure of £550,000? I hope that much of the extra amount will be obtained from the delinquents who have been contriving recently to evade tax payment, but presumably the tightening up process will also mean less leniency in the matter of exemptions. I hope this will not go too far. I am prepared

to agree that there might have been too much leniency in some cases, if exemptions have really been known to reach such a figure as 20 or 30 per cent in certain districts, but we do not want a swing of the pendulum to the other extreme.

To collect hut and poll tax thoroughly but fairly is far from easy; in fact, it is so difficult that, under the present administration of the native reserves, I believe it to be impossible. If the full amount which should be collected is to be collected without unfairness, then in my opinion there must be extra European staff, that is, tax officers. To throw the extra work which would be involved in a full and fair collection of tax on to the district officers is all wrong, because their chief work is not tax-collecting. To throw the responsibility of getting more money on to the native headmen means the possibility of regrettable incidents.

It may be that I shall be criticised for concerning myself more with the question of the effective collection of native taxes than with the case for their reduction. I cannot help that. I am taking the line which I believe to be in the true interest of the native. In the world as it is to-day there is little encouragement for too much sympathetic sentiment in our outlook on life, African life or any other. Facts have got to be faced, and some facts are very hard in this brave new world. It is perfectly plain to me that whatever excuse or reason there may have been in the past for a sentimental plea to leave the simple savage to his native indolence and care-free idleness, any appeal like that to-day is fatuous. We happen to be living in a world where ruthlessness is more often to be encountered than kindness. There is little room for the lazy and the idle in such a world, and the best or only chance of survival is by way of work and efficiency. (Hear, hear.) I think that it would be an act of treachery to the African to allow him to imagine—still worse to encourage him to think—that he can any longer live his life as he pleases, and work or not according to his inclination. The young African native, on attaining manhood, is no longer called upon to play his part in tribal life as a warrior, but he most certainly is called upon to take up the responsibility of citizenship, part of which is tax-paying.

As regards the expenditure side of the budget there is little that I wish to say. To me it is not really inspiring, but depressing, not because there appears an increase of £60,000, but because there is little evidence or indication of that provision for increased services and increased development in the native reserves that one wants so much to see. However, it is waste of time to discuss that this year, for one might as well cry for the moon.

The only features faintly lit up in the general gloom are the small increases in the Education and Medical Department's votes.

If anyone is doubtful about the large expenditure on education, or is inclined to be led astray by the remarks in paragraph 289 of the Pim Report, may I refer him to a recent speech in the House of Commons by one of the Members for Cambridge University: it was one of the few sensible speeches on the Colonial Office vote! I can only quote one sentence as a counter-blast to the suggestion of cheaper education officers for African schools. On the subject of African education the speaker said:

"If there is to be any continual integrated educational policy, it must depend upon the British officers who serve it, upon getting the best men into the educational service and making the best of them when we have got them there."

As for the Medical Department, of course I know the work of that Department better than any other. An increase of over £11,000 in the vote sounds very promising, until one realizes that the actual expenditure in 1935 was within £4,000 of this new figure for 1937, which rather takes the gilt off the gingerbread! It is no use blinking the fact that further expenditure on medical services in the native reserves will be imperative in the years to come, and is urgently needed now.

Incidentally one would like to know when the general combined group hospital in Nairobi is likely to materialize?

In conclusion, I should like to call attention to Sir Alan Pim's remarks on the subject of financial responsibility for famine relief, and the haphazard manner in which it has been allocated in the past between the Central Government and Local Native Councils. And I should like to add a remark of my own about a not remotely related subject, that is soil erosion. I think there is a good case for anti-erosion and soil conservation work in the reserves being financed, in part at least, from central funds, instead of leaving the whole burden to be borne by the Local Native Councils.

With this reference to the Local Native Councils I think I had better conclude, because in that case I can finish up feeling a little more cheerful. After all the controversy over this most contentious budget, the dispute about who shall be taxed, how everyone should be taxed, and why anyone should be taxed at all, it is a relief to remember the way in which the natives of Kenya are freely and willingly taxing themselves, through their Local Native Councils, to supplement

the meagre provision made by Government for their innumerable needs. Whatever doubt may exist in other quarters about the willingness and ability of the natives to find the money required for the maintenance of essential social services, there is no doubt whatever in the minds of the natives themselves, and they can be confidently relied on to take their full share of financial responsibility for the continued advancement of their health, wealth and prosperity. (Applause.)

Council adjourned for the usual interval.

On resuming.

THE HON. SHAMSUD-DEEN: Sir, from the debate which has proceeded so far I can see that the budget this year is going to be thoroughly "nuggetted" in this House, but so far I fail to understand one point. That is, it has been customary in the past when a Report is laid on the table of the House it is usually debated or, at any rate, the opportunity is given for members to express their opinions on such a Report. From what I can gather, the whole of Sir Alan Pim's Report is assumed to be a sort of aspect of a domestic affair.

The European unofficial members asked for the appointment of Sir Alan Pim, and Government granted their request. As far as I know, the Indian members were never either consulted or advised of such a Commission being appointed. Now that the European unofficial members have got the Commission and it is not quite up to their taste, and liking, there is a regular storm of indignation against it. Ordinarily, I think, the very fact that we had been left out of the picture altogether would actuate me to say to the European unofficial members: "Well, gentlemen, you have made your bed and you must now lie on it; and that is all there is about it." But I cannot see how this budget can be framed with some provisions for revenue which is supposed to be derived from a measure not yet on the statute book of this Colony.

Various methods have been suggested as regards the investigation into income tax. I submit there are three ways by which the whole of this income tax question can be investigated. I was going to say that although Government have said and published it that this matter is *sub judice*; I cannot understand a matter described a *sub judice* when it has been advocated by Government themselves, debated and opposed by unofficial members. I have never known a matter *sub judice* discussed in this fashion. If it is really *sub judice* we ought not to prejudice the whole thing, but we have done so by making this budget the occasion and by discussing Sir Alan Pim's Report.

I suggest there are three ways of investigating the incidence of the proposed income tax. One is laid down in our Standing Rules and Orders, where there is a definite procedure for the discussion of Bills. It lays down how Bills which it is proposed to have brought before this House should be discussed and the manner in which they should be debated. Under Standing Rule and Order No. 52, the Standing Finance Committee is confined to discussing the budget. Of course, one can discuss anything which appears in the budget, but that does not give the Standing Finance Committee any power to go into the details of a proposed Bill. That Bill, I submit, should be discussed in the Council under the proper Standing Rules and Orders.

Another way of investigating the whole of this income tax proposal is to take a plebiscite throughout the country, and that would be the whole point: what is the number of non-native population of this Colony in favour of the tax, and the number against it?

The third and most effective method of investigating it is to put it into force for a year, or two or three years, and find out what is the actual operation of the proposal.

I read in the papers that Government has changed their attitude and that the Income Tax Bill is going to be thoroughly discussed in the Standing Finance Committee. Of course, I find nothing of the sort in the motion before us, which is strictly in accordance with the rules, and there can be no departure from the ordinary practice. If people like to live in a fool's paradise and think Government have changed their minds, there is nothing to prevent them doing so.

I do not want to duplicate the work, because I think I certainly should have an opportunity of expressing my views when these Bills come before the House, but since other hon. members have alluded to income tax so freely I think I would not be out of place if I said that out of 34,000 European population who are likely to be affected by this new measure I think fully 25 or 27 per cent are people who are at present paying a similar sort of tax in the form of levy; that is, Government officials. It is merely another name for income tax. Instead of calling it levy you could call it income tax.

I was very much alarmed when I heard the Noble Lord in his speech say "We will do our best to assist Government to balance the budget when it comes before us." Whatever the European unofficial members do, I hope they will not assist Government by suggesting any more alternative taxes! Those alternative taxes are merely infernal taxes, and have been proved by actual experience to be so.

We have heard the budget compared with low and high tides, and I think in connection with last year's budget there was something in the Memorandum which showed that our budget also fluctuated not only with high and low tides but also with showers of rain. The October rains are already overdue, and probably there is a good deal of ground for pessimism. Now we have had a few showers since yesterday evening we shall probably find our budget fluctuating accordingly.

Again, the hon. the Colonial Secretary said there were certain items which did not appear in the budget and were likely to be introduced later on, so that one does not know where one is. I personally confess that I get lost in these bewildering figures of hundreds and thousands of pounds. But what has happened in fact, is reflected at a glance at the graph I have prepared which I could understand, at any rate much better; and that is in spite of the efforts of the unofficial members for so many years even this year's budget has steadily increased. At a glance you will find that the only unfortunate departments—I call them unfortunate because they generally succumb to public agitation against their increased expenditure—are the Administrative, Posts and Telegraphs, Public Works Department Recurrent, Prisons, Local Government, Customs, Audit, Mining and Geological, and Game. They have taken seriously the agitation for a reduction of expenditure, and these are the only departments which have seen fit slightly to bring about a decrease in their expenditure.

I do not want to take up the time of the House by quoting figures, and will generally content myself with mentioning percentages.

According to this chart (produced) which I have prepared and has been distributed amongst most of the honourable members, it shows at a glance that our net expenditure of £3,317,913 is distributed amongst the various heads in the following proportion: Administration, 10.23 per cent; Pensions and Gratuities, 9.99 per cent; Medical, 8.96 per cent; Education, 8.28 per cent; Public Debt Funded, 8.21 per cent; Police, 5.84 per cent; Agriculture, 5.69 per cent; Posts and Telegraphs, 5.61 per cent; P.W.D. Recurrent, 4.94 per cent; Military, 4.05 per cent; Public Works Department, 3.92 per cent; Contributions to Local Authorities, 3.57 per cent; Miscellaneous Services, 3.06 per cent; Prisons, 2.20 per cent; Non-recurrent, 2.13 per cent; Judicial, 1.40 per cent; Local Government, 1.38 per cent; Forests, 1.36 per cent; Printing, 1.31 per cent; Treasury, 1.30 per cent; Customs, 1.15 per cent; Secretariat and Legislative Council, 1.11 per cent; Rent and Interest to H.H. the Sultan, 0.72 per cent; His Excellency the Governor, 0.71 per cent; Audit, 0.61 per cent; Mining and

Geological, 0.49 per cent; Legal, 0.39 per cent; Interest and Unfunded Debt, 0.36 per cent; Game, 0.35 per cent; Registrar General, 0.23 per cent; Trade and Information Bureau, 0.20 per cent; Coast Agency, 0.15 per cent; Government Analyst, 0.06 per cent; Governors' Conference, 0.04 per cent.

There are only nine departments which have reduced their expenditure, which compares as follows with their expenditure for the year 1936: Administration is reduced by £2,150, or 0.90 per cent; Posts and Telegraphs is reduced by 1.82 per cent, which is £2,278. The Public Works Recurrent is reduced by £275, which is almost infinitesimal, and cannot be described in percentage in proportion to the total amount under this head. When you come to the Prisons Department, they have reduced their expenditure by £1,806 or 3.60 per cent; the Customs Department by £3,613, which is 10 per cent, and is very satisfactory indeed, for it is the department which has been much maligned in the past, and yet has made strenuous efforts to cut down its expenditure as far as possible; Local Government, £709 or 2.28 per cent; the Mining and Geological by nearly 9 per cent, or £921, which is really effective, and I hope other departments will follow the good example; Audit is cut down by £626 or 6 per cent; and lastly, the Game Department, which is down by £325 or 4 per cent.

All other remaining 25 departments have steadily increased their expenditure; even this year (1937) they have all increased. The Medical Department has increased its vote by £5.70 per cent, or £10,814; the Education Department, which is one of the departments where an increase cannot be taken serious exception to by anyone, has also increased by 3.60 per cent, or £6,474, but both this and the Medical Department are social service departments, and one ought not to grouse so much about them. But in all other departments there has been an increase.

The Public Debt Funded, over which we have no control, is increased by £3,384, or 1.84 per cent. The Police Department shows a slight increase of 0.80 per cent, or £1,069. Similarly, Agriculture has increased its vote by 2.35 per cent, or £2,806; Military has increased £6,694, or 8 per cent; Contributions to Local Authorities has gone up 9 per cent, or £7,181; Public Works Department has increased £11,070, or 13 per cent; Miscellaneous Services, 15 per cent, or £10,668; Judicial, a very slight increase, £184 (but instead of decreasing there is an increase); Forests, by 2½ per cent, or £760 (not large); while the Printing Department, which has been the subject of a lot of criticism, has, instead of a decrease, an increase of £229, or about 1 per cent; Treasury by no less than 6 per cent, or £1,701. The Secretariat and Legislative Council

vote is increased by £1,148, or nearly 5 per cent; the vote for His Excellency the Governor by 5 per cent, or £701; Legal Department by nearly 6 per cent, or £478; Interest and Unfunded Debt has increased to the extent of 41 per cent, or £3,928. Then there is the Coast Agency, which we thought was going to be abolished at one time, so that there would be some decreased expenditure, shows an increase of £242, or nearly 8 per cent.

In spite of all that has been said about the Pim Report, from the very first, when the appointment of the Commissioner was announced, I took it as a sort of admission of our own inability to put our house in order. I still maintain that three committees which were appointed in this country in 1932, 1933 and 1935, have been successful in accomplishing I think many times more results and economies than Sir Alan Pim has been able to do. He has done nothing at all; he has merely laid down a policy and has not shown any great practice. That is one of the reasons why I never went to see Sir Alan Pim, nor did I think fit to give any evidence, because I think it is a reflection on the abilities of this Colony that we want someone from outside to come and tell us what we are to do.

Then, again, it is not the fault of Government or the fault of the Colonial Office that our unofficial friends should ask for an appointment and get it, and I do hope that in the future they will not ask for these appointments, but manage their own affairs themselves.

I am deadily opposed to this income tax measure being discussed in Standing Finance Committee. Of course, I cannot stop them discussing it, because it forms part of the budget, but I am opposed to their being the final authority to say whether there should be or should not be income tax, for I have always looked on the appointment of the Standing Finance Committee to be a diminution of the rights and privileges of this House. At one time, all the unofficial members would sit around a table and express their views and discuss the budget. That Committee was described as being a delegation of the powers of the House. I say it is a diminution of the rights and privileges of the House. I am very much against that Standing Finance Committee forming a sort of court of justice, to say the least of it, especially as the constitution of the Committee is such that I and my hon. colleagues are represented by only one member. I do not envy his position, because for anything he does there is not even a second, unless the hon. Member for the Coast or the hon. member representing native interests is charitable enough to second. I do not think that proportionately the constitution of the Committee is right . . .

LT.-COL. THE HON. LORD FRANCIS SCOTT: Surely, Sir, on a point of order, as I understand it, the Standing Finance Committee are not the last word on income tax? I understand that only after their report shall we decide whether the Income Tax Bill shall be introduced or not; the Bill is introduced, the House discusses it, and the Standing Finance Committee are not dealing with that part of it at all.

THE PRESIDENT: That will undoubtedly be the procedure as I understand the position.

THE HON. SHAMSUD-DEEN: I hope that is right, but it is not in accordance with what was published in the Press. From the reports in the Press we find that the Standing Finance Committee is going to investigate the whole of the Income Tax Bill, and if they turn it down it will not be introduced here, or at any rate it will not come before the House before the Standing Finance Committee gives it its blessing. I maintain that our budget is entirely wrong, because the Income Tax Bill should come before the House first and become law before anything can be embodied in the budget of the revenue which is likely to be derived from it. I may be wrong, but that is my view.

Sir Alan Pim has, strangely enough, embodied in his Report what I have repeated times without number in this House: that is, that the proper way of enlisting for the Government Services in this Colony is always to employ as many Africans as we can, and, where there are no Africans, to go to the next cheaper market, and find out if there are any Indians available. If the latter are not available, then as a last resort we should go to the expensive European services. I hope that that will be put into practice. My hon. friend Mr. Pandya referred, yesterday I think, to the meagreness of the locally educated youths being taken on. As far as the Indians are concerned, they are naturally restricted to the lower grades of the clerical staff. I say that even though this principle of making use of local youths can be best started from the Indian clerical service, Government has done nothing in the past, although there have been unanimous recommendations from the Advisory Committee on Indian Education and representations from the hon. the Director of Education to take Indian youths who have passed their London matriculation, but nothing has happened. As far as that is concerned, I think the local banks and other European commercial houses give a better lead in absorbing the locally educated Indian youths as clerks than Government have done.

An illustration of what happens was pointed out the other day in the Advisory Committee on Indian Education. A vacancy occurred in the Kisumu district. Before anybody

knew, the clerk there had written to relatives in India and got a man out ready to be appointed. I submit that there ought to be a definite ruling for the future that no appointments in the Government departments should be made, at any rate in the clerical staff, where an Indian is eligible, before inquiries are made from the Education Department as to the number of pupils available to fill that vacancy. Unless there is that ruling the same thing will happen again; new men will be got from India, while the locally born and educated youths simply wander the streets from office to office.

Then again, the higher appointments have always been debared to the Indian community in the past. The hon. member Mr. Pandya referred to an officer of the Veterinary Department, Mr. Hassan, who has been here 30 years, and not only has he done very good work at the Coast but he has always been upheld by his own Department. Not only that, but if you asked any European settler in the highlands, where Mr. Hassan spent some 25 years, there is not one who is not full of praise about that man. (Hear, hear.) I submit that, had it not been for the country in which he was born or the colour of his skin, he would have been at the top of the list in his department to-day. But what has happened? At the last moment the department concerned has been generous enough, on the eve of his retirement, to give him a personal allowance, which probably he will not enjoy for more than a year or two. That is one of the unfortunate factors in this Colony which has always been a source of heartburning.

If I come back to income tax again, I say that if we can kill this tax once and for all, or for at least another 20 years, I shall personally give serious consideration to it, but if this bickering is to go on, as it has been going on for the last 12 or 13 years, are we doing any good to this country? I think this question should be decided once and for all, one way or the other, and past experience has shown us that sooner or later we shall have to face this issue. I think it was said yesterday that income tax has or should have reference to the adjoining territories. I think I must differ, because we are here paying the penalty of this sentimental representation we have in this House which the adjoining territories have not. The old adage of there being no taxation without representation I think is reversed in this Colony. We believe there can be no representation unless there is taxation, and that is one of the reasons why we are inflicted with this tax. My personal view is that there ought to be no income tax and no alternative taxes; they all ought to go. But we say we want self-government, and an unofficial majority. Then I think the natural corollary of that is that the authorities say: "If you want all these privileges you must bear the burden." Before

we get it we shall have a very big price to pay for it, and I think this income tax is one of the outcomes.

That brings me to the subject of these lesser forms of self-government, for these district councils are an embryo stage of self-government. But I have never known of any local authority which claims to handle money without contributing anything towards those funds, and when these councils have been attacked from that point of view they say they are merely agents or contractors for the Public Works Department to perform certain road works. I have never been able to understand their argument, for we have got such an admirable institution in the capital of this country which has cost Government so much money and is quite capable of administering the roads not only throughout this Colony but is a department large enough to be extended and look after the roads in Uganda also, so that I cannot understand where the necessity for duplication of overhead charges comes in. These gentlemen, often described as agents or contractors for the Public Works Department, have a choice of giving preference to certain roads which they want first attended to, and leaving others in the lurch.

The recent Golden Jubilee road race gave a great deal of publicity to the Colony of Kenya, and those two wonderful young fellows, Hopley and Engelbrecht, are men of whom this Colony can well be proud for their fine win. They cannot, however, say much about the roads of this Colony. Our roads, according to the reports of the race, are probably the worst of the course over which the race was run. You can imagine them; instead of being able to go to Mombasa by a road following the route of the railway, you have to go via Moshi, Arusha and other places in Tanganyika. And why? Because the Department is starved of money; we do not let them have any money. A case was brought to my notice recently where a District Council, in the area of Nakuru, because they did not make the roads properly, resorted to the line of least resistance and closed the roads. They said that Government only gave them £26 a mile for maintenance. £26 to maintain 52 chains of road during the year means Sh. 10 per chain per year, which means giving them only 80 cents a month per chain for maintenance. That, I submit, is not enough even to sweep those roads. You cannot get anyone to sweep a chain of roads for 80 cents a month even in your garden. The result is that the District Council, not having enough money, simply closes the roads to lorries. There ought therefore to be three sets of roads; one for ox-carts, one for lorries, and one for motor cars. I submit that it is a wrong policy to starve the Public Works Department and district councils as far as maintenance of roads is concerned.

I do not like the idea of criticising the speech delivered by His Excellency at the opening of this session, but everybody else has done it; as a matter of fact, some of the European unofficial members have concentrated their attention on criticising the speech. I do not wish to criticize. I only wish to draw attention to one particular passage. I do not know the exact wording, but I think His Excellency said there are still some public buildings for which loan money is not available and which form a public scandal. I wish to submit that of such public buildings there is one which forms a very big public scandal, and that is the Indian elementary school.

I think His Excellency himself has seen it, but I do hope some hon. members will go and see the place for themselves. They will come to only one conclusion, that it really is a public scandal, for there are classes of 30, 40 and 50 boys housed in a weatherboard building and a tin and wood house in which some of the rooms were originally bathrooms, kitchens and so forth. That, I think, is a public scandal.

The second building which I think is a public scandal is the native hospital in this town, where the Indians are always forced to go. We have heard for the last four years from the hon. the Colonial Secretary and His Excellency himself that arrangements are being made that out of loan funds there will be erected better accommodation for Indian patients, but nothing has materialized so far.

I also wish to allude to the land policy of this Government, since reference has been made by one of the European members to the highlands and so forth. The Indian community has waited in vain to see any offer made by Government to give them some opportunity—an equal opportunity is a thing undreamt of in this Colony—but some opportunity of settling down on some land in the Colony. We do not want any reserves like the native and the European reserves, but we only want some opportunity to develop land in this Colony. I have been informed there is very useful land at the Coast where tobacco, rice, cotton, and other crops could be grown, but Government has taken no active steps to bring about Indian settlement in any of these places. That is one of the grievances of the Indian community which I do hope Government will some day or other take actual steps to deal with.

His Excellency also made reference to the removal of Tangani, and the hon. and venerable member for native interests also referred to it. I think the hon. member does not know in detail what has happened there. The removal of that Tangani village is in accordance with the recommendations of the Carter Land Commission Report, and all agreed that Tangani must go; there is no doubt about it. But the removal must be done in an orderly and humane manner.

What has happened up to now is that there have been demolished 70 houses, thereby disturbing something like 700 people, without erecting one single house to house them. The Carter Land Commission Report emphatically laid it down that before demolition took place arrangements must be made by Government to house these people. I am not complaining on behalf of the owners of the houses demolished; they have, I think, made quite a bit of profit in the past; and whether the compensation that has been offered by Government is adequate or not does not concern us very much. But it is the people lodging in those houses, a large number of Government servants, domestic servants, and others, who have now no place to go to. Seven hundred were disturbed in the course of a few months, creating a serious problem which can only be realized by those people living in the vicinity. I have made unsuccessful efforts to represent the matter from the District Commissioner to His Excellency, and they received no justice. I then sent in a very costly telegram to the Secretary of State for the Colonies, which cost me something like Sh. 100, but the stereotyped reply came back. Whatever the District Commissioner says is transferred from one to another, until we get the Secretary of State's reply: nothing can be done.

But the fact is that these unfortunate people, who have been living there for the last 35 years, when there was no Indian population or European population thought of at the time, and it was recognized as a native location, always recognized as such—by one stroke of the pen two or three years ago Government put up a notice in the Official Gazette stating that it was no longer a native location, and, according to the law (which gives Government power to demolish any house which is in a non-native area), the whole village is being demolished. That was a native location; it was there with the sanction of Government, and with their knowledge and full responsibility.

Then Government brought the Indian population there. That is no fault of the villagers. If Government wishes to remove the natives, all I say is, make some arrangements for their comfort before removing them. When I made representations to the hon. the Colonial Secretary, the hon. the Commissioner for Local Government, and the District Commissioner, I told them I wished they would come and see where all these houses had been demolished and the women and children thrown on the road, for there were heartrending scenes. The answer was that slums were demolished in England, and there were heartrending scenes. But I cannot imagine anything being done to demolish slums in England without arrangements made to house the people.

I know that these unfortunate people slept out in the cold for nearly a week, thinking Government would make some sort of arrangement for housing them, but all Government did was to give them notice that if they did not disappear they would be driven away by the police. The result of that is that these 500 people have crowded themselves together, mostly in the same village; very few have disappeared; they are simply crowding themselves in the remaining part of the village. The Indian population surrounds this village, and there have been cases of plague in it. I do hope it will not spread, and then infect the whole town.

When I made representations, the District Commissioner simply asked me, "How do you come in?" I come in as one of the inhabitants of the town in danger from overcrowding in this little place.

There is municipal housing, but it is not at all fit for many of the people, especially the Mohammedan population who go there, and for a bed in the cubicles they are charged Sh. 4, equal to half a month's salary. I should like to know whether any members of this House, if called on to pay half a month's salary for hotel accommodation, would like it. I do not wish to take up the time of the House, but I think this is a matter of very great urgency which should be looked into. As far as the month of Ramadan is concerned, I think the authorities should not molest these people in this month; but the overcrowding is there, and I hope something will be done about it.

A good deal has been said as regards native taxation and the need of social services. I entirely agree with that, that we must provide for social services for the natives, but not of the expensive type which is being supplied at the present moment. The native, for instance, must be fed and clothed decently; but he can squat down in his hut and have a decent meal of his potatoes and other things he likes—there is no necessity to give him a table with a cloth, knife and fork, servitor, and all that sort of thing. The native must be suitably clothed; but he is perfectly happy in his native garment, and there is no need for him to have a tie, stiff collar, and all the other things which form the paraphernalia of civilization.

But that is what is happening as far as the native social services are concerned. You provide them with an expensive, highly paid European staff, white nurses, and all sorts of things, absolutely unnecessary. These services can be reduced to a minimum. I should like to see native hospital assistants being employed, and until they are available Indian hospital assistants could be employed who have carried out the medical work of the colony for many dirty years, when our expenditure would be reduced at almost half. That is one of the

reasons why one of the social services, the medical vote, has not increased.

In conclusion, I should like to give one word of warning to Government. That is, that this budget as it is to-day is incomplete. I am referring to pensions. Pensions are referred to as merely deferred commitments; that is, a liability which we have got to face at some later date. At any rate, a large number of Government servants who are to-day drawing nominal salaries are entitled to larger payments, which are deferred for the time being.

I have argued for many years that in pensions to Indian pensioners, whether in India or any other country, where the Indian rupee is the currency, they are being paid less; that is to say, according to the law of this country, when the old rupee was fixed at Sh. 2, the rupee was corrected into the florin and the florin was fixed at Sh. 2, every man who owed a rupee became liable to pay Sh. 2. Take the case of the non-native poll tax. In those days it was Rs. 15; it automatically became Sh. 30. Similarly, the railway fare to Mombasa, Rs. 30, became Sh. 60. All Government charges became increased to that extent, because it was the law of the country that the rupee should be valued at Sh. 2. The debts of people became immense. Some farmers suffered to the extent of thousands of pounds, as their debts, being in terms of rupees, were payable in shillings.

But the Indian pensioners who were, according to that law, entitled to Sh. 2 for every rupee on their pensions, have not been paid at that rate, and this thing will come back to Government sooner or later; it is only putting the evil day off. It is an illegal matter, yet it is a very simple matter that a man who retired after the fixation of the currency and was entitled to, say, Rs. 10 was entitled to Sh. 20, and to-day Government, for their own purposes, although they have doubled the taxes and people's debts, are themselves not paying at the rate of Sh. 2 for every rupee to pensioners to which the latter are entitled, but are paying so many rupees because they happen to be in India. Therefore Government are only paying Sh. 1/6 for every rupee.

That is the position to-day, and I hope the hon. the Treasurer will be able to prove that I am wrong. But I know I am not. I came to know that my own brother, who happened to go to Zanzibar, got 1/6 for every rupee which he was entitled to for his pension. When he came to Nairobi he got Sh. 2. A man must get what he is entitled to, whether he chooses to live in Zanzibar or Timbuctoo.

I propose to move an amendment, and I think I am doing a service to the country to bring to the notice of Government the liability which has been deferred, but one that must be

discharged sooner or later, before it assumes alarming proportions. I think it is a matter which Government ought to face, and the earlier it is faced the better. My amendment is:—

“ That the motion be amended by the addition of the words—

‘ Subject to an instruction to add to the estimated expenditure under the heading, Pensions and Gratuities, the amount by which pensions payable in India (and other countries where the Indian rupee is the currency) in respect of service previous to the fixation of the rupee have been reduced inconformably with the currency laws of this Colony.’ ”

That, Sir, is the amendment which I wish to move, because I know that the sooner it is tackled the better, otherwise we shall probably be again asked for some additional taxation to meet it. I have to resort to this procedure because, if I had moved the amendment at first and spoken on it, I should probably have been debarred from saying all the things I have had the opportunity of saying.

THE HON. SHERIFF ABDULLA BIN SALIM seconded.

THE HON. F. A. BEMISTER: Sir, in connection with the amendment, I am rather alarmed about it, because the other day the hon. member Major Grogan put the question to the hon. the Treasurer in connection with pensions paid abroad. I asked a subsequent question particularly referring to pensions paid in India to pensioners residing in India. I was told by the Treasurer that the pensions were paid in India at an exact rate of exchange as between this country and India.

Now I hear this allegation, and I would like it to be cleared up, that a man who gets Sh. 20 here or would get Sh. 20 if he lived in England, gets only about Rs. 14 if he lives in India. If that is true, it is a very serious question, and if the reply before was correct, then the allegation by the hon. Indian member is entirely wrong. I am glad to see that the hon. member Major Grogan has now arrived, because he knows much more about it than I do (laughter), but I would certainly like that explanation given, as we have been told one thing one day, and the hon. the Indian member has been led to make this allegation.

THE HON. THE TREASURER: The position seems fairly clear to me, Sir. If the hon. member will look at Appendix D in regard to Indian pensioners, he will find that the pension is quoted in sterling. If the pensioner goes to India on retirement, naturally this amount of sterling is transmitted to him in rupees at the rate of exchange.

MAJOR THE HON. E. S. GROGAN: Sir, in respect to the amendment, I have had occasion recently to ask my hon. friend the Treasurer a series of questions. The purpose of those questions was to enable me to record the history of the currency happenings of this country. I am afraid my hon. friend did not appreciate my purpose, judging from the methods which he adopted in answering those questions, and the result of those questions, when they are all added together, is an indication of complete confusion on his part and on behalf of Government of what the real currency position is.

There is no question whatever, if you take his answers—which I venture to suggest are in many cases mutually contradictory—these particular pensioners, whose services were rendered before the fixation of the rupee, have been deprived quite illegally of 33½ per cent of the pension to which they are properly entitled by law. I think it is only a matter of justice that these amounts underpaid should be restored, and should be paid with the amounts that have accumulated during the period, and that at least this country should treat its servants with the justice to which they are entitled.

THE HON. SHAMSUD-DEEN: On a point of explanation, Sir, the appendix to which the hon. the Treasurer made reference is page 107 of the Estimates. From page 107 to page 115 all pensions are described in pounds sterling, so many pounds sterling, but when you come to page 116 you will see that the pensions are described in so many rupees equivalent to so many pounds sterling. This again changes on page 117. There it says shillings—so many shillings equivalent to so many pounds.

My point was that all these pensions which were granted in rupees prior to the fixation of the currency are perfectly all right; there is nothing to be said for them. But the moment the rupee became equivalent to Sh. 2, which is shown on page 117, all those people who retired after that date are entitled to Sh. 2 for every rupee, which is shown on page 116. If they are in this country they would have it at the rate of Sh. 2, but if they go to India or Zanzibar they get only 1/6.

THE HON. THE COLONIAL SECRETARY: Government is unable to accept this amendment, Sir, for the simple reason that I think it entirely wrong for this Council to issue an instruction to a committee of this Council to whom the Estimates are to be referred. I do not think it would be right that we who appoint that committee should limit its functions in this manner.

The hon. member is perfectly within his rights in raising the matter before the Standing Finance Committee, and the committee will be perfectly within its rights to give it the

fullest consideration. But, as I say, I think it entirely wrong to issue an instruction to that committee that it has got to do this whether it thinks it is right or thinks it is wrong, so that Government is unable to accept the amendment.

MAJOR THE HON. P. S. GROGAN: On a point of order, are we to understand from the hon. the Colonial Secretary's reply that the Standing Finance Committee is a greater body than this Council?

THE PRESIDENT: You have heard the reply, and you can judge for yourself.

The question of the amendment was put and negatived by 22 votes to 9, 5 members not voting.

Ayes.—Mr. Bemister, Major Grogan, Messrs. Isher Dass, Mangat, Pandya, Major Riddell, Sheriff Abdalla bin Salim, Mr. Bhamsud-Deen, Dr. de Sousa.

Noes.—Messrs. Bale, Boulderson, Archdeacon Burns, Messrs. Daubney, Fazan, Gardner, Hebden, Horning, Col. Kirkwood, Messrs. La Fontaine, Montgomery, Morris, Dr. Paterson, Mr. Pilling, Sir Godfrey Rhodes, Mr. Stronach, Capt. Tisdall, Messrs. Wade, Wallace, Walsh, Waters, Dr. Wilson.

Declined to Vote.—Messrs. Conway Harrey, Hoey, Lord Francis Scott, Sir Robert Shaw, Col. Tucker.

The debate was adjourned.

Council adjourned till 10 a.m. on Monday,
the 9th November, 1936.

MONDAY, 9th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Monday, the 9th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.) presiding.

The President opened the Council with prayer.

ADMINISTRATION OF OATH.

The Oath of Allegiance was administered to:—

G. P. WILLOUGHBY, Esq., Engineer-in-Chief, Posts and Telegraphs Department.

RULING.

THE PRESIDENT: Some slight misunderstanding would appear to have arisen as a result of the ruling, or alleged ruling, I gave at the last meeting of Council.

The Honourable Member for the Coast asked a specific question as to whether this Council could give directions, general or specific, to the Standing Finance Committee. If the question was addressed to me (I understood at the time that it was addressed to the Honourable the Colonial Secretary) the answer, of course, is in the affirmative.

MINUTES.

The Minutes of the meeting of the 6th November, 1936, were confirmed.

MOTION.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved:

That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Sir, I am intervening somewhat early in this debate for a specific purpose: I hope in the course of my speech to make certain constructive proposals on which I shall be glad to have the criticism of hon. members opposite.

Before dealing with departmental matters I wish to refer very briefly to a matter that affects the Civil Service as a whole. I refer, of course, to the levy on official salaries. The Noble Lord has stated that the European Elected Members' Organization will not oppose the removal of the levy as from the 1st of January, 1937. "For this relief much thanks", and genuine thanks. Owing to the nature of my duties, I have to work in close contact with the hon. members opposite and with the people whom they represent, more than do most of my colleagues. They have helped not only on committees and boards, but at public meetings and generally in work all over the highlands, and I have got used to looking on them as reasonable people and I absolutely refuse to give up that attitude towards them. I am sure that if I can state a case for the early removal of the levy before them it will be received in a reasonable frame of mind, and I hope to get their acquiescence to the proposal made by the hon. mover that it should come off as from the 1st of October.

Since the imposition of the levy at the end of 1931, in addition to taxation direct and indirect, temporary or alternative, or whatever you call it, and in addition to the large contributions to general revenue in the form of Widows and Orphans Pensions Fund (which need not come further into the picture), in addition to all this burden of taxation borne and paid by the Civil Servant, he has since the 1st of January, 1932, to the end of September, 1935, paid into general revenue a sum amounting to £233,000 by way of levy. I ask, Sir, that the amount may be compared with the amount of our surplus balance.

Of course, there is no possible case for the retention of the levy next year on the rising tide of prosperity. As the Noble Lord pointed out, the Civil Servant does not share in that prosperity. Prices of commodities will rise and the Civil Servant will be definitely worse off under the rising tide than he was on the ebb tide once the levy is removed.

I trust that my confidence in the Elected Members has not been misplaced, and that they will take the opportunity of showing the gratitude which I am sure they really feel towards Civil Servants by not opposing, if they cannot actually support, the hon. mover that the levy should come off as from the 1st October. I do not propose to deal further with that matter.

Turning to departmental matters, the Hon. and Venerable Member and the hon. member Mr. Shamsud-Deen both referred to the evacuation of Pangani village. Everyone is agreed that Pangani has got to be evacuated and demolished, the only difference of opinion is as to the method of that

evacuation and demolition. The picture drawn by the hon. member was dramatic but, as he is not here, I will not say more than that it was not quite accurate. You must remember that the inhabitants of Pangani village have been warned time and time again that the village was to be demolished, and eventually an interview was granted by His Excellency to the representatives of Pangani and they were told straight by the Governor himself that they would have to go. After that, notices were served by the Municipality on the first batch. Notices were served only on those natives who had less than six years' residence in Pangani, who had not lost touch with their relations in the reserves and who actually had homes to go to in those reserves. Demolition was necessary. They had taken no notice of the orders and warnings and the only way of making them understand that the Municipality meant business was to start pulling the houses down. There was, however, alternative accommodation available both for the owners of the houses and for the lodgers who lived with them in lodging houses at Pumwani. There was accommodation for these lodgers, and if any spent the night in the street it was because they shared the hon. member's penchant for drama rather than from necessity. There is a definite scheme for dealing with the old-timers, the ex-askaris, the personal servants and the porters who helped to carry the loads up before the railway was built, people of whom we are very fond and rather proud. The Municipality has agreed to vote the sum of £5,000 on condition that the Government agrees to the contribution of another £5,000 either from the compensation which is allowed under the Carter Commission Report for the dispossessed householders or from the Nairobi Native Trust Fund, which has been approved by His Excellency, making £10,000 in all, for the erection of suitable houses in Pumwani. The Venerable and Hon. Member can satisfy himself, whether they are glorified coffins or suitable for the living, because I have always held, in dealing with natives, you must offer them in terms of homes rather than houses.

It is proposed to build three specimen houses, of three, four and six rooms, and to allow each householder in Pangani to see the house to which he would be entitled by virtue of the valuation of the hovel which he at present owns. If he says: "Yes, I would sooner have that house than my compensation", that house will be built for him and he will enter into occupation and pay the same stand premium for it as he had paid before for the hovel. If, on the contrary, he says: "I will take compensation and will make my own arrangements", he is at liberty to do so provided he makes the choice early enough not to interfere with the scheme as a whole. The hon. members can be satisfied that alternative accommodation is being

provided for the people who have a right to live in the Nairobi township and accommodation suitable and far more satisfactory than the type in which they are at present living.

The hon. member Mr. Shamsud-Deen referred to there being no scheme for Indian settlement. I would refer him to the answer given to the question asked by the hon. member Mr. Pandya in July, 1934. The reply was:—

"Government has in the past been willing to consider any schemes for Indian settlement or any individual applications from Indians for lands in the Lowlands. After the recommendations of the Kenya Land Commission have been put into effect certain areas of Crown land in the Lowlands will become available for alienation irrespective of race, and any proposals which may be submitted for Indian settlement in respect of these lands will receive Government's careful consideration."

That policy remains unchanged. With a view to the economic development of the Coast a scheme has been in force for the past fifteen years whereby land grants will be made to approved applicants, free from stand premia and subject only to the payment of rents and to stringent development conditions. No genuine application has been rejected, but so far only ten grants to Indians have been made. There are many suitable areas still available on the Coast for occupation under this scheme. They cannot say that Government has made no provision at all for Indian settlement, but there does not seem to be a very genuine demand for land by Indians!

While dealing with Indian matters I should like to deal with the Indian Army War Block Officers Scheme. We have no information yet as to the number of officers who contemplate retiring and coming under this scheme in Kenya, but in order to be ready for those very welcome intending settlers a certain amount of survey work is required in sub-division of plots. I bring that in because I want to sound a word of warning. The Survey branch of my Department has been the happy hunting ground of treasure seekers in all these economy campaigns of late years and, next year, owing to retirements and other casualties, we are faced with the fact that for ordinary field work we shall only be able to put into the field two surveyors, and they are cadets recently qualified. That is apart from the surveyors available for the work under the Kenya Land Commission Report. I had hoped to have had a progressive scheme of settlement, but if I may quote from one of those who has had much to do with Kenya affairs, the Civil Servant in Kenya is used to making bricks without straw, but you cannot expect him to make bricks without Israelites! (Laughter.)

Now, Sir, I should like to take this opportunity of referring to the retirement of Mr. C. O. Gilbert, the Surveyor General. Mr. Gilbert has been among us for twenty-four years, and has during the last nine years been sworn in on seven different occasions as a member of this Council, playing an honourable if not a vociferous part in our deliberations. But it is in connection with Mr. Gilbert's work as Surveyor General that I wish to speak, I speak as Acting Commissioner of Local Government, Lands and Settlement, and as Commissioner of Mines. I have found him a tower of strength; his level-headedness, his knowledge, and his experience have been the greatest use to us all, and I trust members of this Council will join with me in wishing him all happiness in his retirement. (Applause.)

I now come to the very vexed question, the problem of arrears of rents and stand premia. I know I can speak for the Advisory Land Board as much as for myself. That Board, on which so much help is given, by unofficials, is the most human, I think, of all the boards and committees on which I have had the pleasure of serving. I say that we are as anxious as any member of this Council to keep the good farmer on the land and to help any genuine case of distress, but we must be met by the will to pay before we can deal with inability to pay. The man who would pay and cannot pay deserves help, but the man who can pay and will not pay is, in my opinion, a traitor to the Colony.

I wish those people who inundate us with applications for remissions of rent would realize the disservice they are doing to white settlement in Kenya, and to those who are really in need of help owing to genuine inability to pay. I repeat, we must be met by the will to pay before we can really help.

During the year reductions of rents in certain areas have been recommended by the members of the Land Board and accepted by the Governor where the economic circumstances, such as in Machakos and Botik, have, in our opinion, warranted this action. Apart from that, we have dealt with individual cases to the best of our humanity and our ability.

Now I come to the question of land policy. I noticed that when the hon. mover sounded the knell of the office of Commissioner of Local Government, Lands and Settlement the passing bell was met with applause in this Council. I understand, however, that the holder of the office may rise like Phoenix from his ashes as, possibly, Commissioner of Lands and Mines.

I would like to take this opportunity of stating in this Council my own policy as to land alienation in rural areas. It

must be understood that this is not the accepted policy of Government, but it has been accepted by Government insofar as it has agreed to my submitting it to the Advisory Land Board for favour of that Board's comments. I know my Board, and I can speak with some confidence, knowing they are behind me in the general principle.

It arises from the fact that the hon. the Colonial Secretary, being on holiday, went fishing! It just shows the benefit of getting hard-working officials away from their office tables and in contact with humanity! (Laughter.) On his return, he asked me whether I was satisfied that our existing land policy met our existing needs. On his instructions, I reported to him, and I am now authorized to give the gist of my report to this Council.

As you all know, the normal procedure for land alienation is by auction. The system of auction is laid down in the Crown Lands Ordinance, and it has been generally followed in this Colony. The Governor, however, may allow direct alienation of land. I may say that the substantive holder of this post in which I am acting, Mr. Logan, has already recommended to Government the direct alienation of land in certain specific areas and I think generally will be behind me in this policy. It is a bit embarrassing for an officer to make a suggestion as to a reversal of Government policy in the absence of the substantive holder of the post, but it is on the instructions of Government that I do so.

The auction system has one very obvious advantage, and that is that the successful bidder at an auction or the successful tenderer has only himself to thank or to blame for the land he gets. There is no question of back stairs influence or favouritism. It has disadvantages which are less obvious but which, in my opinion, far outweigh the advantages.

First of all, the land is apt to be sold far above its true value. Take the instance of the land at Kibos, where the Indian farmers fought with each other and eventually—I was going to say bought, but I cannot say bought!—bid for the land six times the upset price of those farms. The upset price was £3 an acre, and the average price of sale was £12. Only one instalment of stand premia has been paid and, as far as I can see, is ever likely to be paid. (Laughter.) Personally, I hold that Government should be the last body ever to sell something for more than it is worth. (Hear, hear.) It is an important principle.

The second disadvantage is that there have been enormous defalcations in rent and stand premia. The figures, which are alarming, show arrears in payment of rents of £18,317, and of stand premia of £14,371. I think that possibly Government

is in a way to blame for allowing such a state of affairs to exist for so long that it is difficult to help these people.

If you are defeated in an auction you have only yourself to blame or to thank, and you cannot complain if the farm does not pay. The man you defeat may say: "Well, if you had not pushed me up that extra £200 for the land I could have made that farm pay". You should pay what you agree to pay on it, and it is very hard to answer an objection of that sort. Competent farmers are being kept off the land because they are so often outbid by large land holders who wish simply to round off their properties or maintain the amenities of their holding, and some of these large land holders get more land than they really require, can really develop, or have any intention of developing.

Again, in the case of small residential farms which are so badly needed for a certain type of settler most welcome in this country, the retired business man or official or soldier, if any are put up for auction they are apt to be bought *en bloc* by one individual and turned into a farm. These residential areas are very carefully chosen for their amenities, and are very few and far between, and it is a waste of good residential areas to turn them into a farm, in my opinion.

The fourth point is the delay. Kenya has got a bad name with regard to settlement because people have got the impression that we really do not want settlers. Why? Because people come over on leave from India and elsewhere, fall in love with this Colony (as they all do, and it cannot be helped), and get attracted by the land. They have often come to the Land Office and asked how they can acquire land. Hitherto we have been compelled to tell them: "If you wish a Government farm which is not alienated we will look into the matter. If we think fit, we will put it up to auction, when there are sufficient applications to justify that, and you may be successful in the bidding, and then you will become the possessor". The applicant asks: "How long will that take?" and we reply: "We hope to put it up to auction in the next six months, the advertising will take another three months; in a year or so you will get that land". And he goes away to India or Jericho or Northern Rhodesia or wherever he came from without buying the land.

I maintain that alienation by auction has outlived its utility. (Hear, hear.) Personally, I am an idealist, and think it fundamentally wrong. Land itself is of no value until it is developed. It is development which puts the value on the land, and though I say that it is fair and right that Government should obtain a fair price for its land it should not allow

it to be sold for more than it believes it to be worth. It is our object to get on to the land and to keep on the land as many suitable people as we can. (Applause.)

There are two types of suitable new immigrants: the residential and the farming immigrant. Both can be treated alike under the scheme I propose. Of course, the scheme I propose is direct alienation of land as the normal procedure instead of auction. (Hear, hear.)

I would like to cite a quotation from the Land Tenure Report of 1922 by De Laverque:—

"The turning aside of capital from the cultivation of the land to its purchase is one of the chief vices of our French rural economy".

That, I submit, is true of Kenya to-day. In mining we have never yet sold a concession. We have granted a concession according to the amount of development that the rival applicants have agreed to put in. Of course, we have required guarantees as to capital to guarantee that development and have had to be satisfied as to the personnel carrying out the development.

I think we can adapt the procedure already sanctioned in mining and adapt it successfully to land alienation. I suggest first a valuation by the Crown Valuation Board which should place a fair value on the available Crown land suitable for alienation, either as residential or agricultural farms. There should be a land ledger, in which should be shown the area of the farm, its number, survey fees, price, and annual rental. The Commissioner of Lands should be allowed to accept for consideration applications from suitable people for the direct grant of that land. A notice should then be inserted in the Gazette as is done in the case of mining concessions to the effect that an application for such and such parcel of land has been accepted for consideration, the applicant being so and so. We shall quote in a schedule the number of the farm, acreage, price, and annual rental, and we shall call for objections or counter-applications, as in mining.

I do not want direct alienation to be a hole and corner affair or there have to be any chance afterwards of people saying: "This was done behind our backs and if we had known of it we would have applied for the land ourselves, and we have reason to believe the applicant is only going to hold the land for a rise and has no intention of development". The objections, if any, and counter-applications, can be considered by the Land Advisory Board before a recommendation is made to the Governor by the Commissioner of Lands.

Of course, there are many objections to that, but I think the advantages outweigh the objections. There will be complaints of favouritism I suppose. But I hold that the Commissioner of Lands is paid to bear responsibility and he should, of course, be paid sufficient! He has also the advantage of the Land Advisory Board behind him, which I think will be only too willing to share that responsibility.

Throughout my tour of the highlands, and I have spent much time while acting as Commissioner for Local Government, Lands and Settlement, on land and road surveys and in addressing meetings upcountry, I have found a demand for quick, direct alienation of land which I think is very difficult to resist.

As I said before, I am a bit of an idealist, and I hold that it is in the love of land that prosperity lies and with prosperity contentment. (Applause.)

THE HON. CONWAY HARVEY: Sir, stimulating as a draught of rare and refreshing wine is the enunciation of principles of land alienation by the hon. gentleman who has just spoken in such full harmony with the views of all informed opinion, official and unofficial, throughout the length and breadth of Kenya.

In the year 1920 a Commission was appointed called the Land Tenure Commission, on which I had the honour to serve in company with my hon. friend the Member for Uasin Gishu. The personnel of that Commission embraced such recognized authorities on the subject of land generally as the late Mr. Hugh Martin, Mr. Alexander Holm (the former Director of Agriculture), Mr. Ivor Gower (late Solicitor General), Mr. F. O'B. Wilson, Mr. McLellan Wilson, and a number of others. In spite of the fact that this Commission unanimously and quite emphatically recommended when they reported in 1922 a policy very much on the lines of this so ably and clearly expressed by the hon. gentleman, this report was received with derision and hostility by the Government of the day, and it is very very refreshing to know that in these days wiser counsels prevail.

There is a source of revenue in connection with land as yet untouched to which I would invite the serious attention of Government, and that is the conversion of the present leasehold grants to freehold titles. That, Sir, again after very close investigation by the Commission I mentioned a moment ago, formed the subject of one of their majority recommendations, and that only after touring the Colony for a period of nearly two years, holding sixty-four meetings, hearing evidence from all and sundry, and carefully perusing no less than eighty-four memoranda on this important subject.

Freehold tenure now, as then, is undoubtedly in popular demand which might well be met. I fully recognize, as must everyone, that the definite demarcation of the White Highlands is necessarily a pre-requisite to the granting of any freehold titles and, in my humble opinion, freehold titles should not be granted to all and sundry just because they can afford to pay for them. In my opinion it should take the form of a concession for fairly intensive development on the part of people who have quite clearly established their homes in this country rather than land speculators who do nothing to put up the value of the land. I consider that the principles governing the conversion to freehold titles most certainly embraces rather more intensive development conditions than those appertaining to-day which could very well be laid down by the Advisory Land Board. And then I would suggest that twenty years' purchase of the annual rent might be a very good basis for Government's consideration. That means a sum of money which, invested at say 5 per cent, would bring in the present annual rent paid by each farmer, which of course means that a farm subject to a rental of 20 cents an acre now could clear its freehold by paying a sum of Sh. 4. If my arithmetic is correct, 5 per cent on that would represent 20 cents per annum.

Another matter that causes considerable disappointment to me, a number of my constituents and many farmers in other parts of the Colony is the fact that Government has not been rather more sympathetic and lenient in connection with the remission of onerous farm rents. I mean cases in which they constitute a very definite hardship. It may not be generally known that there are many farms in the Nyanza Province of 6,000 acres with less than 5 per cent of arable land which carry an annual rent of no less than 24 cents per acre. That is greatly in excess of the whole capital value of the land, and unless the occupier is a multi-millionaire it is quite impossible for him to develop that land economically and properly.

The recommendations contained in Sir Alan Pim's valuable report have figured very prominently in this debate. I have gathered the impression that the Secretary of State, who really is the *buana mkubwa* in connection with the matter, favours adoption of the recommendations in toto subject, however, to modifications as a result of expressions of opinion from accredited representatives in Kenya. I should like, with very great respect to the hon. mover, to contest the soundness in one or two respects without making too heavy a draft on the patience of the House.

I think it would be a very great mistake, and I am so pleased that in my view I am supported by such distinguished authorities as the Hon. Chief Native Commissioner and the Hon. the Treasurer who, in their most admirable report on

the subject of native taxation, deprecated raising the age of liability for tax on natives from sixteen to eighteen. Anybody who knows the natives of Africa at all is fully aware that at the age of sixteen the native of Africa is far nearer maturity than the English boy of the same age. As is stated in the Report I mentioned, they regard themselves as men, they are in possession of registration certificates, they do men's work and they draw men's wages, and I see no reason in the world why there should be any change and, incidentally, no case whatever has been made out, there are no arguments, nothing has been said, to indicate any justification for a change in this very important matter which incidentally, if we follow Sir Alan Pim's recommendations, would mean a loss of no less than £40,000 to the revenue of the Colony. I think that is serious.

Secondly, Sir Alan Pim recommends a reduction by 50 per cent I think in the rate of tax on plural huts. That would represent a loss of £25,000. Everybody who studies the question at all—and quite recently as a member of the taxation commission I had very many opportunities of going into the matter on the spot—and knows anything about it, is aware of the fact that District Officers have exercised their authority with very very great leniency and discretion. In many cases between 30 per cent and 40 per cent of remissions in certain districts have been made in the case of the old and the poor and those unable to pay. But surely it is a very big mistake to suggest that a wealthy young chief who can afford about ten wives and ten huts, all of them with a big dowry, and capable of increasing the wealth of the individual should get remission of taxation when we bear in mind that these remissions of well over £60,000 again inevitably mean a reduction in the expenditure on native services which we all regard as of first importance in the economic and social life of Kenya.

Sir Alan Pim also recommends the appointment of taxation officers and, unaware that such a recommendation was to be made, it will be noticed that a similar conclusion was reached by the special Native Taxation Committee that I mentioned a moment ago and also by the commission the subject of the collection of native taxation of which I was a member. There is one important point I wish to make here. Sir Alan Pim says (and I support his statement) that the substitution of District Officers by Tax Officers should result in an economy. Unless the Tax Officers take the place of the equivalent number of District Officers there will in fact be no economy, and I am very much inclined to think that it might easily lead not only to a reduction in expenditure but far greater efficiency. I should like to say in passing, as a member of the commission on native taxation, the most vivid

impression left on my mind after touring the country, interviewing complainants, interviewing District Officers and all and sundry, the most vivid impression left on my mind is the keenness and enthusiasm and fairness with which the District Officers without exception investigated, at very great personal inconvenience in many cases, every question of alleged hardship that was brought to their notice. I think it only fair to say that, because I sincerely believe it to be the case.

I should like to say just one word about the Agricultural Department reorganization. We do most cordially welcome the closer co-ordination of the scientific services, more especially in connection with the formation of a coffee team, which of course was suggested to Sir Alan Pim by the Coffee Board, and we are very pleased he accepted it and very pleased indeed that Government has seen fit to incorporate it in the 1937 budget. Incidentally, on behalf of the coffee planters, we still feel that in respect of public expenditure such an important industry which makes such enormous contributions to the revenue of the Colony is at a great disadvantage in the amount of public money which is expended. The industry itself contributes the sum of approximately £10,000 a year, it does what it can to help itself, and I think it has a very, very strong claim for very serious consideration by Government when funds permit of a greater expenditure of money on services to an industry which means so much to the economic and financial life of the Colony.

Just in passing, I should like to mention, Sir, the great disparity that exists in connection with the Agricultural Department vote as compared with other departmental votes between Kenya, Tanganyika and Uganda, with one exception, namely, that of the Game Department, in which the Tanganyika vote is slightly higher than Kenya. Apart from agriculture, every departmental vote in Kenya is greatly in excess of votes under similar heads in the Tanganyika and Uganda administrations. It does seem to me peculiar that the solitary case of agriculture occupies a very unfair position in respect of the total sum voted for work which must be regarded as of first importance, as incidentally agriculture is really the origin and source of all real wealth.

I view with some apprehension the suggestion that the now department, the Veterinary Department, should be again given a separate entity and divorced from the general administrative control of the Agricultural Department. I was a member of the Board of Agriculture which put up the case to Sir Alan Pim and Mr. Milligan on the subject. With the support, practically unanimous support, of the stockbreeders of the country, we all felt that veterinary work, whatever field of veterinary work is necessary, should be based on that

institution at Kabete, the Veterinary Laboratory, which has done such magnificent work over a long period of years and has played such a prominent part in the advancement of the stock industry. I still hold that view and I shall make it my business as a member of the Standing Finance Committee to hear the details of whatever case can be made out for, at this stage, the creation of a separate department which, in my opinion, must inevitably lead to greatly increased expenditure as time goes on, more particularly, as is clearly laid down in this Report, and I think rightly so, that ordinary animal husbandry in native reserves where agriculture plays a prominent part shall be under the charge of the ordinary agricultural officers who are very highly qualified and well able to do such work as may be necessary.

I am very glad to notice on page 100 of the Estimates the belated recognition of the building requirements at Kisumu, more especially in regard to the small sum of money, I think a matter of £2,000, which has been allocated as a start towards the erection of a post office suited to the requirements of a rapidly growing country. I have made it my business to compare the postal work of Kisumu, Nakuru and Eldoret. Both of the latter places, as everyone knows, are the proud possessors of handsome stone sky-scrapers erected at a cost of thousands of pounds! (Laughter.) The work in Kisumu very closely approximates—and will very shortly exceed—the work in either Nakuru or Eldoret, and I think it most improper, always bearing in mind the very great importance of Kisumu as an air port, that a staff of sixteen people have to do their best to perform their work efficiently in a miserable little structure which was built about thirty years ago and which can only be described as a glorified dog kennel. I am quite sure this vote can never be challenged by any reasonable person with any knowledge whatever of the facts of the situation.

In conclusion, I should like to associate myself with the views expressed on the general question of revenue and the Estimates generally by the Hon. and Gallant Member for the Coast and the Noble Lord. I sincerely trust that a detailed examination of the budget figures by the Standing Finance Committee will show that the emergency taxation can be remitted and that no need exists for either increased taxation or a change in the incidence of existing permanent taxation without the most careful enquiry in which representatives of adjoining territories should be associated.

THE HON. H. M. GARDNER: Sir, I want to say just a few words on the Forest Department estimates, particularly as they have been cited as an example of the deliberate under-estimation of revenue by Government.

As regards the Forest Department revenue, the estimate is based in the first place on figures supplied by district forest officers who have the actual work of selling of forest produce and should know the state of the market and the tendencies for the future. I found in the 1937 estimates that the total of their estimates was, as I thought, rather low, and in view of what we had actually collected last year and were collecting this year, I took upon myself the responsibility of adding about £1,700 to the total. But, as I say, that total was entirely mine. I had no word from Government on the matter of the revenue estimates except when I did suggest additional expenditure on afforestation in certain districts, the suggestion was made that that might be easier to obtain if it would in any way increase the revenue estimates. I could not see my way to increasing the revenue estimates, but in the end I did obtain a slight increase on the vote for afforestation.

The matter of the estimate for fuel sales has been particularly mentioned. It has been suggested that if the railway traffic is to increase largely the Forest Department sales of fuel must also increase largely. Actually the difference between the 1937 estimates and the 1935 figures is only £22. As a matter of fact, it was suggested that the only possible reason that could be given for revenue not increasing with the railway increase in traffic must be that they had invented new engines. That, Sir, was of course said sarcastically, but actually it is what has happened. The Railway have in recent years introduced a new engine which does not burn wood fuel, and every year they are increasing the proportion of these engines, and I am constantly being informed by the Railway that prospects of sales of wood fuel are bound to get less and less each year. Therefore there is nothing illogical in keeping our estimates more or less the same next year as last year in spite of the increase in railway traffic, because that increase in traffic is largely hauled by engines which do not burn wood fuel.

On the expenditure side, it has been suggested that Government should do more direct work in anti-erosion measures in the native reserves. In this year's estimates we have obtained a small increase for further work in the Machakos reserve. In recent years there we have only been able to plant, owing to lack of funds, about fifty acres a year. Next year we hope to plant at least two hundred acres. That, of course, is a very small matter in comparison with what is needed in that reserve, but we hope to be able to increase it considerably in the future. If we can get over the many local difficulties in that reserve, due to the conservatism of the natives, we hope at least to make a start on the bigger things next year.

Council adjourned for the usual interval.

On resuming:

THE HON. F. A. BEMISTER: Sir, it is with some trepidation and not a little anxiety that I dare to raise my voice in this honourably assembly, the reason being that although I am a member of the controlling race in this Colony and Protectorate I represent a town which is unique in the Colonial Empire of the British crown, as it is the only one in which Indians possess greater privileges than Englishmen, in that Indians are allowed to select and elect their representatives on the Municipality. That privilege is denied any Englishman in the Island of Mombasa.

It is interesting to inform you, Sir, that this unique position has been brought about by a definite breach of your own Municipalities Ordinance, in which it is laid down that if a majority vote is taken in the Municipal Board to request Government to grant the elective principle that request by a majority shall receive the Governor's assent. Notwithstanding the fact that a resolution has been passed by a majority of the Board requesting the election of members, it has been refused, because the majority did not consist of Englishmen.

The ordinance lays down a majority of the Board, Government says it must be a majority of one race.

A more wicked insult to the intelligence of the taxpayers I cannot imagine, and I congratulate Government for introducing racial strife and controversy in a town in which it has never existed, and I take this opportunity of publicly thanking my Indian fellow citizens who did make this proposal, a proposal which would give to Englishmen not superior rights but the same rights as they held. At the same time I congratulate my colleagues, the elected members of this Council for ignoring the whole question, because they consider it a local matter.

The effect of this statesmanlike decision of Government is that we have lost the services of one of the finest public-spirited Englishmen—he is really an Australian—in Mombasa, and that is Mr. J. C. Coverdale. This gentleman has devoted some thirty years of his life to public affairs unpaid, and is even to-day willing to serve and represent the public but will not be a puppet of any fixed administration.

It will be urged, if there is a reply, that Government received a petition from certain prominent residents in Mombasa. I want to ask; first of all, was it ever examined as to whether those prominent citizens were actually direct taxpayers or were their rates paid by their employers? In any case, I do not care if you receive a thousand petitions. The law is the law, and the resolution was passed by a majority of the Board, and I challenge Government's right to ignore such a resolution.

To pass to the present controversy, the budget and the Sir Alan Pim Report.—Let me first assure you that I am not angry, I speak more in sorrow than in anger! Years ago, I was accustomed to spend a little of my spare time at a place called the Old Bailey. It is a criminal court (laughter), and when I used to see a poor man or poor woman being tried my sympathies were always with them, not particularly because of the crime which they were alleged to have committed but because they had broken the eleventh commandment and had been found out. This is why I speak in sorrow to-day because I am in deep sympathy with Government, but there is no doubt about it they have broken the eleventh commandment and they have been found out.

The motion put up by the hon. Member for the Coast last week showed a way out, and was a kind way of allowing the Government to retrieve their mistake, and, I suggest, should have been accepted. However, just like the people I have mentioned before, they refused the olive branch, they employ all their greatest brains to defend their action, and now they must be judged without the mercy they could have claimed had they accepted the offer last week.

As I have told you, I come from Mombasa, and, I would ask you, how is it possible for a representative of Mombasa or even any man or woman in Mombasa, to trust the Government? I refer to the action of Government in connection with the Likoni ferry.

I will put it to you, Sir, and respectfully request the considered judgment of the hon. the Colonial Secretary as to whether Government committed a wilful misdemeanour or is Government, in the words of the hon. the Provincial Commissioner, Central Province, composed of nit-wits who vote just as they are told and do not study a question? What is the position.

THE HON. S. H. LA FONTAINE: On a point of explanation, I never used the word nit-wit!

THE HON. F. A. BEMISTER: You did not? Then I am extremely sorry. It was somebody! (Laughter.)

In June, 1935, a Bill was passed enabling the Mombasa Municipal Board to take over Likoni Ferry, with powers to lease it with monopoly rights to a third party. In fact, the actual words read:—

“The second point that occupied the attention of the Mombasa Municipal Authority was whether, if they took the service over, they would be adequately protected from competition. The competition might come from two sources . . .”

I want you to note that—

“ . . . one from the Railway itself and the other from private ferries. Insofar as Railway competition is concerned, that is dealt with in the next Bill on the Order of the Day this morning, and so far as competition from other sources is concerned, provision has been included in sub-clause (c) of sub-section 48 of section 53 to enable a Municipal Authority to prohibit the carrying on of a ferry boat service within specified areas.”

I want that particularly recorded, Sir.

At that time there was existing a concession in the hands of the East African Estates which precluded the Mombasa Municipality from giving a lease with monopoly rights, which means that had the Board accepted the powers, had they gone ahead and issued a lease with monopoly rights, they would have been liable for heavy damages for misrepresentation.

What I ask is this: Did or did not the Government know of the concession of the East African Estates at that time? If they did, then, Sir, I ask for a verdict of wilful misdemeanour. If they did not, then it was gross incompetency and a confirmation of the allegation that Government vote as they are told and without studying the question for which they are voting.

To my mind, the same position applies to the budget. Did the Government know direct taxation was to be increased under the title of income tax in 1937, or did they not? If you look at the budget you will see £83,000 odd mentioned as the figure to be realized and to be calculated as revenue. It is now stated on authoritative grounds that the matter is not to be considered as of immediate application but is to be referred to the Standing Finance Committee and then referred to this Council at some future date for further discussion. What a peculiar position!

Let us examine this remarkable document, not called provisional as last year, though to my mind it is far more provisional than even the last one. We see on page 18, Item 13—a most unfortunate combination of unlucky numbers— income tax, £83,500, as collectable under that head. Lower down, we find relief between Items 18 and 19, which are not numbered, of £11,500, £12,500, £47,000, a total of £71,000. All those items are concerned with direct taxation.

I would ask particular attention to my next remarks. I consider the whole of our present fiscal muddle and disagreement is due to the asinine amateurs who designed the alternative taxes! (Laughter.) Who were those gentlemen? They were culled from the Big Business, and their whole object, as

far as I can make it out, was to prevent income tax which they might have to pay themselves and to invent a hybrid concoction of their own which might be handed to some other fellow to pay.

These simple-minded geni' forgot that by the proposing of a non-native poll tax, which adds another £17,000 to the figure of £71,000, and extra education tax and levies on salaries, they were enlarging the already tremendous proportion of direct taxation, and they were admitting a principle which I shall always oppose until we have a free Government in this Colony.

I opposed all those taxes, Sir; I opposed the levy and every additional tax that was put on at that time. But I did not vote, as with the then hon. member Capt. Cotter and the present member for Trans Nzoia we were persuaded not to show our objection and we left the House before the vote was taken. I contend, Sir, that we were right at that time and our advisers were wrong. And I further contend that had the alternative taxes been made the subject of discussion by the elected members some better scheme would have been evolved, because the elected members represented all the people and not a particular section of interested parties.

Allow me to refer to Sir Alan Pim's Report. This report, it is quite clear, has been carefully written down to meet the intelligence of the Kenya people, but I am proud to think that Sir Alan Pim agrees with me on several points. The one outstanding fact is that an enormous amount of time is taken up by administrative officers on the question of tax collection, a matter which I think the hon. the Treasurer was not aware of last year, because he queried my suggestion that that was a fact.

Sir Alan Pim came here to find savings. We hoped he would succeed in finding us £100,000 immediately. He severely scoured Mombasa, and on page 157 he discovered the possibility of "co-ordinating under one control with a view to reducing one lorry". Marvellous! Geddes could not beat it! On page 87, paragraph 173, he comes to the momentous decision:

"If the posts of Provincial Commissioner and District Commissioner, Mombasa, were combined, it should be possible to reduce at least one clerk."

Now I turn to page 234, paragraph 334, which I think is the deepest insult to the Civil Service of this Colony and to the Indian population. Sir Alan Pim suggests that there is not an official in this Colony capable of collecting income tax from Indians, and thus there must be appointed one of their own race to check their racial customs. These are his words:

"to check their racial customs". I am astounded that not one Indian member has raised his voice on this point. The Civil Servants cannot, and therefore I stand as their champion. (Laughter.)

Sir, are the Indians the only people who attempt to evade taxation? For heaven's sake do not let us make it a joke. If Sir Alan meant it as a joke he should have put a mark against it, but on reading it in conjunction with his Zanzibar Report it is too serious. Although he does not speak so boldly in this report as in the Zanzibar one, the meaning is the same.

Look a little further, Sir, and see the amount expected from Indians. I think £35,000 was the figure suggested from investors living abroad . . .

THE HON. THE COLONIAL SECRETARY: I might explain that I said £25,000.

THE HON. F. A. BEMISTER: I will take that figure. £25,000 is expected from investors abroad, and we know the Europeans and other salaried people will account for more than £30,000, say £40,000. That leaves at a maximum £20,000 to be collected from Indians. They do not show up quite so well in the non-native poll tax, but we are going to get it all now. And to collect this amount it requires a special man from India, plus staff I suppose, and there is not a member of the Civil Service capable of collecting that amount, notwithstanding the fact that the onus of proof is on the taxpayer if he considers his assessment too high. Yet Sir Alan Pim says there is not one man in all our Civil Service, that we must get a man from outside. Surely he must have dined with someone—I don't know! (Laughter.)

I want to refer now to my hardy annual, the Mombasa water supply. In the Estimates there is an item of £10,000 for Renewals Fund. In view of the fact that the schedule covering the details of the water works, which is usually Appendix O, is not in the printed Estimates—I notice that the Appendices stop at N, the financial arrangement—I am unable to quote the total cost of the undertaking but, from memory, I think it is round about £325,000. A big proportion of this money has never been written off, though it is dead, as it represents the pipes taken out when the last £120,000 was spent, and these pipes have been replaced by a different type, concrete lined, with no possibility of corrosion, which are estimated to last thirty, forty, perhaps fifty years. A large part of the money is represented by earthworks and tunnelling which will never be replaced or renewed. Yet we are asked to allocate £10,000 for a period of may be thirty or

forty years plus interest and sinking fund charges in order to maintain a system which every year will return a greater and a greater profit.

May I, Sir, without impertinence ask, if income tax was not going to be brought forward and a greatly increased revenue expected, would this item have been put in for next year? To the outsider, especially anybody coming from Mombasa, the reply would be emphatically "No". But this is an item to swell expenditure, and will not be noticed; or it was hoped it would not. Don't think I am angry, Sir, I am still sorrowful!

Much has been said about education, and I want to tell you, I am speaking for the Coast, I want to tell you that in my opinion there is an awful lot of tuition but mighty little education on the coast. Your experts may think it is a wonderful thing for an Arab or native going to school in the first generation of his family to pass the College of Preceptors or London Matriculation which, I admit, are only words to me, but I can tell you from deep experience that it were far better to teach our coast citizens the art of earning their own living independently by the cultivation of land, building houses, making clothes, cleanliness, etc. How many schools have we on the Coast maintained by Government which carry out this type of education? It is represented by the same letter as the Appendix on the water works: it is an O.

This duty is left to the missionaries, who sweat their blood to improve the status of the native while Government educate them to be a nuisance and a parasite.

In this connection I wish to bring to your notice the Wan School, which it was intended to abandon on account of its costs and uselessness. I ask the Standing Finance Committee to inquire of anyone who has been to that school in the last year, including the hon. Member for the Plateau, the hon. Member for Kambu, the nominated Arab member, Sir Ali bin Salim, whether the work going on there now should not be encouraged and supported to the extent of double its present grant? The present grant is £500, and they educate 150 boys there, house them, feed them, teach them trades, to clean themselves, and to play a very fine band.

This brings me to the question of coast cotton cultivation, and I endorse every word spoken by the hon. member Mr. Pandya when he asked that one of the agricultural officers now at Kibarani should be transferred to work in the Digo district. I have a further suggestion to make, and that is that the present Giriama instructors be replaced by trained Mchaga from Tanganyika. The work of this type of instructor in the Voi-Taveta district is the admiration of everybody, and I

believe if they were employed among the Giriama and other backward races on the coast a very great improvement would be seen in the cultivation of cotton.

I am interesting myself and endeavouring to secure for the native a larger proportion of the benefit for his work, and have placed a scheme before the Agricultural Department whereby the native would obtain 33 per cent benefit from the profits of the ginneries. I am pleased to say that all the ginneries I have consulted have agreed, and I hope it will be operative in the new year. It is my hope that Government when they see the plan at work will insist on it being made a law right through the country. That is, of course, providing Government consider that they are the protectors of the natives.

In this connection I want to emphasize the policy that the Administration Department—namely, the Provincial Commissioners, District Commissioners and District Officers—are the natural and obvious developers of the Colony, and I urge that the technical departments should be acting advisory to them. The matter came to my notice which will explain this to you, the other day, in connection with the Rangala Ginnery.

It appears that among the applications was one from, I think his name is Kassam Rahimulla of Kisumu, a gentleman publicly praised by Governors, etc., for his great public work among the natives of Kavirondo. I am further informed that the Provincial Commissioner of the provinces there did actually recommend him as the most suitable man to have the concession but, owing to influences outside Kenya cotton buyers, the concession was granted to someone who has transferred it to a prominent Uganda ginner who has no connection with Kenya except a very beautiful house in Mombasa.

Now, either you trust your Provincial Commissioner or you do not. If you do, then follow their advice. If you do not, clear them out and get somebody else you can rely upon. But for heaven's sake don't play a little bit this side and a little bit the other! Go straight!

I would suggest to the Standing Finance Committee that they must be ready with a constructive programme and not merely a destructive one, to put before this Council when we meet to discuss their Report. What is the problem? As far as I can see it, they have to estimate with reasonable hopes of expectation to collect a matter of £83,000. Assuming a certain uplift, we will call it, of trade and customs and sales of land, they get an estimated increase of £35,000, with the £14,000, which I sincerely trust you are going to cut out of the budget and postpone for a year, for the renewal of water supplies. This makes £49,000. You have then approximately £40,000 to make.

I want to suggest that if an alteration be made to the proposed budget, that you cut out the £83,000, the levy, the education tax and the other emergency taxes and if you find by the 30th June, 1937, that you are not getting the revenue you reasonably expected that a sales tax of 1 per cent be made operative from the 1st July which, at the lowest estimate, will bring you in £60,000. I am not saying it will be required, but I put that out as a suggestion, as a life-belt if you do happen to feel you are sinking. This will keep you on the sound lines of indirect taxation. It will release the tension now pressing on people, and produce a surplus from year to year. It will enable the country to stand before the world as a well-conditioned part of the British Empire.

Before I sit down, I wish to mention one very important matter which I have left to the last on purpose.

The Standing Finance Committee is appointed, I understand, not on districts or geographical grounds but apparently according to races, in order to have all races represented. I have laid before the Hon. the Colonial Secretary a request from the Arabs that they should be accorded representation, but as they are not articulate they have asked that the hon. Member for the Coast, in whom they have the greatest confidence, be allotted a seat on that committee. I earnestly support their plea, and consider it would be a matter of simple justice that it should be granted. Remember, Sir, they once ruled this very part of the country, that they welcomed the British Government and, from the very first to last, though they have been definite losers in the transaction, they have always been loyal to Britain. (Applause.)

HON. SHERIFF ABDULLA DIN SALIM: Sir, I have no intention of making any speech, but the hon. Member for Mombasa alluded to the letter addressed to the Hon. the Colonial Secretary. I should like to say that the reason for making this request that the Arabs be represented by the hon. Member for the Coast on the Standing Finance Committee is that from the 14th November our Ramazan starts, and it would be very difficult for one of us to come to Nairobi to attend the meetings. I did not sign the letter, but I agree with it and the request which it contains.

THE HON. THE CHIEF NATIVE COMMISSIONER: Sir, I want first of all to allude to the speech of the Hon. the Venerable Member representing Native Interests when he disagreed with the portion of the speech made by His Excellency the Governor at the beginning of this session. His Excellency in his speech stated in connection with the Webb Commission:—

"It is gratifying to note that, although there are many irregularities, abuses in the collection of the native tax are not as common or as serious as had been alleged."

Now, Sir, that was taken from the Report itself, where on page 5 we said:—

"Taking the evidence as a whole there can be no doubt that abuses do occur in the collection of tax, as, indeed, is inevitable in any operation that is conducted by human agency, but, as will be seen from the analysis at Appendix B of the replies received in response to our circular letter addressed to Administrative Officers and Missionary Societies, it would appear that these abuses are, with a few exceptions, neither very prevalent, nor from the evidence submitted to us, very grave in character having regard to the stage of civilization of the people."

On page 6 we went on:—

"While we are satisfied that abuses and hardships exist, we wish at the same time to point out that complaints of alleged abuses or hardships are often unfounded or grossly exaggerated."

That is the report of the commission appointed at the instance of the hon. member himself, and I want to point out that he signed that report.

There may be some misapprehension, and it may be quite inadvertently he was put in a difficult position and I am going to try (I do not think I can succeed) to justify his point of view. He said that he had submitted a note of reservation. Well, Sir, I have here the letter signed by himself saying that he had received the draft report of the commission and he wrote: "I have read the revised report, and while there are a few things weakened down I agree with it as a whole." In the absence of the chairman I should like to say that we did not regard that as a formal note of reservation, especially as a very few days later the hon. member signed the final draft submitted to Government without making any mention of where this note of reservation was. He signed it, and although I did not see him myself he did sign it and the fact remains that he did, and what is going to happen now I do not know.

He rather inferred in his speech that abuses are still very prevalent and very general, although we, a number of responsible people, said they were not. He even twitted me by saying that I myself at one meeting had said: "It is no use flogging a dead horse, we have all heard enough evidence and do not want to hear any more". I think that is probably what I did say, and I think it is a common practice in the courts that even though there may be a hundred witnesses outside a judge can send them home if he is satisfied from the few he has heard that the matter at issue has been established.

The hon. member also said two things which are entirely correct. One was, that he has very long residence in this Colony, and the other that he has the interests of the natives at heart. Well, some of us have served here for a number of years, and all of us have the interests of the natives at heart. But where I differ with the hon. member is the way that interest should be expressed.

I do not for one moment agree that credulous acceptance of complaints is in the interests of the natives (hear, hear), nor do I agree that they should be mollycoddled in any way, although I do insist that they should have a fair deal. As regards the credulous acceptance of a complaint or in the matter of exemptions, I can remember a few years ago when I was collecting taxes in Kavirondo an old woman was brought up on a stretcher carried by four men. Without going into the question thoroughly I looked at her and said: "That is all right, you have exemption". Those four men, obviously considering they had done their day's good work, put the stretcher down, and the old woman leapt up and ran away smiling. (Laughter.) It came to my notice the other day while the assessment of compensation due for disturbance of land when the roads in Kisumu-Kakamega were being realigned, a small portion of one man's holding was cut off. He was given compensation of Sh. 132. That morning he went to the District Commissioner and asked for exemption from taxation on account of absolute inability to pay! Well, Sir, one does not blame the native for doing that, any more than one blames the European or Indian or anyone else who naturally do not want to pay taxes if they can get away with it, but I say it is quite wrong to accept any of these things without going into the question thoroughly, for vague statements of alleged abuses do a lot of harm in this Colony. (Hear, hear.)

I am sorry every time I stand up to have to query the Hon. and Venerable Member, but I cannot let some of his statements pass without mentioning them. He said last week that in certain areas the natives were definitely prohibited from buying the new kodi stamps. Well, Sir, that is the statement he makes, and is a statement which I refute. We have proof of what is the real position, and if he did me the honour of calling on me, or goes to any District Officer, he will see the return of the stamps sold in every single district of the Colony and will be told by the District Officers that what he has said (I do not know where he got his information) is not correct.

VEN. ARCHDEACON THE HON. G. BURNS: On a point of explanation I did not say last week. The matter referred to

was a matter of over two months ago. I brought the matter before the proper officer who dealt with it, and I also mentioned the matter to the Chief Native Commissioner.

THE HON. THE CHIEF NATIVE COMMISSIONER: I referred of course, Sir, to what the hon. member said last week and not to the subject matter being last week.

One small point only he mentioned, it might appear in the Press, that the date on which the penalty tax should operate is the 30th June, whereas of course the date is the 31st July.

Now, Sir, the hon. Member Dr. Wilson, if I heard him correctly, inferred that we, the Hon. Treasurer and myself, rather cast a slur on District Officers in paragraph 154 of our report when we said that they had not got the time to deal with taxation. If he read the report in proper sequence, in paragraph 117 we advocate the continuance of the present system of hut and poll tax "until individual land tenure has been established and native society has sufficiently advanced in its conception of civic duty to regard the payment of fair taxes as a moral obligation".

At that point we establish our idea that hut and poll tax should be the tax. In paragraph 154 we recommend the appointment of Tax Officers and we say that "as they acquire a more intimate knowledge of their work they should be in the position to evolve an improved formula for the assessment and collection of direct native taxes".

That, of course, Sir, must refer to the tax which we have said is in our opinion the only one for the present moment.

Two other points were raised by the hon. member. One dealt with famine relief, and the other with anti-erosion, and the inference was that in both cases Government should do more than they do now. I can take both of these together because the same principle is involved. In all cases of food shortages we have considered it right—and personally I still consider it right—that the natives should first of all do their best to help themselves. If in any case they are unable to do so, as was the case at the Coast a few years ago, and one or two other places, then Government comes to their assistance. The same with anti-erosion measures. Government does help tremendously, although it may not be apparent to everybody, in the appointment of agricultural and forestry officers. It has helped enormously in the anti-erosion campaign, but we consider that more can be done if people themselves do what they can to help themselves in the first instance. If they cannot do it then I am quite certain Government will step in.

Various members have mentioned the Pim Report in connection with native taxation, and as that matter is under consideration I have nothing to say at all to-day. I just want to make clear to the Hon. and Venerable Member one point which perhaps he did not know. He did mention that if the age was not raised to eighteen certain pupils in certain schools would be very adversely affected. The point that may have escaped his notice is that Government pays the tax—it is virtually exemption—of all indentured pupils in Government and mission schools and all pupils above Standard VI in those schools. That means that all indentured ones who may be quite young—maybe between sixteen and eighteen years of age—get off anyway, and all those pupils about the same age, or getting near to eighteen, in Standard VI, have their taxes remitted, by Government paying the tax for them.

I think I have dealt with the points raised in connection with native affairs by the two hon. members. I have nothing more to say.

LIBERTY, COL. THE HON. J. G. KIRKWOOD: Mr. President, since there is a lack of orators this morning, I will have to step into the breach and give Government abuse for a short time! I am not going to read a speech, I never find it necessary that one should be read. In concentrating my mind this morning I am looking at the fact that this is a budget session and I have a few criticisms to make on the budget. At a later stage I wish to say something on the Pim Report as a whole and on one or two details.

With reference to the budget, Sir, it is an astounding document to me and more or less a jigsaw puzzle. Government have estimated for 1937 a surplus of revenue over expenditure of £10,777. I am convinced when the Finance Committee have dealt with this budget they will bring that figure up to more like £177,000. There is no question about it that, taking the 1936 figures as known to-day, which have been quoted at about £90,000, and which I am quite certain again should be quoted at somewhere about £120,000 to £130,000 surplus for this year, it is very difficult to understand why Government have budgetted as they have. It seems to me that they have deliberately cut down up to date the genuine figure for this year, and that the figure for 1937 is out of all proportion to the knowledge that we have to-day of the finances of this Colony. Government I think will be compelled to admit that the revenue for 1936 will exceed £100,000.

The first conundrum is, seeing that we are on a rising tide, how can they cut down the estimated surplus for 1937 to £10,777? We had a few years ago a very controversial session of the budget and of the budget committee which was

held at Government House, the year when the revenue from customs was estimated to bring in some £860,000. That year, we on this side of the House, with our knowledge of the economics of this country, were satisfied that that figure was very largely in excess of what would be realized, and it was admitted by everybody that although we may have been wrong we were nearer right than Government. We did succeed in persuading Government to reduce these figures by £116,000, and that was only approximately half the amount we asked for. That was in a period when we could see ahead that we were in for troublous times from a financial point of view. To-day things have changed. It is admitted by His Excellency in his speech recently in this House that we are on the rising tide of prosperity. I admit that to a certain extent the outlook, the long range outlook, is very much better and has greatly improved. Consequently, I now wish you to believe that in 1937 the estimated surplus should not be under £200,000. If you put it under that you will again be wrong.

To take one instance alone, the maize pool that has recently been declared by the Kenya Farmers Association at Sh. 4/42, a very bad price indeed, well below the cost of production. It only goes to show the consideration we should give not only to the growers but to agriculturists as a whole. On top of that fact, it is already known that the K.F.A. proposes to make an initial payment on the coming crop which is now being harvested at Sh. 6, and if they can declare a pool of Sh. 1/42 and so bring it up to Sh. 7/42 it will mean to many, at least in my district and Trans Nzoia, an increase in the capital received in the coming year of £60,000 more than we received for the crop the figures for which I have just quoted. If you take it on the approximate figure of 400,000 bags for the Trans Nzoia, you have got to make the total export at least 800,000 bags, so that makes it at least £120,000 more to the maize farmers—and I am talking about the European maize farmers—received this year. I maintain that something over 90 per cent of that money will go into circulation, and it is money like that which increases the finances of Government. It will circulate; it will be reflected in increased customs; it will be reflected in increased railway revenue to a very large amount, and it will reflect also the prosperity of the commercial community. The maize farmer has suffered now for close on seven years. He has been using up his implements, keeping them going, and they now require replacement; there are acreages that have gone back which will now come under cultivation. It is for these reasons that I am looking forward to a very much larger surplus than is anticipated by most people.

I have only quoted maize, but there are other factors at work such as sisal. Sisal is and has been for some time now quite a paying proposition. In past years, the rotation of sisal has not been kept up, for they have not been able to afford it. Now, however, growers are not only putting in rotational crops but increased acreages. Sisal, again, requires a type of labour that is not necessarily essential on an agricultural farm, that is highly and well-paid boys because they are physically fit. A very large amount of money is circulated in wages to these boys, and the whole amount will be spent. The increased expenditure on the rotation must, therefore, be quite a very large amount.

I do not wish to go any further. I think these two instances are enough; otherwise I could keep you here a week. These two instances I hope will give the Standing Finance Committee furiously to think, and to do as we did in past years, get estimates from the Agricultural Department of what they consider the increased revenue that is going to accrue to agriculturists during 1937, due to the factors now working in our favour, and so base your estimates on these figures.

With regard to the Pim Report, to my mind it is an astounding document. I presume that Sir Alan Pim, having been asked, did make a Report. It is a fairly voluminous one—it could have been condensed considerably or it could have been enlarged! But what I should like Government to tell us is, what do they mean that they intend to implement the Report as a whole? We have also been told that the Secretary of State visualizes implementing this Report as a whole. From his point of view, what does he mean? and what information has he passed on to Government?—Is Government going to pass any information on to this side of the House, if they have any? It is suggested that we should be allowed to borrow £100,000 a year for five years, otherwise he considers that this country is now credit-worthy. I will take that point for a moment.

When the late Secretary of State was in this country he told us we were uncredit-worthy. Who is right and who is wrong? Is it the intention of Government when they say that they will implement this Report as a whole that they intend to force on this Colony the unnecessary action of borrowing £100,000 a year to balance the budget? because if they do, I shall have a great deal more to say at a later stage as I am opposed to borrowing unless it is for productive works. I am opposed to increased taxation, and I am also committed to the remission of the temporary taxes. Sir Alan Pim has given, there is no question about that, a great deal of thought to the problems of the Colony. If you implement his Report as a whole is it again an alteration of policy on the

other side of the House or of this Government? If you reverse your policy, if you have not reversed your policy, what is the implication of income tax in this Colony on the official salaries and no income tax in the adjoining colonies of the Empire? Your unified Civil Service goes by the board by your own action, so that what you said in the past I presume is going to be withdrawn with modest confusion.

Sir Alan Pim has also made far-reaching recommendations as regards reduction of native taxation. To my mind, it is a very dangerous step indeed. Invariably when a reduction in taxation is made you find afterwards if an increase has to be made it causes trouble among the natives. He has suggested raising the age of taxation from 16 to 18 years with a considerable loss to revenue. He has also suggested doing away with the multiple hut tax, also another item of considerable loss to revenue, and is also looked on as a bonus for polygamy. He draws attention to the fact that the natives as regards sex, male and female, are more or less balanced. One could draw from that that he proposes that the rich natives will still be able to keep numerous wives and prevent the younger men who have not the wealth from obtaining them. It is a very dangerous suggestion indeed and is one that I hope Government will give serious thought to, doing nothing in haste, for it may have repercussions which we may all regret in time to come.

We are all well aware that at the present time the natives in this Colony are not taxed to the extent that they are in one of the adjoining colonies, and we hear nothing from that territory that the natives are being overtaxed. In speaking, I realize to the full that administrative officers have very large powers indeed vested in them for remission of taxation by natives. As a result, I think I am right in quoting the figure of £50,000 as the shortfall in native taxation last year, and I presume a great deal of that was due to remissions and and where unlimited powers of remission really exist I think it is very difficult to make out a case that natives at the present time are overtaxed.

I think that what is wanted, what is missing, at this session is a clear statement by Government as to what their present policy is, if they have one. The Pim Report has complicated matters considerably for everybody, not only for Government but for members of this side of the House, and I think we are entitled to ask, what is the action of Government as regards the Pim Report? If they have not yet got any definite policy in regard to it they should say so. Are the members on this side of the House going to be taken into

consultation, or is Government going to proceed as they usually do and take from the Report what they think they should implement and leave the rest?

There is one point, Sir, that I should like to make, and that is the load that Sir Alan Pim suggests should be shifted both from the natives in remission of taxation and the other the remission of the levy on official salaries, leaving some 8,000 odd unofficial European members of this community to carry the whole of that load. It is quite obvious there is no other deduction to be made in regard to the question, that it is the unofficial community of 8,000 odd taxpayers who will have to carry the load that he suggests should be shifted. I maintain that it is impossible for the European community of this Colony to carry the load they are carrying to-day, much less carrying in addition the load suggested in the Pim Report. I have no objection to the levy on salaries being removed, and the hon. Commissioner for Lands and Settlement was wrong when he quoted the Noble Lord, the Member for Rift Valley, in this connection. I understood the latter to say that he had no objection to the levy on salaries being removed from the first of the new year provided an equal adjustment in connection with other taxation was given to the unofficial community. I am sure that even on the other side of the House you are not going to use your official vote and the Government is not going to use the steam roller to shift the load from the official members of the community and leave the balance to be carried by the unofficial community.

The alternative taxes have been a very controversial matter. Call them what you like, but it is within the memory of everybody in this Council that according to *Hansard Vol. 1A, 1933*, I spoke for two hours on this subject. I am not going into that now, but during the course of that debate I made it perfectly clear that these other taxes were temporary and they were imposed to give Government breathing space, time, to reduce the overheads of Government to bring them within the capacity of this Colony to pay. They have now had several years, and little, if anything, has been done, and I am sure that the unofficials in the Colony have a perfect right to be restless. They are carefully watching the actions of Government at this session to see whether the temporary taxes are going to be remitted or whether they are going to be imposed again. In my considered opinion I am convinced that we can remit the whole of the temporary taxation and balance the Budget of 1937 without any further taxation whatever and show a surplus at the end of 1937. If Government does not believe that, and they will naturally take their orders from Downing Street, and if the home authorities believe that the Pim Report should be implemented as a whole they have a

right to raise a loan of £100,000. But I hope and believe that any action on these lines will be strenuously opposed by everybody in this Colony.

I hope that we shall all work for the good of the Colony. There is no question about it that to-day I consider it a more serious position than at any other time since I have lived here. Government have an opportunity of showing they are capable of governing us as much as they have shown in the past that they are incapable of governing us. But it is time that the constitution of the Colony was altered. I believe that in the near future it will be altered, because it seems to me so farcical that officials of Government, heads of departments, must sit here day after day, sometimes week after week, and they are not allowed a political conscience. I hope that in the near future the Secretary of State will consider giving the people who he claims are equal, if not superior, to any Colonial Civil Service in the Empire the right to exercise that political conscience and give them a free vote in this House.

MAJOR THE HON. G. H. RIDDELL: Mr. President, I had not intended to take an active part in this debate because the Noble Lord has stated adequately for us on this side of the House the principal points in the budget and I think, so far as I am concerned, reiteration is unnecessary. But there are one or two points which have cropped up in the course of the debate on which I want for a few minutes to comment.

The first point is contained in the Governor's speech: that His Excellency welcomes the proposal put forward by Liebig's (Rhodesia), Ltd., for the establishment of a meat extract factory at Athi River to take a minimum of 30,000 cattle per annum. So do we all, but it is incumbent on those of us who understand the problem of supplies to see that Messrs. Liebig's get a fair deal.

The actual sentence in the Governor's speech which I wish to comment on is this:—

"The prices which it is proposed to pay for cattle are, I feel sure, sufficiently remunerative to ensure that once the initial difficulties have been overcome, the native will readily bring forward his stock to the factory."

I must say at once that I find this statement very lean meat indeed. We have the support of two Reports which completely refute it, the one of the Daniel Hall Agricultural Commission, 1929, and the Carter Land Commission Report of 1932. Both of these Reports lay stress, and very great stress, on the fact that you cannot get surplus stock out of reserves except under compulsion, and they both lay stress on the fact that that compulsion is in the interests of the tribes themselves.

I made this point myself when I was speaking on behalf of the elected members in the Carter Commission debate in 1934. I drove, so far as I was able, that point home. I do not mean to allow this important matter not to be dealt with. I want to know from Government whether they are going to accept the advice of Sir Daniel Hall or the advice given in the Carter Land Commission Report, or whether they are going to adopt the *laissez-faire* methods as we described them then as appears in this statement in the Governor's speech, and I should like an answer.

I wish to point out also in passing, that whatever was said by the Daniel Hall Report or the Carter Commission might have been prejudiced as far as official members were concerned, since there was not in those days a market for this surplus stock, but that does not arise to-day. The main stock tribe which Liebig's have to look to for supplies are the Masai, and they are just emerging from one of their periodical cycles of depression caused by drought, starvation, locusts, and consequential disease. Five or six years ago they could probably have supplied under compulsion all of Liebig's requirements, and the money thus obtained could have been used for food to keep them in the terrible times of stress they have been through since those days. To-day, I have it on the authority of Captain Long, it has been quite difficult to get supplies from the Masai.

You must remember, as His Excellency mentioned in his speech, the total export of cattle to Italian Somaliland was only 9,000 head from all sources, whereas the minimum requirements of Liebig's, also mentioned in His Excellency's speech, are 30,000 a year. The trouble with the administration of the Masai as regards this question is the question of compulsion, but although it has been recommended *ad nauseam* by those competent bodies, it has always been shirked; I believe it was that point that killed the Daniel Hall Report.

The administration meted out to the Masai of late years has also been particularly unfortunate. I believe I am accurate, or nearly accurate, when I say that there have been no less than seven officers in charge of the Masai in the past seven years. What continued policy can you expect from such a state of affairs? The Masai want special treatment, and want a specially selected officer who is in sympathy with the stock tribes and who understands the difficulty of a proud people. They want, I repeat again, this particular treatment. And the same applies, of course, to a certain degree, but less, to the Samburu and kindred stock tribes.

Before I leave the question of the Masai, in this connection, that of stock raising, I want to impress on everybody in this Council that the Masai are a real asset to this Colony

in the terms of Liebig's, because they are a skilled cattle people, and, under proper conditions and supervision and guidance can be made into a productive asset to Kenya. But this asset is in stock raising, and stock raising alone, and it is under these conditions that they hold down a vast area of highlands and fine grazing areas in proportion to their numbers, and also in proportion to the hut tax they pay.

Professor Huxley, writing in the English Press, said that one day in the not far distant future, the Masai would become museum pieces, as he describes it. That may be so, but at the present time we have them holding down this large area of land, and it is up to us to make them productive.

I have been trying to find out what steps, if any, have been taken in the Masai country in the last few years, and there is one point that I should like to mention to Council. That is, that I find the veterinary officer at Ngong in charge of the Masai area has been and is, I believe, to spend some part of his time in teaching them how to plough. Apart from the fact that the Masai do not want to learn to plough, and never will want—I am talking of the Masai proper, not the detribalized who occupy the area around Ngong—what is the sense of instruction of this sort? Every year, on the Ngong Hills alone, millions and millions of tons of hay fodder are burned off by the Masai. The first step in the instruction of the Masai is the conservation of that hay and fodder crop which the Almighty brings with the rains every year.

Of course, the spectacle to me of a highly qualified veterinary officer teaching the Masai moran to plough can only have proper justice done to it by a Bateman drawing. The veterinary officer, to start with, is a highly skilled gentleman who draws a large scale of pay and writes the letters M.R.C.V.S. after his name, and that means to say he has passed through a scientific course at the Veterinary College in England, and I have never heard that instruction in ploughing was included in that course. I am quite certain also that my hon. friend the Member for Usin Gishu, if I asked him, could find a young Dutchman off the Plateau who has been ploughing all his life who would teach the Masai to plough far more efficiently than any veterinary officer and at one-eighth of the cost.

The veterinary officers are asked to do some weird things in this country, if I may say so. The Hon. and Ven. Archdeacon Burns, in the course of his remarks, which have also been criticized in other particulars, mentioned the fact that there were veterinary officers in the Kavirondo Reserve teaching the natives to make ghee. He actually founded on that fact the argument that the Veterinary Department should be separated

from the Agricultural Department, with his approval. We all agree that it is a good thing to teach the Kavirondo to make ghee, but why it should require a gentleman being paid £1,000 a year to teach them goodness only knows. Any competent young lad off a stock farm could teach them to make ghee, again at one-eighth of the cost.

Before I close these points that I have made (I hope I have got them over!) I should like to say that it seems to me that in times of stress such as we have been through, terrible times of financial stringency, it is a perpetration of fraud on the taxpayers of this Colony to use a thousand pounds a year veterinary officer for extraneous services of this sort. With that I will leave the subject.

The Hon. Member Mr. Shumsud-Deen in his speech he made yesterday I understood criticized the District Councils and compared them unfavourably with the Public Works Department in terms of the road that runs from Nairobi to Longido and then along to Arusha. He mentioned the fact that two gallant young gentlemen who came from Kenya, although they had covered that distance in a very fast time, they were quite sure to say when they got back that they found that that was the worst bit of road that they had to travel on. I understood the hon. member to use that point as an attack on District Councils, and therefore I think it is right to mention that none of that road goes through the area—short of a very very small point—which is controlled by the District Council at all. It is practically entirely a Public Works Department road! So his argument as regards that rather falls to the ground. But in fairness to the P.W.D., I should like to put it as a fact that these two gentlemen he mentioned did cover that distance at the rate of 60 miles per hour, and although they are to a certain extent supermen they are not such supermen that they could do that unless the road was reasonably right. We all of us know that road and know that between Kajjado and Longido there are something like 20 deep dongas. It is not proposed I suppose, in the present state of finances to bridge them with things like Westminster Bridge. None the less, they managed to get across that area at 60 miles an hour, and I reckon that when Mr. Kenneth Archer is talking at the Exhibition at Johannesburg to tourists who propose to come up here, he will say, and say rightly, that the road is a good road and that anybody can travel on it in safety and comfort.

There is only one other thing that I have to say and that is this, that the Hon. Member for Mombasa mentioned my name in connection with the statement he made as regards the Education Department. I hope members of this Council

will not consider that because he mentioned me by name, or rather as the hon. member for Kiambu, that I therefore agree with him. I do not. I am the only elected member on the Committee for Native Education, and the statement that I understood the Hon. Member for Mombasa to make was that he was criticizing the Education Department because there was no Government school at the Coast. Now, personally, I think I am glad there is no native Government school along that area of the coast because I am a believer, and I think the Director of Education shares that belief, that the work is best done by the Missions. I think that I am right in saying that as far as the present Director of Education is concerned he was responsible for the move from the Government control of Waa to that of the present highly efficient control of the mission.

THE HON. F. A. BEMISTER: I think I had a share in that.

MAJOR THE HON. G. H. RIDDELL: If you look at the Estimates—I am speaking from memory—of the £78,000 voted to native education something like £41,000 or £42,000 is allocated to grants to missions, and that principle is not a decreasing principle, it is an increasing principle. Further, if you look at the report of the Jeanes School Conference which took place last year in Salisbury, of a number of education authorities on native affairs from all over the world, you will find it stated as a matter of policy that the missions are now, and must for a very long time, be responsible for native education. I should like to state here before I sit down, that it is my belief that these missions in places like the Coast and other places, discharge their obligations to the natives more efficiently and cheaply than a Government school would. I believe that Waa itself is proof of that; but I should not like to think that anybody would say that the Education Department themselves do not think likewise.

(The debate was adjourned.)

Council adjourned till 10 a.m. on Tuesday, the 10th November, 1936.

TUESDAY, 10th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, the 10th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The minutes of the meeting of the 9th November, 1936, were confirmed.

MOTIONS.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved:—

“That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.”

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

THE HON. THE DIRECTOR OF MEDICAL SERVICES: Sir, so much attention has been given during this debate to the question of the provision of medical services and the steps which should be taken in the interests of the health of all communities in this country that it may, perhaps, be as well if I intervened in the debate at this time.

I will first deal with the prevention of disease, and I thank my hon. friend Mr. Pandya for raising the question of the importance of Mombasa in that respect, and of the importance of ensuring that adequate provision is made there to ensure that disease is not imported into this country. I am glad of the opportunity, because the importance of Mombasa has increased of recent years. Our business in the past has chiefly been to prevent the introduction of disease from abroad, and particularly smallpox. But changes have taken place, and now traffic comes to Mombasa from another direction, or it shortly will: air traffic from the North of Africa down through the middle of Africa; air traffic from West Africa, again down through the middle of Africa, will soon pass through Mombasa.

Hon. members will probably be aware that in recent years it has been a matter of grave concern and anxiety to the Governments on the East Coast of Africa, and also and very

particularly, to the Government of India, that with the introduction of this quicker travel there should be no risk of the expansion of the area of endemicity of yellow fever. Yellow fever, we thought until very recently, was confined to the West Coast of Africa and its immediate hinterland. Three years ago a case was diagnosed in the Sudan. More recently still, new advances have suggested that in other parts of Africa, back in the jungle, the infection of this disease may exist. It is quite possible that it exists in Uganda.

That raises a large question. I wish to raise no panic, for the chance of the disease being transmitted by an infected person or an infected mosquito from these areas to Mombasa is remote, and we may surely rely on our neighbours in the North to ensure that it remains remote. But if the disease were to be carried to Mombasa, if even a single case were to occur, I cannot think how great the interference with our trade would be. Hon. members may perhaps be aware that to-day one cannot travel by air to India unless one has been vaccinated against yellow fever. The chances are small of our East Coast being infected with yellow fever, but it is our business in the interests of all the other countries on the East Coast of Africa, and it is our business in the interests of India, to ensure that the risk is reduced to an absolute minimum.

We can do that certainly in one way only, and that is by ensuring that the conditions of our towns are such that should a case of yellow fever be imported into any one of them it would cause anxiety to none. I am not afraid of the condition of Kisumu, though there, there is something still to be done. I am not afraid of the condition of Nairobi, though there also something has still to be done. Very much has still to be done in Mombasa. About a year ago we asked for a grant from the Colonial Development Fund, partly with the object of dealing with malaria in Mombasa and partly for making an Aedes survey in order to find out just what ought to be done to safeguard the towns against the introduction of yellow fever, and the cheapest way of doing it, that is, how to ensure that Mombasa was freed from the stegomyia mosquito.

That is a great responsibility, and the responsibility is very largely mine because I have to choose the staff for posting to that town. The hon. member Mr. Pandya took exception to the fact that when, some time ago, on account of the ill-health of the officer who was there for some years, I chose to replace him by a very junior officer and not by a senior one. Most certainly I did so, but with great care, for though, if the staff at my disposal had been too small because this Council had not given me funds for an adequate staff, the responsibility

would have been theirs and not mine, such is not the case. But though I should like a larger staff, it is not yet too small, and a responsibility for choice lies with me. But I sent to Mombasa an officer who had not just taken his degree as has been suggested. The officer I chose took his degree four years ago, and he took a good degree. Moreover, he had had two years of hospital experience in London before he came out here and, rather unusually, he had six months' experience in the Hospital for Tropical Diseases in London. I posted that officer to Mombasa, and observed his work. I observed his work in great detail, and I have very great pleasure in saying that though I have seen the work in Mombasa as well done I have never seen it better done.

And I wish to make it very clear, and would like it to be known in all the countries of East Africa and by the Government of India as well, that we in Kenya realize our responsibility with regard to the Port of Mombasa, not only in regard to the importation of disease, but also the exportation of disease, and that I am very satisfied that everything is being done that possibly can be done, and that it is being done well.

I turn now to a question which has been raised by several members opposite, the question of the proposed group hospital for Nairobi. I have been asked for dates of commencement and completion. I understand also that a formal question has been asked and that question in due course I shall answer. I cannot at the moment, because it is a matter in which the hon. the Director of Public Works is concerned equally with myself, but I should like to say now that I am very happy indeed about the method we adopted regarding the preparation of plans. The Government Architect and a medical officer were sent to South Africa some months ago. They studied conditions as they pertain in South Africa, and modern practice with regard to the design of group hospitals. They reported, and after a great deal of work they have produced a preliminary set of plans. They are very detailed, and are I think members will agree when they have the opportunity of seeing them, also very excellent indeed, and it is, I suggest, a matter of great satisfaction that in so large an issue as that we have been able to do the work without calling in advice from outside the Colony.

The hon. member Mr. Pandya also referred to the question of Indian nurses in Mombasa. Last year I was given authority to do what I could with the funds at my disposal. We have unfortunately been able to recruit one nurse only; we have not been able to recruit another. I could not go to India for another because I have no substantive posts in the Estimates and I had therefore to do the best I could locally.

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I turn now to what the hon. member Mr. Shamsud-Deen said in regard to accommodation for Asians in Nairobi Hospital. Very correctly, I think, he referred, as His Excellency referred, to the Native Hospital in Nairobi as a "public scandal", and that scandal we hope to remove. But I should like to say that while I should greatly prefer that much better accommodation should be available for Indians in Nairobi than there is at present, I do not consider that the term "public scandal" can be applied to the two wards in which Indians are at present accommodated in Nairobi, much as I should like to see that accommodation bettered.

I turn now to another point made by the hon. member Mr. Shamsud-Deen, and that is in regard to economy. He suggested that economy might be achieved if we had no European nurses in our native hospitals, and that, as it would be adequate to forbear to supply these people, our native patients, with clothing, spoons, forks and knives and tablecloths, economy might be achieved if we employed instead of European nursing sisters either Indian or African hospital assistants.

Let me turn, as I turned last year, to the reason why, when we had to exercise economy during the last five years, and we cut our medical staff of medical officers from 72 to 48, and we only cut our European nursing staff from 54 to 50. I had realized for many years that if Africans are ever going to receive the amount of medical attention they require they will only receive it as and when there are Africans who are able to provide it. Most certainly we cut down our medical staff from 72 to 48, but we carried on the hospitals, we opened all the new hospitals for which this Council had authorized provision before the depression commenced, and we have done this with less funds than were formerly available. We have done it because I have followed the policy of my predecessor, the policy of training Africans to provide services for themselves. And the reason why we retained European nurses for that purpose, the reason why we did not get Indian assistants or Indian nurses, is that in the first place we had to train Africans to be nurses, for the moment, unfortunately, only African boys. Nursing, Sir, is a woman's job and only women can train either men or women to be nurses, but I cannot get Indian nurses to train African boys for my African hospitals, the supply of Indian female nurses is still inadequate in more than one respect. That is why we have kept our expensive staff of European nursing sisters.

Furthermore, there is another point. I wish to train African medical assistants. Already this year we have sent two to Makerere College, Uganda, and two only as a matter of very definite policy. We did not send four for a good

reason. A doctor is no use without a nurse to help him. The first thing, therefore, we had to do was to train African boys to be good nurses, and these African boys being good nurses will ensure that African youths who will be trained to be the equivalent of the Indian sub-assistant surgeons in the future will be kept up to a good standard of work. If we had trained African boys to be sub-assistant surgeons before we had trained them as nurses we would never have got full value from the former.

The Venerable and hon. member, Archdeacon Burns, referred to another question. In the figures I gave I did not include the number of patients treated by the missions. If the hon. member will read my last Annual Report he will find what the missions did and that in 1935 they treated in addition to those treated by ourselves, some 200,000 patients.

I turn now to the question of public health, and I will base what I have to say on the remarks made by the Noble Lord, but I will take them on a wider issue. That I think he would desire, and I will take them on that wider issue for more than one reason. I wish to deal with the matter widely because this Council from year to year approves of expenditure of about £200,000 by the Medical Department. It is my business therefore from year to year to give some account as to why we spend that money, the way we are spending it and, if our objects change, the new objects we have in view. I think that is due to this Council. If this Council is to approve of the expenditure it is essential that my object and the objects of Government and the object of all the members of this Council should be the same. It is essential that there should be unity of purpose, and if on occasion, distrust should be expressed and if it seems unjustified it is, I think, our business to endeavour to remove it. And this is more so if an elected member of this Council should express distrust not only of this Government but of most of his colleagues, then I think it is essential that we should endeavour to make our main purpose clear, because trust is absolutely essential.

It is essential we should have such trust not only in this Council, not only in this Colony, but that we should have it in England, and in other parts of Africa as well. The meaning of what my hon. friend the Member for Mombasa said may be clear in this Council because we, to use a phrase with which you, Sir, are acquainted, had an opportunity of seeing the witness and of observing his demeanour. But as words go more widely to-day—over the wireless they will go into native houses, not yet perhaps in Kenya but certainly in Uganda, on the West Coast, very certainly in England, and as I do not share the distrust of my hon. friend in the good will

of all his colleagues, I will deal with our purpose here, as I think many of us are now coming to see it. I shall speak therefore not only of what we have done so far in the interests of the public health, but of how it has been done, and why, in my view, some of it has been done here, in this youngest Colony of the Empire, better, I think, than it has yet been done elsewhere. I shall speak also of how I think that some in this Colony have a clearer vision of the end we would achieve than may perhaps pertain elsewhere; but I wish to make it very clear now and at this point just where I think our chief achievement lies. It is, I think, that we are beginning to know how ignorant we are and to know how much there is to do. I shall try to make that point clearer later on, and I am more than a little proud to think that we can find the proof of that thesis in a quotation from our local Press.

May I turn now, Sir, to my text?

The Noble Lord raised the issue of the provision of medical relief services. He referred to the financial difficulties and suggested two remedies. I am sure that he did not mean these suggestions as radical remedies for the very difficult situation with which we are faced, and that he mentioned them only as temporary remedies for some of our minor ills.

One was that employers should pay something towards the services which their natives get at dispensaries in the towns. That raises a very large issue, and an extremely difficult one. It is difficult enough to-day for most employers to meet the demands that are made on them for medical attention to their employees, and if to these we were to add dispensary charges I am not sure it would be in the interests of either employer or employed. I agree the matter has to be considered and looked into, but we ought to go very carefully indeed. It would be easy to do some harm.

The next suggestion of the Noble Lord was that natives themselves should pay something for the medical relief they received. That question is dealt with in my Annual Report for 1935. The chapter on "Administration" deals with but little else, and it states that the question had been a source of grave anxiety to my Department and to Government during the year. The question is not easy of solution. Firstly, one would have thought that the obvious place where we might ask people to pay would be in the towns. But that would be the most difficult place, because the native in the town is, under present circumstances, less well off than the native in the reserves.

Some years ago a committee of the British Medical Association in England discussed the question of the minimum

ration on which people could live and work and maintain their health. In a depression such as we have experienced it was essential to know the answer to that question. Using the findings of this committee, it appears that what was called a "bare ration" in England, turned into Nairobi equivalents, would be 13/3d. a month. Lodging for an African in Nairobi costs a minimum of 5/- a month, and his tax would be 1/-, which plus 13/3d. for food, comes to 19/3d. The average income of an African in Nairobi, I believe, is about 18/-. The African finds himself, therefore, in a difficult position. That, however, was only a bare ration on which the committee doubted English people could live; it was too monotonous. The suggested "minimum ration" for a man in England was 24/- in Nairobi. For a man, his wife and one child it was 38/8d.; for a man, his wife and three children it was 56/9d., at a minimum. I cut these estimates by twenty per cent, and the suggested ration would still be 19/- for a single man, and for a man, his wife and three children the cost of a minimum would be 47/- per month. I do not think my figures are far put, because the cost of feeding an African patient in our hospital in Nairobi comes to 15/- a month. When a person is sick the first thing they want is a proper diet and when convalescent they want a very good diet. Therefore, I think if we made the African in the towns pay more for his treatment it will militate against his good treatment for he cannot afford to buy the ration proper to a healthy man. I know there are richer Africans, but the difficulty is that it is the poorer fellow who is sick because he cannot get good enough wages to buy good food or buy enough soap to keep himself clean, he is the fellow who comes to the hospital.

With regard to what the natives can do for themselves. They have done something for themselves in Kenya, and I think it would be better in the long run that it should be tackled in some such organized fashion, because I will point out that this method of asking the native to pay at the hospital or dispensary has been tried in Uganda and the revenue in Uganda from this source is, if I remember rightly, only some £1,500 a year. Unfortunately £1,300 of that revenue comes from payments in respect of a disease for which I could not possibly consider payment here, which my friend Dr. Kauntz considers should not be paid for in Uganda—payments for treatment of venereal disease. Only £500 comes from bottles of medicine and only £100 from in-patients' fees.

I do not say that we cannot do it here because it cannot be done in Uganda, but I think there are better methods. I would invite the attention of this Council to the fact that during the past ten years Local Native Councils of Kenya have contributed no less than £50,000 to the carrying out of

medical services in the native reserves, and what is perhaps more interesting, that £30,000 of this £50,000 have been spent by them during the last five years of the depression. So much for that issue, but it is a very large one.

Sir Alan Pim on page 250 of his Report recommends the extension of medical services, but on page 105 he quotes myself. He says:—

"The Director is himself of opinion that substantial expansion is not feasible at present, and that agricultural or other economic advance which would raise the standard of living and of the food supply of the Africans to some extent, would in fact do more for his health than an extension of medical facilities".

I have thought so, for a long time. I want to take this matter now on the larger issues on which Sir Alan has quoted me, because I think this question of public health has got to be considered in considering every item of the budget, as every item of the budget has a bearing on the public health.

May I, to bring it into focus, quote from a letter to me by a very old friend of mine who is at present a professor of medicine somewhere in Scotland. I had sent him some notes of mine, some reports or something of that sort, and he said: "Really, you know, what is the matter with your country of Kenya is that it is getting into the same difficulties as America". He said he had read in some journal of how under certain conditions, in certain countries, if one removed the top covering of vegetation for the soil then, that when one left it fallow, as from time to time one must, before the next season's rain the uncovered soil was apt to be blown away. "Most of Central America has been blown into the Atlantic only quite recently", he said, and suggested that once upon a time, long before the days of Genghis Khan, even Central Asia had been quite a pleasant place to live in, but in these days the people started to dig it up, and the land had slowly moved, not into the Pacific at one blow, but some had landed in China, "which", he supposed, "was the reason why so many people were now able to live there". The next step would be for it to blow into the Pacific and then Australia's troubles would begin! "Really the whole gist of the matter was that it was very unfortunate indeed that people had ever given up hunting and shooting and ever taken to digging and thinking at all." But digging and thinking did start, and went on, and then we thought we ought to deal with the smallpox, and then that we ought to deal with famine, and we did a great many of these things with good intentions, the result was that the people were not only digging and thinking but began breeding and increasing in an extraordinary fashion.

I can remember very well twenty years ago in Kisumu investigating what was happening up in Mragoli and observing how the people were becoming crowded on the land. In 1921 one of my officers made a detailed investigation into the biology of the Kavirondo. He found that those Kavirondo were sick and suffering from a welter of diseases. He found that there was yaws and syphilis, and malaria and pneumonic, and he found something else. He found also they were a virile population, for they were increasing and that if the rate of increase went on unchanged they would soon get to those conditions which were so well described in a report of the Royal Agricultural Commission in India of 1928 which was presided over by the present Viceroy.

That report said:—

"Throughout our investigation, we have constantly been impressed with the thought that mere material improvement alone will not bring lasting benefit to the agricultural population. . . . No lasting improvement in the standard of living of the great mass of the population can possibly be attained if every enhancement in the purchasing power of the cultivator is to be followed by a proportional increase in the population."

And that, Sir, was recognized in Kenya more than twenty-one years ago, not only by the medical man but by the agriculturalist and by the administrator, and it was seen quite clearly that if the land was to be saved the people must not increase too greatly. It was seen by the sanitarian that we could not have that overcrowding with a very high standard of living, and only by a high standard of living too great an increase would be prevented. We saw much more was needed than just a little digging, that what was required was a revolution in agriculture, which meant a revolution in native life at every point. It gradually came about that what we were going to achieve would not be by compulsion, it was too great for that, but in one way only: by securing an alteration in the outlook of the peasant which would make those things desirable. And Sir, during the last ten or fifteen years the administrator and agriculturalist, the education officer and medical officer, have turned with one accord to achieve that alteration in outlook. The achievement in that alteration in outlook has been, I think, the real achievement of these years.

But the change that is still required is a very great one indeed. It is one which will upset native life in many ways. It will impose immense strains on the cultivator, and in other

directions, and already there has been strain. Education is required, and education imposes strain. May-I quote from my last Annual Report on this subject? I said:—

"Another change which may be of outstanding importance with regard to health is that every year more Africans are being subjected to an increased mental strain in schools, in offices, in industry, and as a result of the many changes which make it increasingly necessary for almost every adult African to obtain each year, either as wage earner, as producer, or as trader, a return for his labours in cash. In respect of cash the old independence of the African is surely going, partly as a result of what for brevity may be termed administrative necessity; or partly as a result of ambitions which have been aroused, and where these ambitions have been fulfilled, fulfillment has often been accompanied by new anxieties and by new ambitions. The desire to send the children to school is becoming almost universal in many areas, and the children, still in most cases far from well nourished, are being pressed to succeed; and there are political anxieties, and anxieties born of religious change. One can imagine few greater changes than these, or any which might be more likely to have greater influence on health either for good or ill. But so far we know little of their general effects, though we have during the year obtained some information which suggests that the effects on occasion may be very serious."

In this connection I remember what a very old and senior public health officer at home once said to me when I first came back from West Africa to Scotland, when I spoke of some things that I had seen. He asked me about the hospitals there. Hospitals then in West Africa were not as good as they are now. He made a remark which I have never forgotten, that one of the measures of the civilization of a people is the care they take for their sick. In this Colony, thanks to the provision which from time to time has been approved by this Council, there is—not yet in Nairobi and not yet in Mombasa—but there is throughout the great rural areas of the native reserves a finer system of rural hospitals than I think exists anywhere in Africa. And there is something more. I have never come to this Government and I have never had to ask those members of this Council who sit on the committees which advise Government with regard to the provision of public buildings, I have never come asking them for more hospital accommodation, without receiving the very greatest sympathy and, wherever it was possible, the very greatest help. I have asked not only for hospitals in the native reserves, I have asked you for accommodation for the mentally disordered, and when I have asked I have got as

much as could be given, and I have had all the sympathy I could wish and more, and as a result you have in Nairobi—and I think that if the attention one gives to the physically sick is a test of civilization, even more so is the attention one gives to the mentally sick—you have in Nairobi to-day a hospital for the treatment of mentally disordered folk, which so far as it provides accommodation for Africans and Asians is to the best of my knowledge second to none in Central Africa and, perhaps, even farther afield. Certainly it has still far to go. We have no reason at all to sit back and say we have finished and we have done all we need do.

But what we have done has been good and it has given some opportunity, perhaps the only opportunity there is anywhere in Africa, to study what is happening to Africans under the strain of modern conditions, as a result of which we are now finding some of our African patients are suffering from types of mental illness which in England is the type of mental illness that is associated with strain; strains which in England only too often are unnecessary, for they are strains resulting from an unsatisfactory system of education born of urbanisation and industrialisation and now almost divorced from the quietude and needs of rural life, a type of education once universal here, and a type which two successive Directors of Education in the past few years have been engaged in, reforming.

That is perhaps the darkest side of the picture, but there is another side which I have tried to paint at the end of the rather gloomy Report I have already quoted. The Report goes on:—

"Only a few years ago our general hospitals were feared by Africans, and our mental hospital was feared by any European, whether lay or medical, whose business it was even to visit it. Education, a few years ago, was purely literary, and had but little relation to the needs of the ordinary villager, while the sufferer from venereal disease in these days disappeared from our ken as soon as one, or at the most two, injections of some arsenical preparation had relieved him of his most distressing symptoms. To-day, on the other hand, our general hospitals are full to overflowing, our mental hospital a cheerful place to which on occasion the mentally disordered are brought by their relatives on their own account, and to which the relatives of the mentally disordered come frequently to inquire as to the patient's progress. To-day education has a far greater relation to the needs of the villager, and has more regard to the defects of his or her culture in respect of personal hygiene, of child welfare, of the maintenance of the fertility of the soil, and the real

uses of cattle. The victim of syphilis attends not only for one or two injections, but frequently for a course of from ten to twelve lasting over a period of as much as three months, while, on occasion, an ex-patient will return some months later with a view to having his blood examined in order to know whether there is now any reason why he should not marry. These happenings betoken progress, such as, but a few years ago, would have seemed not only improbable but impossible, and they are changes in the interest of the public health. Whether they may achieve an order of magnitude which will outweigh the adverse effects of other changes is another matter, but that they may not easily do so, and are probably not yet doing so is not a question which can be ignored in endeavouring to estimate the state of the health of the people to-day, and its course during the past year."

Therefore, there is need for research. I said in my opening remarks that I hoped we knew sufficiently our ignorance here. I am very glad to find in our own local Press clear evidence of full recognition of our need for further knowledge. May I quote from a recent number of the *East African Standard* an article written over the prophetic nom de plume of "Signifer". The writer is dealing with His Excellency's recent communication from the Chair, and the paragraph is headed "Crusade for Civilization". These, Sir, are his words:—

"I was impressed by the varied evidence of the State's intention to adopt a more progressive policy in regard to agriculture, and in the native reserves. Native development is so dependent on the full co-ordination of agricultural, medical and educational services . . . the task is so great, the potential reward so immense, our ignorance of the many adverse factors so deplorable, the chance of a mistake so productive of hesitancy and delay, that the demand on available brains and resources will test our capacity to govern to the utmost. It is, in fact, a real crusade for civilization. In India a most progressive and sincere Viceroy, the Marquis of Linlithgow, is tackling the same problem with greater resources but is confronted by greater complexity of political, religious and racial difficulty. I believe that we have so far approached the problem in too sectional a manner, and that real progress largely depends on tackling the task from a broader basis of rural development. Much might be achieved by the establishment of model villages through the reserves which would act as a leaven to the whole; for I think that the native mind is far more susceptible to example than to precept."

With that plea for research, for it is a plea for research, I agree; but research is required in many places and not only in laboratories but by the common man. I think you know how countries and towns, and particularly the more famous of them, are often better known to the passing visitor than to those who live in them. The inhabitant of Kenya who goes to London knows more about London than the person who stays there, and if he revisits London again a few years later he notices changes which the Londoner will not observe.

My friend "Signifer" has, I think, made one little mistake about this country in which he lives, or he has gone a little too far too quickly. He suggests that much might be achieved "by the establishment of model villages". Model villages will come, but a village has a purpose. Its purpose is to serve the surrounding country; the surrounding farms. Villages will come, but we have taken in this country the first and most important step, we have established the farms—I am speaking of the native reserves—which villages will soon be required to serve; we have established the small holding, the holding which is not too small, the family farm. And if we turn to *The Times* of 2nd October last we will find an article on "Native Crops in Kenya" and something about the "reward of cleanliness". In that article, Sir, you will find that the small holding, many hundreds of them, have already been established, where mixed farming is in operation, and where the first principles of pasture improvement are beginning to be applied.

Even the visitor may not see all, and the holding is not everything. Small holdings are not my concern, except to ensure that they are large enough to support the type of house by which alone cleanliness and health can be insured; and the correspondent of *The Times*, though he may have been acquainted with what has been done here as regards small holdings, was I am afraid ignorant, as possibly many people in this Council and Colony may be, that on many of these small holdings in the native reserves there are houses, there are permanent burnt brick houses, there are healthy houses with gardens, which have been erected in this country in the last few years. In a moment I will come to how that came about, but I will ask you to bear with me for a few moments again on the question of research in the more limited field of medicine with which I particularly am more intimately concerned.

In my Annual Medical Report for this year the question of research is dealt with, and for a very particular reason I would ask you to bear with me while I read it in full. It is not too long. There is a heading under which the Colonial

Office demands, it is unusual, but it insists that in the Annual Medical Report there should be made what no one is allowed to do in any other Report at all; it insists that one should make recommendations for future work and there my observations on research occur. I said:—

"It would be an easy matter to fill many pages with recommendations for future work, for the needs of the people for further instruction in hygiene, for better food supplies, for improved housing, for hospitals, for dispensaries and for medical relief in general, are legion. None of these needs, however, can be met without expenditure of some kind. For the moment greatly increased expenditure, either on the part of individuals, local authorities, or Government, is unfortunately out of the question, and so, as all of these needs are already well known and their urgency in most cases recognized, it is unnecessary to recapitulate them here. There is, however, one need which is not, I think, yet fully recognized, and to that need I would refer. It is the need of those who are responsible for advising both African Governments and African people with regard to health to know more about the African himself, both in health and disease, than they do at present.

I referred to this matter in my last Annual Report when under this heading of "Recommendations" I invited attention to the great opportunity for research which was afforded in Kenya by the existence of a fine laboratory building at Nairobi and the existence of unlimited clinical material in our hospitals and in the field. That opportunity still exists, and it has been made greater during the year by some improvements which have been carried out at the mental hospital, and it should be made much greater soon as the result of the erection of the new hospitals in the neighbourhood of the laboratory at Nairobi, for which funds have now been made available.

The experience of the year has not suggested that the need to take advantage of this opportunity is any less than before. On the contrary, reports have been published elsewhere which indicate only too clearly that the need is imperative. I will refer only to three, namely, to Sir John Boyd Orr's Report on 'Food, health and Income', and to the Reports of the Health Organization of the League of Nations on Nutrition and Public Health, published in June, 1935, and on Syphilis Treatment, published in March of that year.

With these reports at their disposal, statesmen and public health administrators in Europe are in possession of some information on which to base policies for the

improvement of the dietaries of their people, and for the prosecution of the campaign for the proper treatment of patients suffering from syphilis, while the first two of these reports are of outstanding significance with regard not only to health but to agricultural and general economic policy. In Africa the great majority of the population suffers to a greater or lesser degree from poor nutrition, and certainly to a much greater degree than the population of Europe, while immense numbers suffer from syphilis, but, though we may surmise much, no one to-day could yet write a report on Food, Health and Income in Africa, in which it could be indicated with precision to what extent ill health is the result of poor food, or precisely how the food supplies could best be improved; nor could it be advanced with reason that any particular line of treatment should be adopted as a standard for the cure of syphilis, for we still know but little of African physiology and pathology in relation to nutrition, and practically nothing at all of the course of syphilis among Africans and its proper treatment, though we do know that if the same treatment is required here as in Europe then anything in the nature of adequate treatment is, for the moment at least, entirely out of the question here.

In these circumstances the most important recommendations that can be made to-day with regard to future work in connection with the public health in East Africa is that as soon as possible medical research into the nature and needs of African man, and of his reactions to not one but a welter of infections, should be adequately endowed."

Sir Alan Pim has supported our proposal, with which my medical colleagues in all the neighbouring territories agree, that medical research in Eastern Africa should be co-ordinated, and he recommends that the centre of co-ordination should be, as we would welcome it, at the fine building which has already been erected in Nairobi with the approval of this Council for the prosecution of medical research.

So I come to the question of what the researches may be which are now required and what I meant when I used the words "Medical research into the nature and needs of African man and of his reactions to not one, but a welter of infections". I shall try to summarize it in two ways, and shall try if I can to remove a misapprehension which has, I am afraid, been the cause of wide offence in certain quarters.

My first summary is as follows: Research is required and very urgently required into the anatomy and physiology of man in Africa; his endocrinology, must be investigated, and his nutritional needs; and his reactions to infection with

the causal organisms of disease and his reactions to treatment, and to changes in his environment—clinical research. Research into the causes and treatment of mental disorder is required, it is required here just as such research, in fact just as all these researches, are still required in Europe. But the need here is more urgent than there, firstly, because here we know less, secondly, because here sickness is far more rife, and thirdly, because here the rapidity of change is far greater than there.

I come now to the question of the misapprehension which may have arisen in this regard. Hon. members will know that much has been said of late years with regard to research into African mentality as to the mental capacity of the African, and unfortunately, as I have said, offence has been taken in certain quarters, and I can well understand how. Now what has really been proposed? Let me go back sixteen years to a time when there was no great laboratory in Nairobi, and no brick houses, and no small holdings in the native reserves, when medical research in Africa was limited to the search after parasites and their vectors, to bacteria, and trypanosomes, and fleas, and bugs, and mosquitoes and worms, and so enthusiastically pursued in these directions that the sufferer from disease, the patient, our African fellow man, was entirely, or almost entirely, overlooked—at least by medical research. And then let me pass to to-day, and to what a leader of English medicine has to say in England now, of the English and I trust not forgetting Europe as a whole.

But firstly let me remind you of what I told you at the beginning of this speech of what we hope to do; of how, if Africa is to have medical services equal to its needs, Africans must provide it, and that I said how even already we are depending on Africans for carrying on the work of the Medical Department. I told how when we lost twenty medical officers in these past five years, when we lost £50,000 a year five years ago, it was the African who stepped into the breach. I remember thinking of these things so long ago as 1923, and in the Annual Medical Report for that year I said that it was as difficult perhaps for a European at that time to imagine how restricted was the outlook of the African native of that time; as it was difficult for him to imagine how wide it might become. Now in 1936 research such as we have now long asked for here is being asked for with regard to man in England. And I wish to say with all the emphasis that I can that nothing has ever been suggested by anyone in the Medical Department of Kenya, or by anyone in this country, which goes further than what I have now to say, or has any more special application. Speaking recently at a meeting of the British Medical Association in Blackpool, on this very

subject of modern civilization, on this very subject of strain, Lord Horder, one of the foremost physicians in England, said:—

“ . . . that strain was the penalty we paid for living at all, but there was implicit in the title of the discussion the suggestion that the strain of modern life had new elements and was excessive. The competition of living, the increasing sense of international insecurity, the pace at which we lived, and the precariousness of life itself were all such that in these days we seemed to live by accident rather than to die by it. Science was held largely responsible for much of the strain of modern life. Actually it was not too much science, but too little; science had loaded man with benefits but he had shown an indifference to them or a carelessness and a prodigality in the use of them which was pathetic. We need not drive a car so fast that it killed, nor make a loud speaker so loud that it deafened. Science was made for man, not man for science, and the one thing that mattered was control. Among remedies for the ill effects of the strain of modern life he placed first more science, and especially science directed toward the study and development of the mind and spirit of man. If doctors had a political colour it must needs be liberal. He spoke without prejudice, but thought that a rebirth of that spirit in British political life would be one of the best medicines that our strained lives could have administered to them.”

That is the sense in which we have asked for research with regard to the native peoples of this land: research “directed towards the study and development of the mind and spirit of man”.

In conclusion, I will say why I think that we here in Kenya are perhaps further forward in the march of civilization in Africa, why it was possible for His Excellency to give an address which in our own Press was called, and could be truly called, an account of a Crusade for Civilization.

We are the youngest Colony; we jumped off last. We had less of old convention to restrain us. The work of native development started here after the war, when there was a new outlook in England and in all Europe with regard to almost all social issues, and so we had fewer difficulties to contend with than elsewhere, and I think it is not to any small extent due to the fact that here things were on the other hand in some ways more difficult, and more complicated than elsewhere in Central Africa, and perhaps because there was far more criticism. It was to no small extent due, in my view, to the fact that in this part of Central Africa there

were more English than there were elsewhere, that here we so held more strongly to the old traditions of how to let a constitution grow, and of English principles of administration; to the principles which saw England through the difficulties of the industrial revolution; to the principles which we can again use here, again to bring order out of chaos. And with the new times there was more scope.

A long time ago Livingstone came to East Africa, and for a long time little happened; just as a long time ago Christianity was brought to Britain by Columba, when also for a long time little happened; then followed in both cases very definitely periods of exploitation and of commerce. Time passed, wars occurred in Africa as well as Europe. Depression followed, and in England at least there has been a revolution in outlook, or at the least, an evolution of thought. To Kenya there came folk to farm as well as plant, and in the days of the depression these farmers did not merely supervise but sweated in the fields side by side with their African employees, whom, only too often, they could hardly pay. And so they came to realize the true value of the African as a man. And on this eve of Armistice day let us not forget how most of us learnt his value in another field.

I have spoken of unity of purpose. I think to-day that unity is not far off, for I think we are coming surely also to the view that there is an identity of interest. And how has all this work been done? I have time to speak of only one or two activities, of the establishment of small holdings, and of the building of houses and homesteads, such as peasants need if they would be prosperous and healthy; if we would have them so.

Some years ago, trying to demonstrate these things, the Directors of Agriculture and Education, and the Chief Native Commissioner, and some of my own officers got together and with the help of various European commercial firms, and the Kenya Farmers' Association, built on the Nairobi Show Ground, as part of a native development exhibit, a good square three-roomed cottage of burnt brick with a roof of tiles, the kind of house in which we thought people could be healthy, and the Director of Agriculture laid out a family farm. That was five years ago, and not a few laughed at our fantasies. But at the show last year none laughed. The European farmer equally with the African was deeply interested and both alike expressed a clear appreciation of what it was and meant. In the catalogue it was described as follows:—

"AN AFRICAN DEVELOPMENT EXHIBIT.

"In addition to the many exhibits dealing with African Development arranged not only by the various Departments of Government but by many other agencies

which are to be found on the Show Ground there has been staged in the left corner of the ground looking from the entrance gate, and beyond the main show ring, a Special African Development Exhibit, which has been arranged by the Agricultural (Animal and Plant Industries Divisions), Education, Forestry, Medical and Post Office Departments of the Government of Kenya with a view to demonstrating something of what is required if the African natives of Kenya are to become genuinely prosperous peasants, how it can all be done, the parts which these departments play in the development of the African to be a producer, a consumer and a citizen, and the intimate relationship which exists between all kinds of development activity whether these be directed primarily towards the improvement of health, or agriculture, or commerce, or production.

The exhibit has also been so arranged as to demonstrate the interdependence of every such activity whether it be undertaken by the Government, the missionary, the settler, the commercial agent, or the African, and, not least, his wife."

That house was such as we thought Africans must have if they were ever to be in a position to afford the medical services that we know they need, those extensions of medical services which alone can meet the needs to which the Noble Lord referred in his speech which I have been using as a text.

It is insignificant that that first good demonstration house for Africans was erected in the neighbourhood of Nairobi, and on the Show Ground of the Royal Agricultural and Horticultural Society of Kenya, whose late president is a member of this Council to-day?

The wheel has turned full circle. Fourteen centuries lie between the day when Columba landed in Scotland and the day when Livingstone first left for Africa not yet a century ago. Between Livingstone and the period of exploitation here only a few years passed. It is hardly a century since Livingstone's death and our own day when new ideas with regard to what the folk in Africa may do, ideas based in no small part on their actual achievement in this Colony, ideas for his future prosperity and welfare, are going out all over Africa; a conception of welfare for Africans such as perhaps Livingstone never dreamed.

The days of prophecy are over and so now we turn to research, but was there no truth in Kipling's rendering of the older story; is there no truth in it now again?

"I left my Duke ere I was a lover,
To take from England fief and fee;
But now that game is the other way over,
For now England hath taken me."

Council adjourned for the usual interval.

On resuming :

DR. THE HON. A. C. L. DE SOUSA : Sir, I had not intended, as is usual with me, to speak at this stage. I always avail myself of the opportunity of listening to most of the members and usually intervene towards the end of the debate, but this morning—I regret he is not in his seat now—the hon. the Director of Medical Services has spoken before I have been able to speak.

This has a very important bearing on what I have to say, and I think it would be well if Government would consider that, in the annual debate on the budget, heads of departments would keep their speeches until towards the end of the debate. Unofficial members come here and once a year place their grievances before Government, and it happens—as indeed it has happened to-day, it did last year, and I am sure it has happened nineteen years before—that some of the members of the Government benches, fearing criticism from the unofficial side, make long speeches and then retire, and we on this side of the House do not have the opportunity of listening to replies to specific questions. This is a very serious question, and it has got to be understood by Government that an assurance must be given to us, the unofficial representatives of the people who make it possible for officials to exist in this country, that our complaints will be adequately replied to.

In this connection, Mr. President, I will mention one little incident which happened this morning, a fairly important incident, which I wish to be recorded in the proceedings of this Council, The Noble Lord, the Member for Rift Valley, quite in an unofficial capacity, mentioned to me this morning that it was the desire of the hon. the Director of Medical Services . . .

LIEUT.-COL. THE HON. LORD FRANCIS SCOTT : On a point of order, Sir, is it in order to quote a private conversation which took place outside this House?

THE PRESIDENT : It certainly is not usual.

DR. THE HON. A. C. L. DE SOUSA : I submit that this is a very relevant piece of information for Council to have.

LIEUT.-COL. THE HON. LORD FRANCIS SCOTT : I must really protest!

THE PRESIDENT : I do not think the hon. member ought to quote a private conversation outside the House.

DR. THE HON. A. C. L. DE SOUSA : It was not a private conversation between the Noble Lord and myself. It was a conversation relating to this morning's proceedings of the Council, and I submit that I am perfectly in order in mentioning it.

LIEUT.-COL. THE HON. LORD FRANCIS SCOTT : I protest, that it was an entirely private conversation between myself and the hon. Indian member, and while I do not know what his point is I do protest on principle that private conversations should not be quoted in debates in this House.

HON. N. S. MANGAT : On a point of order, Sir, the hon. member Dr. de Sousa has not yet quoted the conversation, so how can you decide whether it was private or not? (Laughter.)

THE PRESIDENT : On that point, the hon. member said the conversation took place outside the House. Therefore it was a private conversation, and I hold that a private conversation should not be repeated in the House.

DR. THE HON. A. C. L. DE SOUSA : It was in this very hall.

THE PRESIDENT : I think it would be as well if private conversations were not brought in.

DR. THE HON. A. C. L. DE SOUSA : I have no private relations with the hon. Member for Rift Valley! I submit if you rule me out, but I protest that it is a curtailment of my liberty of speech in this House as a member.

That bears on my contention that members on the official side of the House must reserve whatever they have to say to the end of this annual debate. It puts me in this awkward position, that when I challenge certain statements and give accurate criticisms of the Medical Department the responsible officer in charge cannot, according to our Rules, reply to me, having spoken already, and whatever reply is given to me by the official spokesman, the hon. the mover of the motion before us, it will be unscientific and unmedical, and it will be merely a piece of second-hand information.

We have had this morning a very long discourse on medicine, nutrition, all sorts of things. I was about to raise that issue on the annual Medical Report. I have notes which

I made about a week ago, and I say that all that has been told us in these Annual Reports and in all these lengthy speeches—which are technical, which a layman is not able to understand, which a layman takes for gospel truth—has to be taken here by us with a certain amount of reserve.

On page 5 of the Medical Report for 1935 there is a paragraph, which reads:—

"We have, however, some evidence that the incidence of certain types of mental disorder may be increasing among Africans, or that new types are occurring, and some evidence also that this increase, or this new incidence, may be the result of some of the strains to which I have referred, and particularly of strains imposed by scholastic education, and perhaps also as the result of strains imposed by religious changes and the abrogation of old sanctions."

I am quite sure that those hon. members of this House who are not medical men or who do not make a hobby of being interested in medicine, must have taken that as gospel truth and, indeed, I understood the hon. the Director of Medical Services to say, or to suggest, in his very lengthy speech—which some of us describe as self-aggrandisement, and not quite suitable for the budget session—that he would perhaps wish us to take that paragraph I have read as gospel truth. I think the hurry in which the Director of Medical Services intervened in the debate is somehow connected with the discussion on East African medical conditions which is to be held in Parliament to-morrow, and should his speech be broadcast or sent out by despatch I hope an equal publicity will be given to the criticisms made by me of the Medical Department.

This paragraph which I have quoted actually suggests that the natives should not have any scholastic education. What is suggested is that the native should not be brought under the influences of a new religion, either Christian or Muslim, and what is suggested is that natives should be kept for as long as possible in their old standard of life and with no "abrogation of old sanctions". That is in effect what the hon. the Director of Medical Services suggests in his annual report and has this morning told the House.

Why does he say so? He says that teaching Africans spoils their minds. He calls it a psychosis, an indefinite term in medical science. Did he ever connect this suggestion of psychosis with what his department have been encouraging, the inquiry into the brain capacity of the African and with the inquiry into the quality of grey matter in the African brain and the relationship of all these? Has he ever connected those items together? If that were so, we missed that

important link this morning in his discourse. We should very much like to know whether it is neurosis or psychosis which is caused by the strain of modern education, or if this is partly due to the undeveloped state of the African's brain. That is a very important matter from the average layman's point of view. But we have missed that.

What I am trying to make out is that all this technical information is not quite as simple and trustworthy as it is made out to be. What is the influence on the African as far as change of religion is concerned? Does he become more perverse? Does Christianity make him more immoral, or does Christianity make him more susceptible to mental disorders? It is a question which the missionaries and the country would like to be answered, and it is a question that cannot be answered by any medical man, not even by the chief medical officer of this Colony.

Then as to the abrogation of old customs. What is an old custom? We have all been trying to say that we are the custodians of the illiterate and inarticulate African. We have, day in and day out, in this House and in the Press, said that we are so concerned with the African, with his backwardness, that we want to help him, yet we have an official who in the name of science tells us that the changing of these old customs is the cause of that psychosis, producing mental strain.

It is a very funny thing, but these figures, these statistics, are very impressive. On page 8 of the 1935 Medical Report we have a table made out of mental afflictions of the African as related to the educated and also as related to the non-educated. I do not want to go into details, but I would ask one simple question. From where were these Africans selected? Were the observations made on natives from the country or only on natives from the towns? It would appear from the Report that the observations are only on Africans admitted to the Mental Hospital, Nairobi. It is quite obvious that in comparing the figures of the mental condition of Africans a more general study should be made, for they are of such far reaching importance to the attitude of Government at home and here and of private individuals to Africans. These are some vital questions which are not answered in this Report, and we are not in a position to accept the figures given.

For example, there is a figure here in this table of mental diseases, giving the ratio of educated to uneducated, which is "Undiagnosed". That would, in relation to the whole figure, give you an indication that even in medical science to-day we are not in a position to say at what stage man is mentally deficient or not. We have heard so much about the attitude

of Kenya, and climatic conditions, producing a certain type of loss of memory. Where is the division? Where is the dividing line, the separating line in loss of memory, and is it psychosis or mental disorder?

I draw the attention of the House, and the public generally, that these figures and the statement made in these reports should not be taken seriously at all, and I do not for a moment believe that there is that amount of mental trouble among Africans. If we believe that, we might seriously consider the mental conditions of the immigrant races in this country. If a percentage of the mental cases among Africans is taken as regards the whole of the native population, and of Europeans generally—of course, the Director of Medical Services never mentioned anything about Indians in his statistics, Indians are not supposed to enter into statistics at all—if a percentage were taken of mental cases among Europeans related to the general population, members would be surprised to know to what extent these mental troubles exist among the immigrant races, more than among the Africans themselves.

These views of the Medical Department on the mental condition of natives, which I referred to as psychosis, are perhaps related to a certain inquiry—which has been accepted as a little joke in the highest medical quarters, not here, but outside Kenya—and to that question of grey matter in the African brain, which has not been accepted either.

The question is that this particular view has a great bearing on the training of Africans, and I hope that all Government departments that make a speciality of training Africans, and all mission societies who do likewise, will make a note of it. But I would seriously question the training of Africans by a department the chief of which has serious doubts about the effects of education on the mind of the African. I raised the question last year, and am raising it this year. In spite of all that the hon. the Director of Medical Services has said about the effect of education on the African mind, he has a very big scheme for training Africans in the Medical Department, although he has none for the Asians.

This leads me to the question concerning this system adopted to-day in hospitals of having laboratory assistants and hospital assistants, compounders and dressers and what he calls "male nurses". Some of us—you will, perhaps, Sir, confirm what I have to say—have not only taken years in the acquisition of what we call civilisation, but accumulated knowledge acquired from infancy and through adolescent age, and partly acquired from our ancestors. In the Medical Department they do not want any of those types. They can have a raw African coming out of the reserve, put him in a hospital for six months

or twelve months, or for two years, and he can then give all the miscellaneous injections to people not only in the hospital but outside.

Only the other day an African who is employed in the Medical Department brought me his wife and said to me: "Will you please look at her as she has got some trouble". I said I would, although I do not make a speciality of African work owing to limitation of time and my work among other communities. All the same, I saw the woman. This has a very strong bearing in relation to the services so much boasted about, and a great bearing on the thousands and thousands of cases advertised in the Press, which form a sort of publicity agency. This woman showed me her back. An injection had been given by one of the attendants in the Native Hospital. Mishaps are not uncommon in the medical profession, and the biggest doctors commit blunders. In this case a bismuth injection had been given by a native under the skin. The native had been taught to give these injections, and he goes on giving them any way, although I am sure that every medical man knows that a bismuth injection is a difficult injection to be given in a particular place. How can you expect Africans with one or two years' experience of these and other deadly medicines, how can you expect them, with the kind of tradition they have got, with only the foundations of experience they have as yet got, to do these things properly?

Then we have Africans administering chloroform in hospitals. I would not allow my Asian assistant to give chloroform for me. But these things are done in the towns; and Africans do medical work all over the country in places where there are no medical officers and, in places where there is only one medical officer, Africans administer the chloroform during operations. It is only by going into the details and nature of this work that the people will understand exactly what quality there is in the work that the thousands and thousands of advertised cases get. I do not want to belittle the work the Medical Department is doing, but I do object to publicity being used to boost up the work of the Medical Department of this country. We do not want to know which African Colonial Government is better than ours and modesty should dictate to us not to say that "ours is the best service in the world".

I have asked in the past in connection with training for the work, and I am asking to-day—and will as long as I am in this Council, and my successors will when I go—not as a matter of principle, not as a matter of favour, but as a matter of right that the Indian youth should be given opportunities for medical training in common with the native. He is better off. The boys here pass the London Matriculation and they

have an ample stock of tradition behind them. Why are they not engaged? What is preventing this good material being used and turned out into different occupations? Why is it, Sir, that we have not got the locally educated Indian youth put in as hospital assistants and as laboratory assistants? Even as young men they would be able to handle a needle better than the African. The reason they have not been given that opportunity is due, as I suggested last year, to this racial policy of the Medical Department. I have just heard the Director of Medical Services tell us, and I expect everybody has taken it as gospel truth, that for the time being male African nurses will suffice. We are training native men as male nurses, but why not get Indians as male nurses for Indian wards? Again he will tell us he cannot get enough material to train as Indian nurses. I defy him, and I give him my challenge that the moment he has a scheme ready I will provide him with the material. And why do we want that? For this simple reason, as I said last year, it is for the sake of the modesty of our women. I have said it over and over again, and it does not seem to impress anyone, but perhaps it will tell in the long run, that in this hospital here and perhaps all over the country, Indian women are operated on in the presence of male African adults. That position obtains to-day, after three years, and why is it so? Can any member in this House, can the Hon. the Director of Medical Services imagine any European woman being put on the table in the presence of African male adults? Is it done in any British African Colonial possession? And, if it is not done, is it a thing that the Hon. the Director of Medical Services can brag about in regard to the medical services of this country? It is a matter of strong feeling with us, because if heads of departments have no consideration for the modesty of our women I think it is time they made way for better men. The paltry sum of £1,000, if I remember rightly, was asked for by the hon. Mr. Pandya when I appeared before the Standing Finance Committee in 1934 so that a temporary arrangement should be made for nurses to attend on Indian women in the hospital as well as the operation room. Another suggestion put up by me last year was that when there were cases of Indian women being operated on, the services of nurses from the European Hospital should be transferred temporarily to the Native Hospital. There might not be more than ten or fifteen occasions in a month, but that also was turned down.

I say, Sir, nothing short of immediate arrangements to do away with this evil will prevent us taking this matter up direct with the Colonial Office, because it is necessary that certain officers of Government should be exposed in high quarters.

And now I am coming to something else; I have not finished yet. There is the question which I raised last year about one of our experts in bacteriology being transferred from this hospital and made a senior medical officer. I do hope that he is doing some good work there, but as I said last year, it was a definite loss to the department and to the country that a man with such large experience of bacteriological work in India and here should be replaced by one who, within my knowledge, had no experience worthy of mentioning, of the work on the bacteriological side. And now this year I am given to understand that another man who has made a hobby of pathology in this country, a man who has spent seven years in that particular study, has had to be transferred to another British colony. And for what? Why has he had to interrupt his research work, valuable work, which cannot be had at the bidding of Government, because there was no question of £100 or a couple of hundreds of pounds in his salary? Now, Sir, if that is true, and that is the reason why I like the Hon. the Director of Medical Services to speak last, if it is for the sake of £100, then an expert who has devoted seven or eight years' work in the colony, and accumulated experience which will be lost, this Government is to be deprived of his experience and some other country benefitted by experience for which it has not paid.

Now I must substantiate—and I shall be grateful if you, Sir, will allow me the wide latitude to speak as His Excellency did last year—I must substantiate some of my statements. I mentioned that the Hon. Director of Medical Services has got a definitely racial policy as far as his department is concerned. On page 2 of his Medical Report I see there is a table which shows the number of people treated in Government hospitals and Government dispensaries for the last six years, from 1930 to 1935, and in the table you will find that statistics are given as regards Europeans on the one side, and Asiatics and Africans together in the other column. The result was that though I am just as much interested in the health of the Asians in the country I am in the unfortunate position of not knowing how many of the Asians in this country have attended Government hospitals. If that is not racial policy, I should very much like the hon. member to have the privilege of speaking again and telling me it is simply a lapse on his part. As I have pointed out regarding the mental cases, we have no statistics for Asians in these tables.

The other point I want to make about the Medical Department is in regard to the services which are now available at the Laboratory. There again the question of responsible work being entrusted to Africans comes in. I am not against Africans taking up posts in Government service, but I do not

want incompetent and incapable Africans to take these posts. I am now talking as a private medical practitioner in Nairobi, and some of the private doctors of Nairobi are not well satisfied with the work recently done at the Laboratory except such work as is done by European officers, and I understand the reason is that for certain work it is the African learners and laboratory assistants who carry out the examination of specimens. Rightly or wrongly, the private medical man has no trust in that work when they have got to deal with private patients who demand the best for the money they pay, as compared with the Government doctors who have nothing to do with the public directly, neither are they responsible to that public in the way that private doctors are.

In this connection, it is time that the hon. the Director of Medical Services considered a revision of the scales of fees for laboratory work. I have known cases in which the laboratory fees were greater than professional charges.

Now, Sir, I am going to refer to a subject which the hon. the Director of Medical Services knows is of great importance, and that was the reference by my hon. friend Mr. Pandya about certain conditions in the health department in Mombasa. I have nothing to quarrel about his belief in a youth possessing all the experience which only years can bring to a man, but I would have liked him to have told me what the trouble has been recently in connection with people who come from India in the Indian boats. I should very much like this fact to be broadcast for London, for the Houses of Parliament to hear when they meet to-morrow, the fact that when people go from Kenya to India they have to be vaccinated, as well as their wives and children, and they get a certificate from the department here. They go to India, and through the good services and good relationship which this department has with the whole continent of India, and with the Indian Government, those certificates are accepted.

For people coming back from India, the port authorities at Bombay see that they are vaccinated in the provinces and if at Bombay there is no mark of vaccination they are done again. The most astounding fact is that when they land in Mombasa they are again vaccinated, which means four vaccinations for some people in less than six months. What is wrong with Kenya? Why is it not possible, with the advance made in science, in vaccination, if the result is positive or negative, to give a man a certificate for free entry into the country? Why is it necessary that these people, mainly at the instigation of the Medical Department, should be put to all that trouble while frequently, when the men have to be on duty in Nairobi and up-country and in Uganda, they have to pay an enormous amount of money because their wives and

children are detained in Mombasa? I have known of cases of women and children being kept in Mombasa for the sake of vaccination for the fourth time while the men have proceeded up-country.

That is what I should like to broadcast for London to-morrow for the meeting of the Houses of Parliament and to be read in conjunction with the glowing reports we have had of the medical activities of this Colony.

I come back again to the old question, the hospital accommodation, and I say without fear of contradiction that the reply the hon. the Director of Medical Services has given me is almost an insult. On the 21st October I gave a question to the Clerk of Council, but have not yet received a reply. I asked:—

1. Have Government completed and finally approved the plans for the Combined General Hospital for Nairobi?
2. If the answer to the above is in the affirmative, when will the building of the hospital be started?
3. Have Government sought and obtained the advice of representatives of the communities concerned in the preparation of the plans for the hospital in question?
4. If not, will Government allow representatives of the communities concerned to offer them such advice and suggestions for the building of the hospital in question as will obviate dissatisfaction over accommodation and services which this hospital is intended to provide for the public?

That question was put in on the 21st October, and it is not fair to us that heads of departments should get up before a question has been answered, before the whole debate is disposed of, and in a cowardly manner run away from the field of battle! (Laughter.) That is what I asked, and the reply is what was said this morning. My comments on that reply are these.

I would like very much to see what the hospital is going to be. I certainly object to the idea about social relations, even in hospitals, among different races, being introduced in this Colony from South Africa. For example, I do not know where the Indian side will be; what amenities it will have, I know nothing, so that I cannot possibly give my sanction to a plan which has its inspiration in South Africa, a country where Indians are treated worse than in any other country. That is the reply I wanted, and would have liked, but could not get.

THE HON. THE DIRECTOR OF MEDICAL SERVICES: On a point of explanation, Sir, I very greatly regret that the hon. member did not probably hear what I said. I said that several

members here had raised the question of the group hospital and as they had I would make a short statement about it but, as I said, it would only refer to certain matters, because the question the hon. member refers to had been asked and to that question I should have to reply in due course. But I was not able to reply to the question at the time, because the question of how long it will take to build the hospital is not one that I can answer but only the Director of Public Works. I tried to make it clear that that question was going to be answered, which was the reason I only referred to the matter.

DR. THE HON. A. C. L. DE SOUSA: I am sorry to have been the means of the hon. member intervening, but it leaves me in the same old position, that it does not take me any further. However, on this question of the combined hospital, I would make it clear—and I am sure all my Indian colleagues agree with me—that our demand—I say, our demand—is that we shall be given all opportunities to see what the future generations of Indians are going to get in Nairobi, because this is a big scheme which will make provision for the present and the future population of Indians, and we want to know what type the hospital will be, the details of it, and unless that is done we shall not rest content.

There is another point. I think it has been very frankly admitted and accepted by the hon. the Director of Medical Services that no schools have been visited by the Medical Department. In other words, that Government are not interested in the hygiene of schools, or are not interested in the health of the pupils. I know several schools which have never been visited by members of the Medical Department, and if it is a question of shortage of staff may I suggest that the hon. the Director of Medical Services, who has not very much to do (laughter) might do the job himself, once or twice a year? And if it comes to the push, why not ask private medical practitioners, and pay them from the medical vote? In my case, of course, I will offer my services free to him!

There is another point with regard to the Medical Department that I want to raise, and it is in connection with maternity and child welfare. I notice that two African institutions, one in Mombasa and one in Nairobi, get an aggregate of £3,050 per annum as a grant as against £250 for the only Indian maternity hospital and child welfare clinic in Nairobi. I suggest that this amount is not quite in keeping with requirements. It certainly is not in keeping with the sacrifices which the Indian community made in the building of that institution.

I was one of the original workers, together with Lady Grigg, and incidentally the hon. the Director of Medical Services is now the controlling person in that institution. I gave

the whole work up because I did not like the constitution, although I saw the building completed and handed over.

Comparing the amount, this niggardly amount, with the sacrifices that the community have made, and with the urgent need there is for an extension of that service, I think, Sir, you would be well advised to increase the vote.

Now I have done with the Medical Department, and I hope that the hon. the Director of Medical Services will take whatever I have said in the spirit in which it is offered. (Laughter.) It may be that that spirit has a lot of sentiment in it, but it is only fair for us who represent the people to speak our own minds, whether the officials like it or not. After all is said and done, we are responsible to our constituents, and day in and day out we are approached by people for improved services. In fact, we are approached to justify our presence in this House.

With regard to the motion before the House—I am afraid I am going to be rather long, Mr. President, but I think it is always worth it—I am in that very unfortunate position of supporting it. I am also in the unfortunate position of supporting the Income Tax Bill, and when I am doing that I say I am unfortunate because I have serious qualms of conscience as to whether I should support the manner in which the budget is presented to us and the next step that is being taken in connection with the budget, that is, its consideration by the Standing Finance Committee.

The circumstances under which I speak are not dissimilar to those that existed last year. There was a certain amount of agitation in the country just before the last budget, the budget for 1930. As you will remember, Sir, the agitation was very intense: the Vigilance Committee agitated and the European Elected Members walked out from this Council; and we had their abstention from the Standing Finance Committee. And we are more or less in the same position to-day. That is, that when the budget was being prepared a section of the European community created an atmosphere which was very embarrassing to Government.

I am very sorry to mention it, but last year, when the hon. member in charge moved the budget I called Government not only an emaculated but a spineless Government. I say it again, because is this not a spineless way that we are going about the budget? What is the position? Months ago the Pim Report was published. I presume the local Government drafted the provisions of the bill relating to income tax before the Pim Report was received, or after, I presume they had consulted the Colonial Office, and that the Executive Council

had also taken notice of it, and that the Bill was then published. If Government were convinced that that Bill was the proper thing for the country to have and new taxation to be imposed on us, I am sure that my hon. friends on the Indian side who have spoken here also been wondering why is it Government gave in at the last moment?

I may be allowed to say that the procedure adopted is unconstitutional. It is true that when the Standing Finance Committee was formed in 1934 it was the intention to refer the budget to them, and though I supported it I was very sceptical about it. The original intention was that the Standing Finance Committee should normally deal with the budget as presented, but the constitution of this body provides for Government referring to them from time to time any measures relating to finance. I think that is clear. But what one cannot understand is why this time Government should have made a very unholy mixup of the budget together with a taxation measure which this Council has not yet considered.

That is why I say I am very unfortunate to be in the position of having to support this motion and yet have serious objections to the method adopted by Government. What would have been the natural course for any Government to adopt? It would be, I imagine, that as soon as the budget was tabled here and His Excellency had made his opening speech, the hon. the Colonial Secretary who has moved this motion or you yourself, Sir, in another chair, would move the adoption of the bill for income tax, and the budget discussion would have been delayed for a week or fifteen days at the most, and when we had disposed of the bill and it had become law the amount contemplated to be raised under it would have been considered as part of our normal income.

At the moment we are doing an unconstitutional act, and I say it is not right. We are referring a matter to the Standing Finance Committee who has no authority because there is no legislation to raise revenue by income tax. I understand that that committee will be going beyond their powers if they consider anything concerning income tax. The only thing they have to do is to go into the items on the revenue side, and they cannot consider this tax because there is no law to enable them to do so.

So that I am in the unfortunate position of having to support this method of procedure. The real position is this. The opponents of this bill want time, and Government have played into their hands, and in such a bad way that, believe me or not, the confidence of other communities in the justice and fair play of the Kenya Government is very much shaken. What need was there for Government or for the hon. the

Colonial Secretary—because it was suggested that the Colonial Secretary sent the invitation—to get so nervous about the gathering storm as to send for the leaders of the European elected members?—What was the need for being so anxious and nervous? Then what happens? A pact has been arrived at, and we members of the Council are fooled as no members of a Council have ever been fooled. (Laughter.) This budget which is going to be referred to the Standing Finance Committee is not coming out, and I am going to prove to you that it will not come out of that body.

There was a meeting at Njoro at which the Noble Lord, the hon. Member for Rife Valley, explained the position—this is very relevant, and I should like hon. members to listen because it shows to what extent we have been fooled; at least, I have been fooled as a member of the Council. He said at that meeting that the Standing Finance Committee would be given as much time as they required, even if they carried on into the new year, to go into the whole question of taxation. That is a statement made by a member of this House, by a member of the Standing Finance Committee to which this budget is being referred, and, incidentally, an ex-member of His Excellency's Executive Council. He also pointed out at that meeting that the Standing Finance Committee had an unofficial majority, and that five out of eight members had already declared themselves in favour of income tax. That is a very relevant piece of information, because we know what the Standing Finance Committee is going to do—it will fool us.

What is more pertinent is what the Noble Lord said at that meeting: "Without any delay at all after the publication of the Pim Report, the Standing Finance Committee were called together, and there was an Income Tax Bill ready for us on the table". It means that it has already been discussed by the Standing Finance Committee. "Government told us they were determined to get income tax through and take off the Civil Service levy."

If Government told the members of the Standing Finance Committee that they were going to get income tax through, what has happened since that meeting at Njoro? This is very relevant, and I am now coming to what was expressed by the hon. Member for Aberlare. He spoke, in connection with this matter, of what he called a "gentlemen's agreement", in that "a new principle had been established and definitely a small but not negligible advance had been made towards a greater measure of control by the people of their own affairs".

That was said at Njoro, and was reported in the *East African Standard* of the 19th October. The next day, the 20th October, the Convention of Associations met, and there again the Noble Lord said, explaining the circumstances to the Convention delegates:—

"The only way of preventing a bust up was the postponement of the proposals in Pim's investigation, combined with plenty of time to be given, so that the country should know exactly what was intended in regard to these matters".

They gained their point, that the Income Tax Bill should not be introduced into this Council. The Noble Lord, who is a member of the Standing Finance Committee to which these proposals are to be referred, said further:—

"They have gained the point, that the Income Tax Bill should not be introduced into the Legislative Council and debated in any way until the matter had been fully investigated and reported to Council."

"To carry out such a programme", the Noble Lord proceeded, "it was necessary that the Committee should have plenty of time, and His Excellency had agreed that it was not absolutely necessary that the Committee's report should be completed before the end of the year".

That is why I call it fooling the House and the members thereof.

A question was asked at that particular meeting as to whether it was not possible for the Standing Finance Committee to adopt rush tactics and get the matter into the forthcoming session of Legislative Council, and another member of the House, the hon. member for Nairobi South, explained that—

"a complete assurance had been given that the Committee would have the right of the fullest investigation and that there was no suggestion that the Committee should be stampeded".

Under the circumstances, does the hon. mover of the motion honestly believe that there is going to be any finality in the matter of these taxation proposals? Does he even believe that there is going to be any finality about this budget itself? (Laughter.) I call that fooling—it is a very vulgar term, but in actual practice it means so.

I say that if Government have made up their minds under compulsion to make provision on the revenue side of the budget for a certain amount, if they had submitted those proposals to the Standing Finance Committee, if they categorically told

members of the Committee they were going to keep these things in, why give away at a critical moment and fool the public? I do not know what a "gentlemen's agreement" means really. (Laughter.) I know what it is when gentlemen share in the partition of plunder or spoils.

Whatever it is, we on this side of the House have not been taken into confidence by Government, and surely Government has a certain amount of respect for the opinions of a section of the community in whose behalf they claim to be trustees, whom they claim to aid and defend. Have we done anything in the past by which we have forfeited this claim to confidence from the Government? Is it only those who cheat, those who threaten, who refuse to pay taxes that merit official confidence? That is the position, Sir.

One great point recently made in connection with these taxation proposals was that we should have an impartial commission to go into the whole of the taxation policy of the three or four East African territories. This proposal, when it was first made and I became acquainted with it, appealed to me very greatly. The question is that sooner or later these four territories have got to work together, already they do in more than one direction, and I think this is a very reasonable proposition.

But why was it not raised at the proper time, when the whole storm was gathering? That is four or five months ago. Why was it not made then? And why is it made now almost on the day before the budget session? Why, I say again, was it not made in the appeal by the Noble Lord on behalf of the European Elected Members' Organization as far back as the 26th September of this year? Why did that letter to the Secretary of State not mention it? I say it is a very fine idea, but it comes too late in the day, and it has got to be suspected, and taken with caution. Funnily enough, even the *East African Standard*, when it published the letter, put a big headline on it and called it "The Case for Delay".

The whole thing is engineered, I say, to gain time year after year, and to put Government in an awkward position at the end of every year. And, may I say, these obstructive tactics have gone very far to create an objectionable influence on the other races? Already the African has adopted some of the methods of the Europeans—he does not want to pay his tax. (Laughter.) It is a very bad thing. It is so among the Asians, especially the poorer class of people. It is having a bad effect on all those taxpayers.

I, as I said, am in the unfortunate position of having to vote for the motion, but have to vote like a blind man! I

am talking now of the vote in connection with the Secretariat and Legislative Council. An increased amount is provided for the hire of this hall. I consider that Government in these times of depression and difficulty and adjustment should find some way to reduce expenditure on this hall. I object to more being paid for this hall than in 1936, and my reason is that we only use this hall for a few days. Since I have been on the Council we used it, in 1934, for thirty-five days out of the year, in the whole of 1935 for twenty-nine days, and if you divide the amount we are paying by that number of days it shows how we are throwing money away.

What do we get? When this session opened there were three chairs in this House with wooden three-ply seats and, funnily enough, these three chairs were put here for the hon. Indian members! (Laughter.) Naturally I protested to the Clerk to Council. Two or three days after that we have one with a wooden seat and no arms, another without any arms which is not fit for these gentlemen here. These are the services we get, and I object to paying such a heavy rent for them. If you lift one of the mats up you will find it full of dust, a hunting ground for vermin. And, for the information of the Medical Department, every time I come here and sit in this room I go away with pains in my back. (Laughter.)

I say that this is not the proper place for us to meet. The acoustics are very bad, the ventilation is bad, and the place is in the midst of a lot of traffic. The other day, when the hon. the Colonial Secretary was speaking, I could not follow his speech, I do not know yet what he has said, except in parts. This is a most undesirable place in which the Council should meet. I suggest that part of Government House be used, one of the ball rooms, inasmuch as we only meet twenty-five or thirty times a year. We would thus save this amount of money, we should be in better surroundings, and you get better ideas from men when they are in better surroundings!

Incidentally, when it comes to the Secretariat—I do not know, Sir, whether you will be able to pull me up in offering an expression of opinion, but if I can vote for a service I think I can say something on that service. It is with reference to a small point which I have had occasion to put before the hon. the Colonial Secretary, the question of transfers among the Asian staff, particularly the Asian staff in the Administration. I have got my own feelings in this matter, and I think Government ought to take serious notice of it. There are cases of people who have devoted some twenty or more years to the service of the Colony, they have had their children

born in this Colony, and for many years they and their families have lived in isolated districts. In the interests of their children only and their education, those servants should, after so long a time, be transferred to towns where educational facilities are available.

If I might suggest it to the hon. the Colonial Secretary, if he took a referendum among the Asian staff, particularly the Administration staff, which is not allocated to the big centres, he would be surprised to know what dissatisfaction there is among them, particularly as regards promotions and more so as regards transfers. I hope that the hon. the Colonial Secretary will be able to relieve that feeling among his own staff.

As a member of Legislative Council I have this remark to offer. For some reason or other, the order of precedence laid down in the constitution of this new Council is not observed in this House. I particularly wish serious notice to be taken by Government. On the unofficial side the order of precedence is the European elected members, then the Indian elected members, then the Arab elected member, then the nominated members. I shall be very glad if as soon as possible Government make provision for that part of the Order in Council to be observed. It has been more honoured in the breach than in the observance in the last two-and-a-half years. In my case, and that of others, and nobody can prevent me, my seat is not here! it is elsewhere.

Again, in connection with Legislative Council, and this is the proper occasion, although we are very late in demanding serious consideration from the Imperial Government, a change in the appointment of non-native members representing African interests is necessary. I have had that seriously brought to my notice by several of my native friends. It seems ridiculous for a Government like this not to be able to choose an African from among the educated section of that community. Over and over again we are told that there is no African who can adequately represent his community. I say, Sir, that is not true. If there are African ministers of all denominations of the Christian religion, men who can say mass, men who can carry out all the duties that highly educated and specialised people can, and they are Africans, why can they not represent the African native on this Council? Why should other people be kept on to speak in the name of the Africans when they have no mandate from them and the Africans do not like such representatives on this Council? Representations should be made to the Colonial Office in that respect, they should be informed that there are educated Africans, men who can take up these positions.

Now I come to the Police. As a matter of fact, I have just consulted my learned friend in front of me, and he says I cannot move a motion asking for a reduction, a token vote of £5, in the Police vote. On the Medical Department vote I wanted to do the same, with the permission of the Chairman. However that may be, this will answer the purpose.

I particularly mention the Police Department in that there is a growing fear, especially in the Indian community, that the safety, the civic safety, of prominent members of the Indian community is not assured. During the last year or so there have been several cases in which prominent members of the Indian community have been criminally charged by the Police Department and they have been honourably cleared by the courts of justice.

This fear is not imaginary, it is a real one. For example, there is no reason why to-day, this very afternoon, two or three irresponsible people may not go to the Police Department, make an affidavit, and then for any person to be put in prison and bail refused. It is not only a single case, but over and over again these cases have happened, and these men, owing the confidence and respect of the community, have been put to untold sufferings and misery, with the loss of their honour, and shame brought on them and on their families.

Yet what does Government do in the matter? They are too anxious to see that all these men in the Indian community are humbled to the dust! If that is not so, why have they not taken action? Do not all these cases give food for thought that something is wrong somewhere, that people want more protection? If I had sworn an affidavit and a man was charged criminally, and it was untrue, I should come in for serious trouble for bringing an action against somebody. Why should these officers of the Police Department, or the Legal Department for that matter, informers and others, not be brought to task and made to pay those who have suffered, or Government should pay them because, after all, these are Crown cases.

I want to bring this thing to your notice because the fear is very general, and the manner in which these cases have been handled from the very beginning until these people have been acquitted by a court of law has been, to use a very, very mild term, disgraceful.

In connection with the Education Department, I have nothing but praise for the hon. the Director of Education for doing whatever he has been able to do, sometimes under very difficult circumstances. There is, however, a question affecting Indian educationalists as well as by the Government

Education Department, as to the type of education the Indian boys should have in the secondary stages. I was very interested the other day to read a report of a speech made by the hon. the Director of Education at the Rotary Club lunch. He referred to what he called "modern schools" and hoped he would be able to refer this question to the Advisory Council on European Education. I hope he has already done that; but I am not quite sure whether this new idea is, in his opinion, applicable to the Indian side as well, because we have now realized that secondary education as it is being imparted in the Indian school is not altogether a necessity. It is being realized that in certain stages boys should be diverted to special instruction which would help them in whatever jobs they may take up, according to their capacity or inclination.

If it is the idea that this modern school is going to enter for this particular need, I should very much like the Director of Education to consider—I am sorry that the Advisory Council on Indian Education has already met—if he can refer it to that body.

There is another point in connection with the teaching class, the class started now in the Indian school to train school teachers. I may be wrong, but I understand there is not the response that was expected, that the young men when they pass out with London Matriculation are not enthusiastic about applying for these posts. I was very surprised, because we were very grateful to Government for extending to us this facility. I was surprised that that should be the case. Perhaps the hon. the Director of Education would explain matters and, in the meantime, I might say that according to my information part of this lack of enthusiasm is due to the absence of an undertaking from Government that whatever boys pass the tests are guaranteed a post in the Education Department.

—On page 19 of the Memorandum on the Draft Estimates of Expenditure there is an item under Education: "(a) "A European lady principal on a salary scale of £360 by £20 to £420 by £10 to £500 will be appointed to the Indian Girls' School, Mombasa." The present principal will be transferred to the Government Indian Girls' School, Nairobi."

This comes to me as rather a surprise. I am not aware that the Advisory Council on Indian Education has been given the opportunity to consider this question, and it might have done so while this Council was in session. I think, apart from the fact that it puts me in doubt as to the fate of the present principle of the Indian Girls' School, Nairobi, it involves the principle of having European principals in Indian schools. I

am not in the least opposed to the idea, because I must say that to some extent I am responsible for having adopted this system in the Goan school in Nairobi as well as in Mombasa.

Actually, the Goan school here has got a majority of European lady teachers, and with the exception of two Goan teachers the more responsible staff is European. That is my own personal opinion, but this question should have been referred to the Advisory Council on Indian Education, because it seems a departure from the principle which the Indian community was only recently fighting for, that Indian education should be carried on by Indian educationalists. I have my personal views on the matter. I am associated with a scheme in this country for Goans on the basis of European teaching because, after all, if we are to get knowledge of European language and standards of life I would rather have Europeans in the absence of competent Goans. But this is a matter which should be referred immediately to the Advisory Council on Indian Education.

Another point—hon. members of the Council will now suspect that I have come to the end of this talk!—and that is on page 10 of the Memorandum on the Estimates. I am very grateful personally to His Excellency the Governor, whom I approached on the subject of the utter inadequacy of the grants to the Goan community, despite their sacrifices, and I am grateful to the hon. the Director of Education for sympathetic consideration, and to the hon. the Colonial Secretary, whom I also approached on the same subject. But I think that when you are generous, your generosity should not be unduly restricted by other considerations.

The proposal is that the vote shall be doubled, that instead of £600 it shall be £1,200, if income tax comes in! That is a wrong attitude to take. You should either consider whether these education schemes deserve any substantial grant from Government or they do not. If you consider they do not deserve any support, please do not give it. But once you make up your mind and are satisfied—and I am quite sure the Director of Education is satisfied not only with the officials of the school but also with the very modern type of education given in the Nairobi school, with the enormous amount of money we are spending here year in and year out, if you are satisfied this is a deserving case, why not give the increase on its merits? And further, I say that income tax may never come. (Laughter.) It looks as if it never will. It may be very disappointing, but I do not think it is coming! I am very sceptical about it. Does it mean then that a scheme which Government consider deserving of assistance and help, will then get nothing? I would very much urge Government to give serious consideration to this point.

I would ordinarily have raised these points in Standing Finance Committee, Sir. For the last two years I have given evidence before that Committee, but my conscience does not allow me to appear before it this year because I feel the procedure in referring the budget to the Standing Finance Committee is unconstitutional. That is the reason why I am abstaining from giving evidence before that Committee.

The debate was adjourned.

Council adjourned till 10 a.m. on Thursday,
the 12th November, 1936.

THURSDAY, 12th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Thursday, the 12th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The Minutes of the meeting of the 10th November, 1936, were confirmed.

ORAL ANSWERS TO QUESTIONS.

DETENTION CAMPS.

No. 56.—THE VEN. ARCHDEACON THE HON. G. BURNS asked:—

“Will the Government please state:—

(a) The cost to the Colony of the Detention Camps; and

(b) The revenue, if any, derived from the same?”

THE HON. THE CHIEF NATIVE COMMISSIONER:

(a) The cost of Detention Camps for the period 1st January to 30th September, 1936, was approximately £3,953. An exact figure cannot be given because at some stations prisoners' and detainees' food is not purchased separately.

(b) There is no direct revenue; but the value of detainee labour for the same period is estimated at £7,526.”

MOTIONS.

DRAFT ESTIMATES, 1937.

—THE HON. THE COLONIAL SECRETARY having moved:—

“That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.”

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

HON. A. C. HORN: Mr. President, speaking to the motion before the House, I would first of all like to associate myself with the speeches which have been made by the hon. Member for the Coast and the Noble Lord representing Rift Valley,

because I believe that these speeches clearly reflect the opinion which is held on this side of the House concerning the principles on which this Budget has been framed. These speeches have been a challenge to the revenue figures and that challenge remains unanswered. Of course it really must remain unanswered until this budget comes before the Standing Finance Committee, but I believe a definite case has been made out and justified by every argument. But it is no use going on with that point at the moment because we have to wait in patience until the Standing Finance Committee report back to this House.

One thing I do want to say a few words on is the question of native taxation, which has been the subject of considerable discussion during this debate. I specially refer to the proposals of Sir Alan Pim. I am going to criticize those proposals, but I naturally have to be very careful as to how I criticize them. Being a settler and representing a settler community, one cannot be too careful because we know there is a school of thought, especially overseas, which always takes one point of view, and one point of view only, and that is that the settler is out in this country merely to exploit the native. I do not propose to take up any time on that because it is absolute, sheer nonsense, but I do wish to make a personal point because I claim to have the welfare of the native at heart just as much as any member of this House. I have lived here a great many years, and if anyone has any doubts on the question as to whether I have the welfare of the native at heart or not I would refer him to the evidence which I gave before the Carter Land Commission. Just another personal point to show one does have these interests at heart: when it came to the removal of Pangani village, I did receive a letter from the headmen of Pangani asking me to give them every assistance I could. When I came down for this Session I actually had a deputation of ten of these men from Pangani asking me to assist them over their various grievances. In this connection I would like to say how very grateful I am to the Commissioner of Local Government, Lands and Settlement, who so clearly explained to this House the position at Pangani and, after listening to this explanation of all that is happening, I think that not only the Government but the Municipality too are dealing with this matter in a very generous manner.

To come to the question of native taxation and the Pim proposals, Sir. There is no doubt whatever that when Sir Alan Pim visited this country to make his Report he was definitely of the opinion that the native was over-taxed. I agree with him, but the native was not alone; other communities were over-taxed, and I maintain they are to-day. But since Sir Alan Pim's visit there has been a very great improvement in the

economic outlook of this country, and that was most clearly demonstrated in the speech made by His Excellency from the Chair at the opening of this Session. He drew attention to the spectacular advances which is being made in every direction, especially in regard to the various commodities produced in the native reserves, and in the Colony generally. What is the position of the native taxpayer to-day? I maintain he is one of the first to feel the benefits of returning prosperity, and I am very glad indeed that he is one of the first, because what is it going to do? It is going to stimulate production, and I have always had the opinion that we have got to do everything we possibly can in this country to stimulate production, whether it be in the settled areas or in the reserves.

Taking into account the price of marketing commodities to-day I definitely believe that the native is receiving a very remunerative price for his products. He is being assisted in that by far better marketing conditions than he ever had in the past. It is the partial application of the Native Marketing Ordinance that is doing a very great deal of good, and I look forward to seeing that Ordinance more widely applied in this Colony in the not distant future. Further, there is the question of whether the native is receiving any further direct benefit by his wage-earning capacity. I believe he definitely is, and I am quite sure that where you have commodities such as sisal, which is to-day improving and showing a substantial profit in every direction, there is an increase in wages no matter whether it be in the field or in the factory. It is only right that the native should receive the benefit of rising prices in these commodities.

Let us get away from any question of sentiment and consider what is the best thing to do for the native in his own interests and for the welfare of this Colony. There are two proposals made by Sir Alan Pim in his report. The first is the raising of the age limit from sixteen to eighteen for taxation purposes, and the other is the reduction in tax on extra hutis. Both these points were dealt with by the hon. Member for Narok, and I should like to associate myself with his remarks, because I believe the point of view he took is the point of view that every practical man would take in this country who had not only his own interests but the interests of the natives at heart.

In connection with the proposal to raise the age from sixteen to eighteen, I have heard it said that the present system is an evil system, because it interferes with the schooling of these youths. I was delighted to hear the Hon. the Chief Native Commissioner completely cut away the ground from under such an argument, because he really pointed out that it was entirely the reverse. Under the present system

you are creating an incentive to the native to take advantage of the educational facilities offered to him, because if he does so he is exempted from taxation, and all this nonsense that natives between the ages of sixteen and eighteen are going to be forced out of their reserves to go and earn their taxes is worthy of no further consideration whatever.

The other point is that of the tax on extra huts. I do think there is room for some modification in the existing system, and I believe it lies in one direction only and that is, where you have huts occupied by widows there should be either whole or partial remission due entirely to the circumstances. I think it is entirely wrong to expect a widow to pay the same tax for her hut as that paid by an able-bodied man. Generally speaking, I believe there is an awful lot of misunderstanding about this question of native taxation. There are powers of remission and I believe those powers are far more widely exercised than a great many people believe.

Let us think for a moment of what is being done for the native here. I refer especially to these expanding direct services, namely, the medical service, educational service, and agricultural service. I am one of the first to say we must do all we possibly can, and I should hate to see these services restricted in any sort of way, but they must be governed by the ability to finance them. On this question of direct services, when Lord Moyne came out to this country he definitely laid down a formula on which the question of direct services should rest, and that formula was that out of the total amount received by way of direct taxation on the native, 50 per cent should be returned to him by way of direct services. But what do we find in this budget? We find that that formula is completely disregarded, and the actual amount which it is proposed to spend during this coming year is £16,000 over and above the actual formula. If you go on like this one naturally commences to wonder where it is going to end, because if the present policy is followed it can only lead to one thing: that eventually you will reach a position when the non-native community will be called upon to bear a very heavy financial burden towards the subsidising of native services.

It does make one think very hard when you see exactly what the policy of the Government is, because the one thing that impresses me is this: that if this is to be the policy of Government and the Moyne formula is going to be completely thrown overboard, I dread to think what would happen if Government had a free hand over the principle of direct taxation, and that is income tax. I dread to think what the figure would be in a few years if this formula is completely disregarded as it is to-day, and it brings to my mind how impossible it is to accept the principle of direct taxation by

way of income tax unless the people of this country have some real share in the financial control of this Colony. (Hear, hear.) I do urge upon the Government with every force at my command, not to tamper with the basis of native taxation. Here in Kenya I believe that the native is progressing very fast indeed, and if you go on giving him more than he can absorb it will leave in its wake an enormous amount of trouble in many, many directions.

I have said that the first community to feel the benefit of returning prosperity was the native community. The second section of the community, as far as I can see to-day, is the Civil Service inasmuch as it is proposed to restore to them the levy on salaries amounting to £47,000. The hon. Member for Trans Nzoia touched upon this matter the other day and I noticed that there was rather a flutter on the other side of the House. The Noble Lord did mention this in his speech, and I understood him to say that while being desirous of seeing the levy removed as early as possible he considered that that could only be done concurrently with the abolition of the temporary taxation. If I am not right perhaps the Noble Lord will correct me.

THE HON. LORD FRANCIS SCOTT: Sir, on a point of explanation that was so, but I also added that no additional burden should be transferred to any other section of the community.

HON. A. C. HORN: Well, Sir, I am glad that point has been cleared up because we don't want any misunderstanding on that.

The third section of the community to feel the benefit of returning prosperity will be the farming community. Little has been said about them during this debate, but the fact remains that they are the people of this country who have had to battle it out through these last few years of depression and in that process they have burdened themselves with a considerable amount of indebtedness, and it is naturally going to take some considerable time before they can ever return to prosperity.

In this connection I would like to refer to the action of the Government concerning the motion which was passed by this House not so very long ago, which aimed at the intention of fixing of the export price of maize at Sh. 4/60 per bag. It is very disappointing indeed to find that the intention, which Government definitely had is not being carried out. The actual amount which would be required to carry out that intention in full was a sum of £3,000. If that had been realized to start with, that there would be a shortfall of

£3,000, that the actual amount would be £15,500 instead of £13,500, I am perfectly certain Government would have accepted it, but for some reason they have turned down the suggestion that the intention should be fulfilled by adding to the amount of £13,500 the paltry amount of £3,000. If incidents such as this which have destroyed confidence and opened the door to doubt, and I think it is a most regrettable action that Government did not readily and graciously accede to the request that the full amount of Sh. 4/50 should be found by Government.

Talking of the farming community, there are one or two points very much to the fore so far as we are concerned. There is the question of the Squatters Ordinance or the Native Resident Labourers Ordinance. This question is becoming more and more acute, and at almost every meeting of this Council the question is brought up. I do urge upon Government that some immediate action must be taken with regard to this very important question.

The next point is the question of the dairying industry. As you know, Sir, the dairying industry is expanding rapidly. It is dependent to-day mainly on an export market, and it is impossible to go on with this industry without getting down to a proper marketing organization. That is absolutely essential, and it can never be done until we have some form of Dairy Control Bill. I do urge on Government that no time should be lost in bringing such a Bill before this House.

Another point I want to touch on, and this especially concerns the district I represent—the question of rents. Before speaking about rents, I should like to say how very grateful we were to hear the speech of the Hon. the Acting Commissioner for Local Government, Lands and Settlement. It was a speech that showed a practical policy to get ahead with things, and to put an end to this everlasting delay which everybody experiences when it comes to the alienation of land. I do trust that his speech or the spirit of that speech will be implemented as early as possible by Government.

Once again we come to the Budget Session, and in my opinion it again clearly shows the complete futility of going on with this form of Government. Endless delay is caused and an enormous amount of money is spent by these long-drawn-out sessions, and what is it due to? I really believe that most of it is due to the fact that we have a completely obsolete, unworkable system of Government imposed on us, and it is high time the whole question of the Government of this Colony should be revised. No form of government can be really effective in this country unless there is a mutual desire for co-operation. We are tired of this hickering and this

impossible atmosphere but, as I have said before, you will never get true co-operation until you get a share of responsibility.

The time is coming when we are going to have a new Governor and I can only hope that when that new Governor does come there will be a genuine desire not only on the part of the Governor, which I am sure will be there, but on the part of Downing Street, for real co-operation as regards the government of this country, because it is only by such co-operation can we ever be assured not only of the welfare of Kenya but also of the happiness of the people living in it. (Applause.)

THE HON. ISHER DASS: Sir, before I give my comments and criticisms on the budget, I must give an assurance to members on this side of the House and the Government members that whatever criticisms I may make will not be directed against anyone personally, but will definitely be against the policy of the Government. At the same time if, unfortunately or fortunately, they do not find favour with the unofficial members of this side of the House, I think they will be taken in the spirit in which they are given. That is, they are given, as I honestly believe them to be, in the interests of the Colony as a whole.

Before I touch on the budget questions, the hon. Member for the Plateau has amused me to a great extent by suggesting that the natives of Kenya will reap the benefit of the rising prosperity first, while the hon. Member for Trans Nzola suggested that the European settler community will reap the benefit first. There are two different statements contradictory to each other made in this House. I do not know which one is right. Probably both are wrong!

LIEUT.-COL. THE HON. J. G. KIRKWOOD: On a point of order, Sir, the hon. member is wrong. He may have made these deductions, but I am not responsible for his deductions. He must take my word as spoken and written. I never conveyed that impression at all. I extracted certain details from the Pim Report and left the deductions to be gathered by Government.

THE HON. ISHER DASS: The exact words used by the hon. Member for Trans Nzola were: "That the settlers were reaping the first fruit of the rising prosperity of the country". I do not know why he contradicts himself now.

During the course of the debate on the budget two important issues have been raised. I will deal first with the question of white settlement, the policy which, if I rightly

understood the Hon. Acting Commissioner for Local Government, Lands and Settlement's suggestion, is his own policy and is not the policy approved by Government up to the present. If the hon. mover in the beginning had given some kind of indication of this proposed white settlement scheme probably the other members who have already spoken before the Hon. Acting Commissioner for Local Government, Lands and Settlement, would have expressed their views on that subject. His speech was made a bit late in the day, and I think it falls on my shoulders not only to oppose it with all my might and with all the force at my command, but I will say that this is not a new policy he is trying to initiate, and I hope Government will not be so short-sighted as to approve of this policy.

To begin with, the Hon. Acting Commissioner for Local Government, Lands and Settlement told us about this policy: it is a sort of policy which would give to the retired European officers of the Indian Army an opportunity to settle on small-holdings in this country, and the Noble Lord the hon. Member for Rift Valley, and the hon. Member for Nyanza at once in their statements suggested that before this policy was put into practice Government should see that there was no more speculation carried on in the land.

LIEUT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of order, Sir, I never said anything of the sort.

THE HON. ISHER DASS: . . . that the land was not to be sold to the people for the sake of speculation, in other words.

Before I proceed further on this question of speculation and oppose it on that argument, I would read a portion of the debate in 1934, page 589. In the course of my speech in 1934, on the budget, I said:—

"It is common knowledge that most of these so-called 'pioneers' have possessed themselves of vast tracts of land in the good old days, for a mere song, so to speak. Some of their holdings run into thousands and tens of thousands of acres. As I have said, this land has practically cost them nothing, and if these protagonists of a white Kenya are sincere in their protestations, if they are really overflowing with the milk of patriotism, they would have thought of splitting up their holdings into small sections, and would have encouraged white men with small means to develop the land. That would have helped white settlement. Did they do this? Not they. They are just sitting tight on their holdings in the hope of being able to palm them off some day on a syndicate or on some new rich arrivals in the Colony at a fabulous

price. And to achieve this object they have been boosting Kenya for all they are worth for over a decade—its wonderful climate, its fertile soil, its social amenities and the other attractions such as big game shooting, etc. They have been doing all this interested boosting with the money subscribed by the man in the street who has been fooled into the belief that his civilization, his material welfare and the very existence of himself and his progeny in Kenya are at stake!"

If, Sir, Government has thought fit at this stage to initiate this policy, or of bringing in such a settlement scheme for small-holdings, then I say that "charity begins at home" I Those on this side who stick up for such a scheme should have divided their own land lying waste up to this time into small-holdings and when it is completed and finished and there is no more land available the Hon. the Commissioner for Local Government, Lands and Settlement should come forward with his sermon. Probably very little argument would have come forward, but to-day, when there are millions of acres held by syndicates of such people undeveloped just for the sake of speculation, it is high time Government did not accept the policy of the Hon. Acting Commissioner for Local Government, Lands and Settlement.

There is another thing. The Hon. Acting Commissioner for Local Government, in bringing in this scheme never told us what was really the object of bringing these retired Indian Army officers here. After all if it is a question of settlement it should be open to one and all. If I rightly understand him, he is anxious to increase the white population only and for no other reason, that is, that there should be more Europeans in this country. The object can be two-fold. One is, he wants to have them as vegetable growers on five or ten acres. I do not think that that can be so because the Army officers in India are not the agricultural type of person, they do not understand about vegetable growing, all they know about is military discipline. There might be another reason in the mind of the Hon. Acting Commissioner for Local Government for bringing these gentlemen here, and that is he is afraid that one day this country might be at war with some neighbouring territory and these officers duly trained will form the members of a defence force. If that is the idea I think it is better to have some rank and file because there might be some trouble when we found all the commissioned officers available and no one to act as rank and file.

There is another reason, Sir, why I believe I should oppose this scheme. Probably the Hon. Acting Commissioner for Local Government, after a few years' meritorious service

in this country, will retire to England and enjoy all the privileges which this country will bestow upon him. But does he think honestly that by bringing these officers here and putting them on five or ten acres of land, he is not deliberately compelling this Government here and at home to run the risk of having an armed revolution if the question of constitutional advance was not granted this side of the House?

Another question, Sir, probably this was in his mind . . .

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: On a point of order, Sir, is the hon. member in order in implying a motive as to what was in my mind?

THE HON. ISHER DASS: I am only suggesting that when you speak to people you must have some object. When you ask a man to come I think you must have some object in mind. So therefore I am right in suggesting one of the objects in bringing these gentlemen which must have been in his mind. I hope he does not mind!

Now that he has brought forward this scheme, how does he mean to implement it? He says that the Government shall have the power by means of private treaty or tender or the grant of applications, to prevent this land being auctioned. This is directly against the policy of the Government. Government from time to time in this House has told us that they do believe in the principle of public auction, because it gives freer opportunities to everyone to bid and to see the land and so on. That principle has been supported all along by Government, and I do not see any reason why the Hon. Acting Commissioner for Local Government should come at this stage and suggest that that system of auction has outlived its usefulness. He gives us only two instances which have made him change his mind. What are these instances? The first instance is that in Kiboa when the land was auctioned Indians were bidding, and they went on bidding to such an extent that the land was sold actually for more than it was actually worth. In the same breath he suggests, replying to the Hon. Mr. Shamsul-Deen with regard to the Indian settlement scheme, no applications had ever been received from the Indian community while vast tracts of land were available at the Coast.

There are two contradictory statements by a responsible member of the Government at one time. If the Indian community bid for the land more than it was worth that shows that they are in need of land, and if he suggests there is land available at the Coast and no applications have been

received that must be a very, very strange position which nobody can understand except the hon. member himself. But I suggest to him that this flimsy excuse by which he wants wider power given to him is not the real reason. The reason is this, that the land at Kiboa is land of good quality, fit for cultivation and development, while the land he is referring to at the Coast is a waterless tract, of no use to anybody. He wants to hand that land to us, thinking we shall apply for it. He knows perfectly well that no intelligent man would go and spend his money on the development of land which can never be developed. If that land was worth developing then I ask him in all earnestness, why do not some of the Europeans, who have suffered through unforeseen circumstances and lost every penny, settle at the sea-side and enjoy the amenities of life, and buy that land for development? I hope that someone else, because the hon. member has spoken already, will explain this to me.

The abolition of this system of public auction and the introduction of this private tender system, or system of private treaty, is bound to result in abuses and favouritism. I am not suggesting this, but the Hon. Commissioner for Local Government and other speakers last year suggested it themselves on the question of the exclusive licences under the Native Marketing Bill. The hon. Member Mr. J. B. Pandya speaking on the bill, referring to the Kakamega area, said the question of granting exclusive licences by private treaty was undesirable and there should be public auction, and the hon. member himself said that public auction was the best system. Here to-day he says he wants wider powers in order to implement the system which a few months before he himself condemned as impracticable, unsound and unscientific. I appeal to the hon. mover that when replying he will definitely give us an assurance or make a declaration of the policy of the scheme suggested by the Acting Commissioner for Local Government, because before he gives such wide powers into the hands of the Commissioner for Local Government I think this House should have an opportunity to discuss this change of Government policy.

I have said enough on this question of white settlement, but I shall say only one word, that we shall definitely oppose this policy initiated by the Hon. Acting Commissioner for Local Government. If it unfortunately meets with the approval of the Government here and also the Imperial Government, in that case we demand as a matter of right that this change of policy of Crown land by private treaty or by private tender shall be discussed in this House and that members on this side of the House be given the opportunity to speak.

Another point on which I shall warn the Hon. Acting Commissioner for Local Government and that is the question of the transfer from leasehold to freehold which he asks. The question was that if

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT : On a point of fact, did I mention the word freehold in my speech?

THE PRESIDENT : That is for you to say!

THE HON. ISHER DASS : He was asked by some hon. member on this side of the House that this question should be considered along with the policy suggested by the Hon. Commissioner for Local Government, the question of the transfer from leasehold to freehold. Whenever that question is considered it should be borne in mind that the price to be fixed should be the current price of land and not the price paid actually when the land was bought for a song or for nothing.

Another important question raised during the debate by hon. members on this side of the House is the opposition to the scientific, practicable and sound principle of income tax. To begin with I say without hesitation, without fear of contradiction, that I am supporting this question of income tax without qualification, unreservedly and without any condition. I will give my reasons.

This country has suffered so long with the unsound, unscientific system of taxation, direct and indirect. Not only that. This question in 1923 and in 1933, has been raised by the Government, and Government has been made to say they do not mean what they say, and bowed down to agitation which never had a sincere backing in this country. I need not go into the details of this agitation as far as 1933 is concerned. In 1933 a petition signed by the opponents of income tax was presented to this House with 2,000 signatures out of a population of 40,000 non-natives. There were meetings held all over the country, income tax was opposed on one ground or another, and then the whole thing boiled down to this, that instead of having one tax we had six imposed upon us in the form of alternative taxation. We paid, Sir. The European Elected Members on this side of the House know perfectly well that at one time or another this calamity has to come. They know it, and in their heart of hearts they know this is the only scientific and sound principle on which the country's finances can be based and stabilised. They know that perfectly well, and have resisted it as long as they can,

but there is a day when they will have to ask themselves why they should not agree to it. I may point out for the information of the House that that day is not far off.

They are not opposed to this form of taxation on any reasonable grounds, they are opposing it only on one ground, and that one is they want to make this question an issue for constitutional advance. If ever unfortunately, even at Doomsday, the Imperial Government or this Government agree to such a deplorable question of constitutional advance to the few Europeans in this country, probably they will agree to a supertax, a surcharge tax, and if any other blessed tax can be brought in they will agree, but that is the reason they are opposing. If they are opposing it because it is impracticable or unsound, then I ask with all sincerity where are the petitions this time? Why have no meetings been held and the non-native population given a fair opportunity to criticise this tax? Is it not a fact that members on this side of the House have themselves confessed and admitted here and outside that 90 per cent of the population in Kenya believes in income tax?

LIEUT.-COL. THE HON. LORD FRANCIS SCOTT : On a point of order, Mr. President, this has never been admitted by any of us.

THE HON. ISHER DASS : The Noble Lord, the Member for Rift Valley, has challenged me and I refer him to the Member for Kiambu, who should be consulted in the matter. He himself told me. I do not want, as the Noble Lord does not want, references to private conversations or names brought in, but for his information I was told that in the Kiambu constituency 80 per cent or 90 per cent of the people are in favour. I do not mean Indians, because he represents Europeans. Of course, he had his arguments. He said he has tried to convince them this is not an opportune time, but the fact that 80 per cent of the people are in favour would have been challenged by petitions brought to this House or a show of hands in public meetings if they were ever held. But nothing of the kind has happened.

There are two arguments brought forward. One is that the European Elected Members, the accredited representatives of the European settler community of this country, have not had enough time to think about income tax. Probably if they have an income they have been thinking about the income and have not been thinking about paying the tax on that income.

The other argument is that they have not had enough time given to them, and that Government should not use rush tactics in getting this legislation passed and implementing it

and that when the new Governor comes he should be given a fair chance to see exactly the viewpoint of their side. Whether the present Governor is in Kenya, or somebody else comes, what difference does it make? Government must go on, and in their own words it will go on. Then what we have to see is that if this question of income tax is not opposed for any scientific reasons, if it is not opposed on any reasons or facts, it should not be opposed on the flimsy excuse of getting a new Governor to show him the united opinion of the country is against income tax.

Another issue is being raised, as the hon. Member for the Plateau said, that they must have constitutional advance, and he also said that this form of Government has outlived its usefulness or utility and that it should be changed. That is exactly my view. I say with these two excuses differing. I have no alternative but to support income tax wholeheartedly and without qualification, and I shall make it clear here that the Indian community as a whole, and the European community to the extent of 80 per cent, favours income tax, and if your Government, Sir, unfortunately ever bows down or is intimidated by a mere handful of people against this scientific principle, it will be very, very unfortunate and probably we shall have to submit to the operation. But the time has come when you should approve without fear or without taking into consideration the agitation for constitutional advance, of persisting in this scientific system of taxation and really prove you are the Government.

Another side of the issue is that when this agitation was being carried on, one or two members on this side of the House went around the country—it was their own business—holding meetings in social clubs and sports clubs, and probably dramatic clubs. What were the arguments put forward to the European settlers? Of course, most European settlers knew perfectly well they were in favour of it, but in order to placate them and get them on to the side of the opposition to income tax what were the arguments put forward by the hon. Member for the Coast and others?

The first argument is that one Indian employed in some department in 1922 made out of some person a sum of £5,000. I am not defending that man, if there was any; I am not ashamed of one man. After all, all communities, nations and races have good and bad. I strongly disbelieve there was any such man, but I credit the hon. member with the correctness of his statement, but if there was an unfortunate individual who had done something which was not desirable, is that an argument against income tax? I say if that is the case, other people who live in glass houses have no business to

throw stones at other people. Probably there are people in this country who have made more out of Government than that poor wretched Indian.—That is one argument.

At the same time, some European elected members speaking in their constituencies brought forward a contradictory argument; that is, that the Indian community would pay less and the European community pay more, "and if you have to pay more you have got to be very careful that you oppose it". This is a very strange statement, and if hon. members on this side of the House, as I think they have, have been spending their time discussing this question, for their information I may point out one thing—that the European community pays no more than the Indian community in income tax. I will convince the House of that.

To begin with, the whole of the non-native population consists of officials and officials, settlers and commercial community. The official community, whether European or Indian, have been paying—and these gentlemen on this side of the House seem to have overlooked the fact—in the past four years levy as well as graduated poll tax, two direct forms of tax, while the unofficial community have, largely, been paying one tax directly.

Take the commercial community, it is wholeheartedly in favour of income tax, and that community consists of most of the people belonging to my community. One member on this side of the House actually told me this Indian community will pay more than any European community. Either he is wrong, or the member who suggested that the European community would have to pay more is wrong. And both of those members are listening here to-day.

There is one more section of the non-native population, the farming community. So far as they are concerned, that section consists of only 2,000 people, against 40,000 Indians and 18,000 other Europeans, a total of 60,000. Out of a total of 60,000 non-natives these 2,000 people have to pay more! If there had been some other form of agitation or opposition or these 2,000 European settlers had presented a petition, one could have understood it, but when it is suggested to intelligent people and in this House that the European community will have to pay more they mean actually not the official or commercial but the farming community. In the Hon. the Treasurer's words, in 1934 2,000 European farmers paid £2,000 in direct taxes, which means they paid only the minimum, so that how on earth these 2,000 people after four years of depression are going to pay more is beyond my imagination, yet the argument is brought forward.

Things have been said in outside districts with the idea that no one will hear it, and that all talk and conversation will be finished, but a good many people possess wireless sets and try to find out the truth of these statements. And the truth is this: the official community, Indians and Europeans, want income tax; the commercial community, consisting of Indians and Europeans, want income tax; and out of the farming community of 2,000 Europeans—I have quoted you the instance of Kiambu and other places—there must be at least 1,000 people who want income tax, and thus you reduce the opposition to 1,000 out of 60,000.

THE HON. F. A. BEMISTER: As a matter of explanation, I do not represent the farmers.

THE HON. ISHRA DASS: In Nairobi and Mombasa we had meetings, and not a single voice was raised against income tax. Unanimous resolutions were passed, and copies sent to the Colonial Secretary for information. There was no opposition. If there was an opponent of income tax present at those meetings he did not have the guts to come forward and express his views, which was no fault of mine; it was his own funeral! If that is the opposition to income tax, exactly what is left? That is why I wholeheartedly support income tax.

There was another argument. In order to delay things, to gain time, or just to show there was nothing in the agitation, they wanted to base their arguments at a later stage on another fact, that in this coming year, they suggested, there should be appointed a commission to inquire into the fiscal policy of this country. Everyone admits here and abroad that this country is commission-ridden. Hardly a year passes but we have a commission sitting of one kind or another. Even bigger countries with more people have not had so many! Whenever there is a question of expenditure to be involved by the appointment of a commission it is always suggested in this House that there should be a reduction of expenditure on the official side. We have had the Moyne Commission, Sir Alan Pim has come and gone, and now they want another commission. What is the certainty that, if that commission comes, and reports in favour of income tax, these gentlemen, the accredited representatives of the European farming community, will accept that principle gladly? Where is the assurance? There is none.

In the absence of any such assurance, it can only be an excuse to delay the matter, instead of accepting something which is scientific and practical and which is in the good of the country. It is just to gain time, and it makes the agitation

look absolutely farcical. I shall oppose any suggestion of the appointment of a commission to inquire into the fiscal conditions of this country.

Still another argument is brought against the introduction of income tax in this country, and that is that Tanganyika nor Uganda has not income tax. For that there is a reason: that each has a surplus balance. So far as those surplus balances are concerned, I may inform the Noble Lord that the moment you took some of these 2,000 settlers to Uganda along with the K.F.A. that balance would disappear like a rabbit in the lutch. (Laughter.) It would be finished in no time. They have no settlers there, and so they have a surplus. We have settlers here, and I can assure hon. members on this side of the House that I want them to remain here as good citizens so long as they do not make any *katele* about constitutional advance, which they do not deserve.

While I say they do not deserve it, do they honestly think we are going to give them the financial control? It has been suggested all over the country that we should do so by a man who is supposed to be the greatest authority on finance and who, after thirty-five years' stay in this country, pays the minimum poll tax! That financial control or constitutional advance is demanded by some people who, after thirty-five years in this country, with all the facilities offered, only pay this minimum poll tax of Sh. 30. I do not think we can safely entrust the finances to their hands. But the argument that they have been thirty-five years here is used from time to time. I tell them they had no more option in coming earlier than I had, and I sometimes wonder why I did not come thirty-five years ago!

People come and go. If they had not been here, the country would still have been here, so why make a fuss of one blessed thing: that "I have been here thirty-five years and am bound to know more about the country than people who have not been here as long"? Hundreds of millions of people have lived in the world for eighty and ninety years and do not know to the day of their death how they existed on earth or what it meant or what they were born for, so that to have been thirty-five years in this country is no qualification. On the other hand, it is to their discredit and disqualification if after thirty-five years' residence they still pay the minimum poll tax and yet demand constitutional advance to control the finances of three million natives, 40,000 Indians, and 18,000 Europeans.

The sooner they do away with this nonsensical talk about constitutional advance, the better. I can assure them that they ought to put their heads together with other communities

to encourage the peaceful development of the country, which will be better for all on this side of the House and the population of the country as a whole.

THE PRESIDENT: Perhaps we had better have the usual adjournment now.

Council adjourned for the usual interval.

On resuming:

THE HON. ISHER DASS: Another argument has been brought forward by one of the members on this side of the House against income tax. He said there is no need of additional taxation if the budget can be balanced without the tax. This would probably be considered a favourable argument by some members of the different communities, those who believe in something for nothing, those who without paying any form of direct taxation expect the budget would be balanced by means of a miracle. But they know perfectly well that as the budget is presented and if there was no income tax, where will the money come from which is being lost by the abolition of the levy and educational cess and reduction in poll tax? They have not given us a single suggestion nor any constructive idea as to how they are going to meet that deficit.

If any had been put forward, we would have favourably considered it. But the position is this. They say there is no necessity for income tax being introduced, they do not give us any constructive suggestions, and expect that the alternative taxation should stand. (European members: No.) If these unscientific and unsound forms of taxation have to stand, I ask them, as accredited representatives of the European community and intelligent members of this House, do they still want these unscientific and unsound forms of taxation to remain as against the sound, scientific principle of income tax? Is that an exhibition of their fitness for financial control or for constitutional advance?

The hon. Member for Trans-Nzira also asked, if income tax was introduced, what was going to happen? He suggested there was going to be plenty of surplus at the end of next year. That is exactly what the whole community, Indians and Europeans, or the majority of them, demands, that if there is a surplus next year let us ask Government for a remission of Customs duties on food and other commodities. That is what we want. Let us try this scientific method of taxation for twelve months, give it a fair chance, and if we find the following year that we have gone from bad to worse let us ask for the reintroduction of this unscientific system of

alternative taxes. We have given the latter a trial for four years. Why not, as the accredited representatives, give a trial to this scientific method for at least twelve months and see what the results are?

The hon. Member Mr. Shamsud-Deen suggested that Government should take a plebiscite or referendum in the country to get the opinion of everybody. He overlooked the fact that the whole of the Indian community in meetings at Nairobi and Mombasa through their institutions like the East Africa National Indian Congress and Indian Associations, have expressed their views from time to time, and quite recently, in favour of income tax. He knows also that the majority of the European commercial community is in favour of income tax. To suggest that Government should waste money on a referendum or plebiscite is not worth taking notice of.

Speaking on income tax I have to point out one fact, which not a single European elected member has placed before this House: that is, that the Convention of Associations at its meeting recently approved unanimously of the principle of this tax.

CAPT. THE HON. H. E. SCHWARTZ: On a point of order, Sir, that is neither correct nor true.

THE HON. ISHER DASS: Well, it appeared in the local Press that they were in favour of the principle of income tax, but opposed it because they found it impracticable and unworkable. If they honestly believed in the principle of this tax, they have an opportunity now of having that principle put into practice. I would remind them, as intelligent people, that hundreds of millions of people sacrificed their lives, their interests, everything, in the war for ideals and principles which they believed were good. If you honestly, as statesmen and as intelligent people, believe in the principle of income tax, the only scientific form of taxation, based on capacity to pay, and you have an opportunity of having those principles put into practice, I say why wait and carry on an agitation on flimsy excuses? You are not sacrificing anything, you are in fact trying to remove a stigma from your own name when four years ago you suggested against the majority of opinion that you wanted the alternative taxation.

If you ask for the introduction of income tax you remove that stigma and will have the greatest principle that you were glad to appreciate: you rejoiced in this country when the Imperial Government accepted the principle, that those who paid the taxes should have the right to suggest the method of paying. Here you are. If you appreciate that principle, on which you congratulated this and the Imperial

Governments, I ask you: is it not a fact that the whole European official community, the whole of the 40,000 Indian community (with the exception of a very few interested people), a majority of the non-native population, have asked for the introduction of income tax?—Then why do you not believe in the same principle on which you congratulated the Governments?

Having said all this about income tax, I will not take the time of the House any more on this question, except this. If you believe, as you know perfectly well you do in your heart of hearts, that you cannot balance the budget by losing some £70,000 or £80,000, then there must be some other form of taxation to replace that money. The majority, however, have the right to suggest the method by which they should pay their taxes. I hope, therefore, that the elected members will forsake their flimsy excuses and come forward and remove the stigma they placed on themselves four years ago by accepting the alternative taxation.

In the course of the debate on the budget the question of the Defence Force cropped up. On this issue I will simply point out to Government that in my Question No. 18 I asked Government as to their policy with regard to the utilization of the man-power of the Indian community. In their answer Government make it absolutely clear that at no time are they going to ask for or insist on the assistance or co-operation of the Indian community in the defence of this country, but experience teaches us that we who are living in Kenya have to defend the country against foreign invasion with our blood and money, it is high time Government reconsidered their decision and the answer they gave me.

Their answer was:—

"Non-Europeans are eligible for enrolment in the Kenya Royal Natal Volunteer Reserve.

As regards the military forces, when the revised scheme for the utilization of the European man-power has been approved and brought into operation, and its financial effect ascertained, the question of utilizing the non-European man-power will receive consideration."

I ask that the hon. member when replying to this debate will mention this matter and state what the policy of Government is.

Another issue has been raised about native taxation. I agree with every word that has been said in this House by the Nominated Member representing Native Interests so far as a reduction in native taxation is concerned. Government officials have opposed this reduction on one excuse or the other, and

they have opposed raising the taxable age from sixteen to eighteen years. If the European elected members had, as they have in the past, opposed the reduction of taxation or raising the age one could very well have understood it, because it would have been based on one thing only: they are afraid of losing cheap labour.

That is the principle involved in their minds. They are not opposing it because they think the natives are highly taxed, and they know they are, but they are opposing this reduction for that one reason alone, there is no argument, because they are afraid of losing cheap labour and want these young boys to come out of the reserves to earn money to pay their taxes. The suggestion has been made that the natives in the adjoining territories of Uganda and Tanganyika are more highly taxed than the natives in Kenya.

Well, if it is true, I will point out to them that the natives in Uganda and Tanganyika enjoy many more facilities than the natives in Kenya. You have restrictions imposed upon the natives against the growing of economic crops, you have no restrictions imposed upon the natives on the growing of economic crops in Tanganyika and Uganda. Uganda is a protectorate, and they have their own king, it may be in name only, but he is there. You have a mandated territory in Tanganyika; there are two different systems of Government. Here in Kenya you have succeeded in intimidating the Imperial Government, or the local Government, into bringing about a certain amount of legislation placing restrictions upon the natives against the growing of economic crops. They do not enjoy as many facilities as the natives in adjoining territories and they are still highly taxed, so that it is time the age was raised, for they deserve it. You are opposing it for the sake of losing cheap labour of *lotes* of Sh. 5 or Sh. 8, or Sh. 10 a month at the most. Nobody pays Sh. 12 in this country. You are opposing this question of raising the age or any reduction in native taxation.

The hon. Member for Trans Nzoia suggested that the time has come to inform Government that members on this side of the House are unable to carry the load any more. I think it was an honest opinion expressed by him, and I entirely and wholeheartedly congratulate him upon this confession. He does not believe in carrying the load, but he believes in carrying cash, and he wants someone else to carry the load for him as far as the burden of taxation is concerned. That is why he says there is no necessity for income tax to replace other forms of taxation and that the budget by means of a miracle will be balanced by itself. Miracles do not happen, I may inform the hon. Member for Trans Nzoia, in 1930.

I now come to the question of District Councils. Sir Alan Pim in his report expresses his opinion—not a definite recommendation—about the abolition of these District Councils and says if that was put into practice the Government would save £15,000. I do not entirely agree with Sir Alan Pim in his Report. If Sir Alan Pim, or anybody else in this House, comes forward suggesting the abolition of District Councils, I think he is talking through his nose, or through the back of his head. He does not talk sense! When any community, or section of a community, gets political rights it is not easy to take them part with them. It is not a practicable suggestion that the District Councils should be abolished. The European community have this political right and they must preserve it, and will. Anyone suggesting that they should be abolished has not, I think, put forward a very sensible argument unless he is anxious to have some kind of trouble brewing in this country, and we have enough of that with these gentlemen asking for constitutional advance and financial control.

The hon. Member Mr. Pandya has suggested that according to the recommendations of the Feetham Commission representation on these District Councils should be granted to the Indian community. They have very great interests in these Councils, Sir. I hope the Hon. the Colonial Secretary when replying to the debate will place before this House some reasons for refusing such a demand. May I take this opportunity of informing the House of a very amusing incident which happened a year ago. In November, 1934, I asked a question in this House that an Indian be appointed on the Nairobi District Council. The Hon. Commissioner for Local Government told us in reply that the matter was under the consideration of Government and the appointment would be made in the course. In June, 1935, I repeated that request. I asked what was meant by "due course" and whether a period of six months was not enough for any Government to decide an issue or come to some sort of finality in regard to the nomination of an Indian member on the Nairobi District Council. He said the matter was still under consideration. This time, Sir, the answer had the addition of one word, "well". Another year passed, and when I asked this question again, question No. 10 of this year, I asked:—

"With reference to my Question Nos. 35 and 55 of 1934 and the replies thereto, wherein Government definitely promised to appoint an Indian member on the Nairobi District Council, will Government be now pleased to state definitely, seeing that nearly two years have already elapsed, whether they still contemplate making the appointment, and if so, when?"

What did we get as to the reason? This strange reply here, from the Hon. the Acting Commissioner for Local Government, Lands and Settlement:—

"Government does not, as at present advised, contemplate making this appointment in the near future".

For two years you told us that you accepted the principle, but that in order to put that principle into force, you "are considering it" and that in "due course" of time you would nominate an Indian member. After two years you come forward in this House and tell us that "as at present advised you do not contemplate making this appointment in the near future". Is this the policy of Government, is this the way to treat the question of Indian representation, is this the way in which the Hon. Commissioner for Local Government believes that the question of Indian representation, or Indian interests, can be safeguarded and watched, is this the way he thinks honestly that the Indian representations should be treated? I say it is deplorable, it is nothing short of a disgrace that after two years you cannot make up your mind one way or the other definitely, but you come after two years and tell us that as you are advised you "do not contemplate". Who is the person to advise you? Which is the institution to advise you? Which is the form of government which has advised you? Not the local Government; I am perfectly sure not one of the Government members on this side of the House suggested that an Indian should not be appointed. It was not the Imperial Government, nor the Indian Government. It might have been the South African Government, as you take all your inspiration from South Africa. But he is advised by some of the unofficial European members of the Nairobi District Council. He submits to their threats, and to their agitation and without considering for a moment his duties to safeguard the interests of the Indian community he comes and tells us that as at present advised he is not going to appoint anyone, and does not contemplate it, and that after keeping us waiting for two blessed years—twenty-four months!

I will now turn to the question of the reorganization of the Secretariat. My hon. colleague, Mr. Pandya, has said that he smells something fishy (laughter) so far as this reorganization is concerned. He thinks that Government in one form or the other in order to satisfy the European community's demands, has agreed in accordance with the recommendations of Sir Alan Pim to the reorganization of the Secretariat, and that if this directly or indirectly brings in the principle of some kind of constitutional advance then he will oppose it. I agree with every word he has said. We will not only oppose it, but we will adopt the methods which this side of the House does not want us to adopt. We

will seek the aid of the Indian Government; we will seek the aid of the India Office. They may not agree with us, but they are institutions with a great respect for us, they are not the institutions of the people of Kenya; but in time of necessity they would come forward as our advocate. We will seek their assistance, the assistance of 350 millions of people, in the same way that you go to South Africa, to England, and ask for co-operation and assistance for all you want in this country. We are not ashamed to go back to our own country and ask the help of our own brethren but, as I have said, not once but many times. I make it clear here to-day that under no guise, no circumstances, directly or indirectly, would my community whom I have the honour to represent, or the Africans of this Colony, ever consent to any form of constitutional advance to 2,000 European settlers at the cost of the other communities.

Someone on this side of the House may question my bona fides for representing the interests of the natives. For his information I might tell him that although I have not been in Kenya for thirty-five years, in my short period of eight years I have got a liking for them, and I have learned about them and their disabilities. I am going to stand by them, defend their cause. It is known here and in England, and it is up to you also to find out what the natives think of me.

MAJOR THE HON. G. H. RINDLELL: On a point of order, by what right does the hon. member claim to represent the natives in this country?

THE HON. ISHER DASS: The hon. Member for Plateau said that he had one letter written to him by the residents of Pangani and if he can claim to represent the natives, on the strength of one letter I can claim on the recommendations of hundreds of letters sent to the Hon. the Chief Native Commissioner in past years asking me to represent native interests. I have never gone to him, but I have sent memorials and telegrams to England, on behalf of the natives who had no direct representation in this House.

MAJOR THE HON. G. H. RINDLELL: Again, Sir, on a point of order, the hon. Member for Usin Gishu claimed to represent some natives who wrote to him, which is quite different from the question I asked.

THE HON. ISHER DASS: It is a matter of opinion, let us not fight about it. I shall not take up the time of the House on this issue, but the fact is I do represent as much as if I were elected, not only the interests of the natives but I represent the interests of the European community, because

that is exactly the constitutional position of every elected member in any part of the world. I have made myself absolutely clear on this issue.

I will now deal with the question of the Nairobi Municipality. The hon. Member for Mombasa, who is not here at the moment, said something about the Mombasa Municipality. In that connection I wish to take the House back eight years. In 1928, and before that, we had decided among ourselves, as a self-respecting community, to have nothing to do with the Municipalities of Nairobi and Mombasa or the Legislative Council of Kenya, not to send our representatives to them, because we had found that from time to time all our representations fell on deaf ears, which as I have told you to-day is exactly what has happened so far as the Nairobi District Council is concerned. An ex-Governor of Kenya, Sir Edward Grigg, and the then Colonial Secretary, now Governor of a different colony, approached our institutions and individuals to come to Government House and to the Secretariat to discuss with them the question of sending representatives to the Municipalities and Legislative Council. After great persuasion we agreed, as reasonable people, not merely to say no and sit down in our own houses. So we discussed these issues, and the result was that a round table conference under the chairmanship of the then Commissioner for Lands and Settlement was held in Nairobi, I think in this very hall. At that round table conference we agreed to send representatives, and, having agreed to that, we made it absolutely clear that though at that time the European community in Nairobi, and we were accepting the principle of nomination, it was purely on the understanding that whenever a request for election was made by the representatives of the Indian community in the Municipality of Nairobi that that system should be substituted by the elective system. In order not to be fooled about, we made Government embody that clause in the 1928 Local Government (Municipalities) Ordinance, and it is there to-day.

After four or five years, when things were different, the position was changed and we found that this system of nomination brought with it such a demoralisation of the part of individuals who go to Government to seek nomination against the wishes of the Indian community, that we thought it better the people of Nairobi should have their direct say in the matter and should send as their representatives to the Municipality of Nairobi people whom they liked and not whom Government liked. We had a resolution passed in the Municipality at Nairobi to the effect that this system of nomination be substituted by the elective system.

Another form of experience showed us that year after year for six years yearly, the seven members on the

Municipality of Nairobi who were nominated after the acceptance of that principle at the round table conference, remained there as Government members and nobody else in the town had a chance. Not only that, I think it became such a stereotyped affair that after a period had expired the member automatically understood he was nominated. In some cases the nomination papers had not come from the Government, but the member was still there voting.

A resolution in compliance with the 1928 Ordinance was sent to the Government. Years passed without any notice being taken, and then this resolution was once more repeated, and it has repeatedly been sent to Government for consideration. In the meantime Nairobi Municipal Council called a conference, and it was agreed that the town should be divided into five wards and be represented by one member in each ward and in two wards by two members. It was agreed to unanimously by all sections of the Indian community. I think that should be within the knowledge of the Hon. Commissioner for Local Government, Lands and Settlement, and I may say that the present Hon. Commissioner was not then in that post. No action seems to have been taken until 1933. Once more the agitation was carried on, and now in 1936 the information comes out from the Secretariat, or the recommendation most probably of the Hon. the Commissioner for Local Government, that of the seven members on the Municipality of Nairobi the elective system should be granted to five only and two for nomination.

Probably Government may suggest that the minority have asked for a safeguard. The answer to that is that you waited two years before coming to this decision; not only that, but in order to see that the system of nomination remains permanent, the officers of the Government up to this time have been induced to keep the sections of the Indian community in water-tight compartments. If it is not true, what made you accept the principle of the elective system of creating better understanding among sections of the Indian community? If you were anxious to see goodwill, if you wanted to have unity, you say your first aim is to have a peaceful atmosphere among all communities, it was up to Government to accept the principle of election, so that even if there was to some extent a slight difference of opinion among certain sections of the Indian community, that would have ended when they went to the polls. Suggesting Government had come forward and said this minority represents a very substantial section of vested interests? The answer is, what is the duty of the vested interests in this country? How do you know certain people living in backlands pay less or more. Do you have representation in this country in those lines? No! It is not

your duty, but it is your duty only to see that all sections of the community, the Indians and Europeans and other communities, combine together and that they all live happily on a better understanding. What would be your decision tomorrow, if I suggested to the Hon. Commissioner for Local Government or the Colonial Secretary that a few members of these sections, who are also in favour of nomination, to protect their own interests should be given representation separately? You may raise this argument against me, that the Indian community has different religions and those religions have so many sub-caste systems involved. I say that in every walk of life, in politics or socially, there are wheels within wheels and wheels within them. Christianity has 376 castes. What would happen if those sections of the community in Kenya or the British Empire were to ask for separate representation? Are you going to divide those sections into water-tight compartments? It is an old policy which is obsolete and not workable at the moment, and people are beginning to understand that the time for it has gone by.

Last, but not least, a request to Government. It is a reasonable request; it may be a warning to Government, or it may be a sort of personal request. It is this. In order to protect the question of the minority you must come forward with a definite statement in the interests of the people themselves who believe that all seven members shall be nominated, and put that elective principle in place of the nomination which is at present practised in Nairobi. You will do good not only to the community but to yourselves, and when the present Governor—and there is no one more than myself who wishes him a speedy recovery from his illness, and he will have our wishes for his future happiness—came, the system was introduced of nomination as a division between Hindu and Mohammedan, and I hope before he goes that he will accept advice and remove this stigma on his administration, which has lasted for the last six years.

The next question I will deal with is the question of the Police Department. It is always understood by hon. members on this side of the House that as a rule I am against the Police Department. (Laughter.) I do not know how far that is right, but it is up to the Department itself to know, and there are no better judges than the present Police Force themselves who know me personally. (Laughter.) Some of them know me probably as a dangerous citizen, perhaps because I had the opportunity of bringing something to light which was, in my opinion, undesirable, but I have at least no fear of ever being molested or arrested by any one of them. I must, however, give my comments freely, without fear of contradiction or without asking for trouble, because I am so used to it.

In the budget, as I explained, there is not a single item of increase in wages or annual promotion so far as Indian sub-inspectors are concerned. I wonder whether in the past year any one of them has carried out his duties faithfully, efficiently, to the satisfaction of the Commissioner of Police or to Government, or is it the policy that one department shall be deprived of all promotion and other departments given it, and the next year the position is to be reversed? Anyhow, I shall have the satisfaction, I hope, of getting a reply to this question from the Hon. the Colonial Secretary.

I have another question about the Police Department, but only by way of mention here. In Nairobi and Mombasa there are a number of natives suffering from elephantiasis and other diseases wandering all over the place. It is high time Government sent them for treatment to hospital and, if there is no hospital for the purpose, I hope the Hon. the Director of Medical Services would not mind having a ward made available in a corner of the Mental Hospital to accommodate these poor unfortunate natives, thereby saving hundreds of citizens from being infected with these diseases. This is not a rumour.

Talking about the Police Department, there is one very unfortunate incident which happened this year. On the 18th September, at Mombasa, an Indian was driving a saloon motor car at Shimo-le-Tewa, when the vehicle at the crossing unfortunately went into the sea, and the Indian lost his life. This happened at a quarter past three in the afternoon, and not until eleven o'clock the next morning did a single responsible member of the Police Department in Mombasa go to that place to inquire into the accident or to take measures to get the car out of the sea.

At that place it is not very deep, because the car was taken out the next day, at great expense to the owner. All the police did was to send one Indian sub-inspector with instructions to go and do what he could. They could have sent for a crane and taken some means of getting the car out before it was dark. In this case the insurance company or the owner, whichever was the more responsible, spent money.

In the interests of even one life we have to do everything that is possible to save that innocent life. Who knows that one day that innocent life may not be Prime Minister of England or Governor of Kenya? (Laughter.) But one life is as dear as all the lives of the people in Kenya. Had it been a member of the European community everything possible would have been done, but when it is only a poor Indian concerned all that is done is that not a single cent is spent by the Police Department to get the car from the sea or the body; only a sub-inspector is ordered to go and help, and he too demands an assurance from the party concerned that if

any divers were going to be hired and they lost their lives it would be the responsibility of the owner of the car and not the Government's. That is all he did in removing the body.

The fact remains that this happened, in the year 1936 at Mombasa, and the greatest consideration should be given to the future instructions to be issued by Government so far as the lives of Indians are concerned.

I will now touch on the unfortunate local case because probably it is not thought one of importance, but I may mention this. In some cases the police do not necessarily take good care or precaution to ascertain whether a case is worth sending to a court of justice or not. I know the Hon. the Attorney General is always consulted when a prosecution is to be taken by the police, but I have reason to believe that in small trivial cases neither he nor his staff is consulted.

Whatever the position may be, the fact remains, and all I ask is that due care and precaution is taken whenever the prosecution is against a responsible member of the Indian community.

In a very unfortunate case, that of a motor car accident, there was an inquest and the man was found not guilty. A second time the case was brought against him and again he was discharged. A third time there was a case, I believe, on more fresh evidence. The gentleman concerned was fortunate enough to have some money and he engaged the services of a very learned lawyer. But what would have happened if the man had not possessed enough wealth to engage a counsel?

Due care should be taken before a man is tried again and again, because there is no provision in the law which can compensate him against the Police Department. I do not think Government would be so philanthropic or kind enough as to say they could give him compensation for part of what he has spent in engaging counsel and for the period he was in court facing a charge.

That is all I have to say about the Police Department.

When we are dealing with so many aspects of life there are social sides also, and to begin with I will deal with the Education Department.

In the Education Ordinance there is provision made for the appointment of School Area Committees, and sections 16, 17 and 18 clearly define that the Governor can appoint Indian members on these committees in accordance with representations by the Director of Education. While this is all very well, it is wrong that, when there is a vacant seat caused by the death or resignation of a member or someone

leaving the Colony for good, the rest of the committee should put forward names, instead of the Governor having recommendations from the Director of Education as provided in the legislation.

I have nothing against any individual nor desire to be nominated, but in recent years we have seen young men coming from England with all the marks of education and with better qualifications than some of the members of these committees have. I hope the Director of Education will not in future accept such recommendations or such resolutions put forward by members themselves but will make his own recommendations to the Governor.

Another question concerns the Indian Elementary School at Nairobi. Year in and year out His Excellency the Governor in his opening speech, the Hon. the Colonial Secretary in introducing the budget, and the Hon. the Director of Education, have confessed that the present building in which the school is located is nothing but a disgrace, not worthy of the name, and not fit for probably donkeys to be stabled in. This does not help, something substantial has got to be done, and the sooner the better.

There will be some difficulty in finding money out of loan funds, but one day it will have to come from somewhere. Why not face the fact now instead of waiting any longer and thus impair the health of the children in that school? I do hope Government does not want to see for a few years more these innocent children housed in these tin shanties forming the disgraceful building. Actions speak louder than words.

In passing, I bring to the notice of the Director of Education that on page 10 of the Memorandum on the Draft Estimates for 1937, where under Item 50 it is written:—

"(a) A European lady principal on a salary scale of £360 by £20 to £420 by £10 to £500 will be appointed to the Indian Girls School, Mombasa. The present principal will be transferred to the Government Indian Girls School, Nairobi.

(b) Owing to expansion of activities it has been necessary to post an additional officer to the Indian Elementary School, Mombasa, and to the Government Indian School, Thika. Both these officers will be on the Local Civil Service salary scale of £130 by £8 to £146 by £12 to £162."

With regard to (a), that if the present holder is to be transferred to Nairobi why is it suggested that a European lady principal will be appointed to Mombasa? I know from

the utterances and speeches of the Director that he does not mean it, and I hope I am right in thinking that this may be a mistake in typing or printing, and that what is actually meant is that an Indian lady will be engaged, not a European. The word European must be there by mistake.

Regarding expenditure, hon. members on this side of the House have decided that Government have failed to make any suggestions for the reduction of Government expenditure. If that is so, I will make one suggestion which I hope will receive the favourable consideration of the Hon. the Colonial Secretary.

At the moment the Central Revenue Office collects all taxes—non-native poll tax, education tax, and other taxes. It would save Government money if that office also collected land rents and liquor licence fees, the only two items at the moment not collected by that Department. I place that suggestion before the Hon. the Colonial Secretary, because in recent times he has seen fit to transfer the collection of school fees to the Central Revenue Office.

Next there is the Public Works Department, but I have nothing much to say for or against it. Unfortunately the hon. Member Mr. Shamsud-Deen is not here, otherwise I intended to point out something to him. He had been speaking of this Department when he mentioned the Johannesburg road race. There are some uncomplimentary remarks about Kenya roads in the South African papers and some expressions by someone who was a competitor. It was pointed out that this sort of thing creates a bad impression about Kenya, and also gives the Department's roads a bad reputation. It is up to the Department to defend itself but, for the information of the absentee member, I would say that from Kajjado to Arusha the speed of the leaders of the race was 55 miles an hour, and in other parts the speed was 45 and 46 miles an hour, so it proves that our bad roads are better than other's good roads.

Not only that, but these people who were competitors unfortunately overlooked one fact, the sense of hospitality. Our Governor extended them every hospitality, they enjoyed it at Government House.

THE PRESIDENT: This has nothing to do with the debate. The motion before the House is that the budget be referred to the Standing Finance Committee and what happened with regard to certain hospitality I do not think relates to this debate.

THE HON. ISHAK DASS: I was referring to a statement which appeared in South Africa about the roads.

THE PRESIDENT: You are entitled to talk about the roads, but I do not think that you should really go into the question of hospitality offered in Kenya.

THE HON. ISHER DASS: Unfortunately, a very bad show was made as far as the roads were concerned, and it was not good publicity. That is what I was referring to. I will not take the time of the House any more so far as the Public Works Department is concerned.

In 1935 Government was asked if it would be pleased to extend the operation of the Shop Hours Act to Mombasa. Government replied that they were considering it. The suggestion was sent to Mombasa. I am satisfied with the progress made by Government, the Municipality of Mombasa and other institutions concerned, but there is one thing. I asked for the operation of the Act to be extended to Mombasa, and it has been transformed into the employment of shop assistants.

THE HON. THE COLONIAL SECRETARY: On a point of order, has this anything to do with the budget? I do not think any item in the budget refers to the Shops Hours Act. While I know that every latitude is allowed, I would suggest for your consideration that the hon. member is rather going outside generous limits.

THE HON. ISHER DASS: It is the only opportunity when members are allowed to pass comments on various departments.

THE PRESIDENT: I should like to know what department the hon. member is referring to? As Attorney General I can tell him that a Bill will be placed before the House in due course, when he will have every opportunity to discuss the Bill.

DR. THE HON. A. C. L. DE SOUSA: Are members in the budget session not entitled to cover anything connected with the administration of the country?

THE PRESIDENT: Anything connected with the budget, yes.

DR. THE HON. A. C. L. DE SOUSA: Your ruling is not quite in accordance with the established practice of the House.

THE PRESIDENT: That is my ruling.

THE HON. N. S. MANGAT: On a point of order, if no item in the budget deals with constitutional advance, why are members allowed to speak as much as they like on that subject?

THE PRESIDENT: You raised no objection.

DR. THE HON. A. C. L. DE SOUSA: I submit on a point of order that we have a Chairman to look after members of the Council.

THE HON. ISHER DASS: I never object to anybody speaking on any issue in a budget speech because it is a pleasure to listen to everyone who is elected and has the honour to represent his own community.

THE PRESIDENT: There must be a limit. The greatest latitude is given, as you probably have noticed, but there must be a limit.

THE HON. ISHER DASS: I only referred to the question in that what was asked has turned out to be something different, and if you object to this point being raised all I ask is that the matter be allowed to remain in its original shape and not be transformed.

I think I shall be in order to put before Government in the budget debate a few points that are really essential and which need Government's attention. I know there is nothing mentioned about these items in this budget, but the budget does, directly and indirectly, involve the interests of the people as a whole, and when the interests of those people are involved, and money has to be spent for their interest I am quite in order if I just put some matters forward to the Hon. the Colonial Secretary for Government's consideration in the hopes that when the hon. member is replying he will let us know that the time has come when Government has taken the initiative to introduce some measure for the protection of the workers in this country; that is, workmen's compensation to which reference was made some years ago.

I am, Sir, going to take a bit more time, perhaps a long time, and it is now a quarter to one?

THE PRESIDENT: Another quarter of an hour? We had better go on.

THE HON. ISHER DASS: So much has been said about the rising prosperity of the country, so many methods and suggestions have been put forward that by removing income tax this and that is going to happen, and my suggestion to hon. members on this side and to Government is that it is better to raise the economic standard of the people of this country, particularly the natives, than to depend upon these artificial measures which may temporarily relieve the burden or distress among certain sections of the community, but which are not permanent remedial measures.

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With these words I will now deal with the Medical Department, and I have only one or two things to say. What I have said with regard to the Director of Education I also say with regard to the Director of Medical Services, that I hope this pious expression of having a group hospital in Nairobi will not remain on paper only. In the year 1933 or 1934 His Excellency the Governor in his speech mentioned to this House that a scheme was under contemplation and that after the plans had been made people could be sent to South Africa for inspiration, and the plans would then be sent to the Colonial Office. Three years have passed and that pious expression remains a pious expression. All I would say to the Director of Medical Services is that he should use his influence and good offices to impress on those concerned who are trying to delay this project, that the sooner a group hospital to meet the demands of the people is built the better.

My hon. colleague, Dr. de Sousa, in a most eloquent speech, mentioned two things. One was that in the Annual Report of the Director of Medical Services he did not find any schedule of the numbers of Indians suffering from mental diseases, and he based it on the fact that the Director of Medical Services' policy was against the Indians. For his information I might tell him that the Indians do not suffer from mental deficiency, and so the Director had nothing to put in!

Another point raised by my hon. colleague was in connection with page 5 of the Annual Medical Report for 1935 and in the last paragraph he read out there was this phrase: "and particularly of strains imposed by scholastic education, and perhaps also as the result of strains imposed by religious changes". He very strongly objected to these words in the Annual Medical Report. In some of the points he has raised as far as the Medical Department is concerned I entirely agree with every word he has said, but I cannot for a moment let this statement pass unchallenged. I have consulted him this morning and we agree to differ that this is true, true in this sense, that I do honestly believe, Sir, that a good deal of the cause of the mental strains imposed upon the children of all races in every part of the world, is due to the religious instruction which is being imparted in the institutions.

I make this statement for this reason: As to Christianity or some definite religion, I have no faith in any one of them, and therefore make this statement that it is religious instruction which brings confusion into the minds of innocent children because they are taught to look at their own religion as something superior. Therefore when the Director of Medical Services makes this suggestion in his Report I think

he deserves my sincerest congratulation. Not for the sake of argument or of opposing my hon. friend I am offering him my congratulations, for he has done a tremendous amount of service, and if the Director of Education could, after consultation with the Director of Medical Services, see his point of view and decide that in future no school which receives a grant-in-aid or Government subsidy shall impart any religious instruction, he would thereby save the children from mental deficiency.

I have nothing more to say, because this is no place to discuss the merits or demerits of religions, as they all seem to me to be commercial propositions. (Laughter.)

Probably the last point I wish to make is with regard to the direct representation of the natives. Personally, I have a very high opinion of the two hon. members who represent native interests in this House. I may be optimistic, but my personal opinion has nothing to do with the noble principle of direct representation, because not only do I feel that whenever these two Hon. Members representing Native Interests, nominated by the Government, speak in this House, they have got to be very, very careful that they say nothing which does not meet with at least the partial approval of the people who nominated them, and indirect representation is not proper representation. For whenever something is said on behalf of the natives, no native institution, political, social or economic, is consulted before these two hon. members speak in their name.

The fact remains, how long is Government going on with this indirect representation? After all, there should be a limit. There are natives in Kenya intelligent enough to understand the debates in this House, intelligent enough to write books which are published by publishers in London, and sold all over the world at very good prices, and if these natives are competent authors able to express the interests of their race in England and on the Continent, they are decidedly competent to understand debates in this Council, and to take part in representing their own kith and kin. I think the time has come when Government should replace indirect representation of the natives by direct representation. I am not referring to the academic qualifications of the members who represent the interests of the natives. We all know that the people elected are not elected at the choice of anybody, they are elected on the merits or demerits of their own personalities and personal views, political and otherwise, which they hold, and as they are elected by their own people it is not up to anybody else to criticize.

In my opinion Government up to this time has been more or less acting on one policy, that of divided rule, as I have already pointed out for the information of the Hon. the Acting Commissioner for Local Government with regard to the question of the Nairobi Municipality. I appeal to them in the strongest terms that it is high time that they changed their policy with regard to the interests of the Indian community and looked at it from a different angle than they do at present. In the minds of some of my countrymen, whose views I am expressing, they are not satisfied with the Government policy. They honestly believe that in some form or other—and I should not be honest to myself if I did not say so—some departments are working with a definite anti-Indian policy, and the sooner they change it the better it will be. I have quoted the instances of the Nairobi District Council, and Nairobi Municipality, and I would emphasize that these matters are not directed against any individual person. We have to live in this country and despite all the agitation, constitutional and otherwise, of the European Elected Members and others, you cannot make us leave this country. We shall live here as long as you call yourself a commonwealth of nations, and when we find we are not wanted we shall see how we go out.

A word of advice at the same time to hon. members who suggest, when I appeal to their sense of decency and proportion for the goodwill and harmonious relations among the different communities, that my speech should have been made in Hyde Park. I have seen English Cabinet Ministers speaking in Hyde Park who instead of listening to division bells are taking advice before it is too late. In fact, members who suggest Hyde Park should sit on a bench for inspiration and then come to Kenya for a living.

To end my speech. Unless satisfied with the assurance that Government in future is going to oppose this anti-Indian policy, but that it will, as they have promised for years past, grant representation on district councils and substitute the elective principle on the Nairobi District Council, I am afraid I shall not vote for the budget as I intended to.

The debate was adjourned.

Council adjourned till 10 a.m. on Friday,
the 13th November, 1936.

FRIDAY, 13th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Friday the 13th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIS, Esq., K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The Minutes of the Meeting of the 12th November, 1936, were confirmed.

ORAL ANSWERS TO QUESTIONS.

DR. VINT, PROMOTION TO MAURITIUS.

No. 57.—THE HON. MEMBER FOR NAIROBI SOUTH asked —

(1) Is it a fact that when the proposal to transfer Dr. Vint on promotion to Mauritius became known a petition against such transfer was signed by every unofficial doctor in Nairobi and sent to His Excellency the Governor?

(2) As a result of this petition, is it a fact that His Excellency received a deputation of the medical practitioners, headed by Dr. Sequeira?

(3) As a result of this deputation meeting His Excellency, was a very long cable despatch sent to the Secretary of State for the Colonies?

(4) Did this despatch suggest *inter alia* that the extra cost represented by the difference between the salary payable to Dr. Vint in Kenya and the salary receivable by him in Mauritius should be met by the Medical Research Council?

(5) Was a despatch received from the Colonial Office, in answer to the above-mentioned despatch, to the effect that the Medical Research Council were not prepared to find the necessary money and suggesting that the Government of Kenya should give Dr. Vint an acting and/or personal allowance until such time as Dr. Vint, in the ordinary course of affairs, would be promoted to Senior Pathologist?

(6) Did the Government of Kenya refuse to accept this suggestion and as a result is the Colony about to lose the services of Dr. Vint?

THE HON. THE DIRECTOR OF MEDICAL SERVICES: 1. The answer to this question is in the negative. A petition was received signed by 16 unofficial doctors.

2. Yes.

3. Yes.

4. The suggestion went somewhat further.

5. A telegram was received to this effect.

6. The answer to the first part of this question is in the affirmative. The answer to the second part of the question is that the Colony may be about to lose the services of the officer mentioned, but not necessarily as a result of the Kenya Government's refusal to accept the Secretary of State's suggestion.

CAPT. THE HON. H. E. SCHWARTZ: Arising out of that answer, may I ask whether Government is prepared to reconsider the matter and to accept the suggestion of the Secretary of State and, secondly, whether it is not a fact that if they do accept the suggestion of the Secretary of State Dr. Vint will in fact remain in this Colony?

THE HON. THE DIRECTOR OF MEDICAL SERVICES: The answer to the second part of the question is that I do not think if Government did reconsider it it would have the desired result. The first part of the question, therefore, does not arise.

CAPT. THE HON. H. E. SCHWARTZ: Arising out of the supplementary answer, may I ask whether Government will ascertain for certain whether Dr. Vint would be prepared to remain if the suggestion were accepted and not to refuse to reconsider the suggestion?

THE HON. THE DIRECTOR OF MEDICAL SERVICES: Government have already ascertained.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Is it in the opinion of Government very important that this officer should be retained in view of the researches so far carried on which, of course, are nowhere near completion and want a great deal more work?

THE HON. THE DIRECTOR OF MEDICAL SERVICES: The answer to that question is most decidedly in the affirmative.

MOTIONS.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved:—

“That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.”

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

THE HON. THE DIRECTOR OF AGRICULTURE: Sir, I wish to deal very briefly with several agricultural matters which have been mentioned during the course of this debate.

The Noble Lord and the Hon. Member for Nyanza referred to the reorganization proposals relating to the Department of Agriculture, and contained in the Pim Report. The main difference between the scheme prepared previously by me and submitted in original form to Sir Alan Pim on the one hand and the recommendations of Sir Alan Pim on the other, is in connection with the veterinary services, that is insofar as reorganization is concerned. Whereas I definitely recommended that the Veterinary Department of this Colony should be based on the laboratory with headquarters at Kabete, in the Pim Report acceptance of this proposal was only implied and was not categorically stated. The Board of Agriculture, however, which has met during the course of this session, considered that the veterinary services should be based on the Kabete laboratory.

The other point of difference is that whereas in my scheme I retained the veterinary services as part of the Department of Agriculture, the Pim Report goes a stage further and recommends that the veterinary division should become a Veterinary Department. On page 140 of the Pim Report, it is stated:—

“If the grouping of departments under three Secretaries to Government as proposed in this report is carried into effect, and the principle of allocating Animal Husbandry work in arable areas to the Agricultural Section is accepted, the two main objections to the Hall Commission to having separate departments would be fully met.”

The attitude of Government as stated by the Hon. the Colonial Secretary, is that the present intention is to implement the Pim proposals, but this does not, of course, preclude full consideration by local bodies.

In this connection the Board of Agriculture has referred the matter to a committee of the Board for thorough investigation and report, and I am at present preparing a full statement of the advantages and disadvantages of that proposal for consideration by that committee. As the proposed change does not form part of this budget, I do not propose to examine it in detail.

Sir Alan Pim has given his reasons for the proposal in his report. In cases of this sort it is sometimes helpful to look at the experience which has been gained in other countries, and in this case the balance of experience is in favour of having two departments in a Colony such as ours. Separate departments are maintained in Uganda and Tanganyika, and very great progress has been made in the development of mixed farming in Nigeria under such an organization. In the Report of the Royal Commission on Agriculture in India, Lord Litchfield referred to the relation of the veterinary services to the agricultural services, and stated:—

"We are unable to regard an arrangement under which the head of one technical department is in charge of another as a satisfactory one."

The two fears expressed by the hon. members, as I understood them were, first, that possibly the relations between the two services may be impaired and, secondly, that the change may result in the increase of expenditure. Personally I do not share those fears. A careful examination of the subject has led me to the conclusion that co-ordination between the two services will be as close under the proposed arrangement as it is at present and while the establishment of the veterinary headquarters at Kabete would result in economies I think that the creation of a Veterinary Department can be effected without any increased expenditure. I think hon. members will credit me with the ability to look at this problem objectively, although I am intimately concerned with any changes that may be made. At present, therefore, I cannot see any sufficiently valid reasons for opposing the proposals.

Various suggestions concerning cotton were made by the Hon. Member Mr. Pandya and the Hon. Member for Mombasa, and these will receive full consideration. I think the Hon. Member Mr. Pandya pointed out that there was a disease in the Digo area and that possibly the best way of dealing with that would be to station a fully qualified agricultural officer there. That might or might not be the best way of solving that particular problem. If it is a question of cotton wilt it would be very much better if the experimental work in connection with it were carried out at Kibarani which is an experimental station sufficiently well equipped for experiments

of that sort. There exist in the world certain strains of cotton which are immune to cotton wilt, and we hope to receive supplies which will help as a basis in cotton investigations into that subject.

The Hon. Member for Mombasa suggested that we should get agricultural instructors from Tanganyika. We are quite aware that the standard of the agricultural instructors on the Coast is not as high as we would like it to be. Rightly or wrongly, we have taken men from the local tribes and we are trying to make use of them. It is usually the case that an instructor can do better work in his own tribe, and his own people prefer to have instructors of their own tribe. I should mention that at the moment we have certain apprentices in training at Kibarani station, but nevertheless we will examine the proposal made by the Hon. Member for Mombasa.

With regard to the cotton in the Taveta area, while it is possibly regrettable that we have insufficient staff to look after that work ourselves, I think it is very creditable that we have been able to arrange with the Tanganyika Department of Agriculture to help us in this connection. It shows that the two departments are working together. We have helped Tanganyika in the matter of stores for locust campaigns and they are helping us now with cotton at Taveta.

With regard to the Rangalla ginnery, of course very many applications were received for the licence, and after full consideration of all their claims, His Excellency decided in favour of the present holder.

I hope that the Acting Chief Veterinary Officer will reply to the Hon. Member for Kiambu in connection with his opinion as to the duties of veterinary officers. But what interested me most in the speech of the hon. member were his views on the development of the Masai. The Acting Chief Veterinary Officer has prepared a scheme for the betterment of the Masai and we have discussed it at great length, and for a short time during the course of his speech the Hon. Member for Kiambu might have been the Acting Chief Veterinary Officer speaking. I feel sure that the scheme, which I hope will be explained later, will meet with a large measure of approval and support from the Hon. Member for Kiambu. I have been told that it is quite impossible to bring any new prosperity to the Masai, but as we know from experience there is no officer in the Government who is more capable of doing the impossible than the Acting Chief Veterinary Officer!

Other members mentioned the need for agricultural services or, at any rate, the need for dealing with certain

problems of agriculture. The Hon. the Colonial Secretary explained that if the two experimental stations in the Central and Nyanza Provinces were to be established in conjunction with agricultural schools that funds would be required from some source for that purpose.

The hon. member Mr. Pandya suggested that we wanted more agricultural officers at the Coast, Dr. the hon. C. J. Wilson mentioned the need for tackling the problem of soil conservation, and the hon. Member for Nyanza put forward a case for increased coffee services. Yesterday the Uasin Gishu member urged that we should go still further with the stimulation of production. In the Pim Report, Sir, great stress is laid on the need for soil conservation, but so far as the Department of Agriculture is concerned the main recommendations are concerned with reductions in expenditure. In this connection I should mention that on page 148 are given the ultimate savings in the Department of agriculture. No. 1 referred to the reduction of the post of Senior Coffee Officer; Nos. 3 and 6 are reflected in the 1937 Estimates, and the remaining items are still under consideration.

In this connection the hon. Member for Nyanza mentioned the support that was given by the Agricultural Departments in neighbouring territories. I have examined these figures, and discovered that in Uganda the vote for the Agricultural Department is about the same as for comparable services in Kenya although the total expenditure in Uganda is two-thirds that of Kenya. A similar comparison with Tanganyika shows that with about a quarter of a million pounds less to spend, £15,000 more is spent on their agricultural services; that is £15,000 more than we do in Kenya. In view of the primary importance of maintaining the best possible instrument in the form of a Department of Agriculture for the protection, improvement and development of our agricultural industries, for the development of new agricultural products for export suited to the soil and climate of our country, for the development of food production, for the conservation of our soil, and for the use of land for the purposes for which it is best suited and under which the soil can be conserved, I think it is only right that I should indicate to this Council the directions to which additional funds could most advantageously be allocated. These suggestions are not necessarily in any order of priority or importance.

I will deal first with the stimulation of production in the native reserves. I adhere to my recommendations as a member of the Economic Development Committee, recommendations which were reiterated in my scheme for the reorganisation of the Department, that it would be good economic policy

to increase the agricultural staff in the native reserves. The hon. and hon. member for native interests has already testified to the good work that is being done in the reserves and agricultural officers and veterinary officers will be grateful to him for his words; and there can be no doubt that the work in the native reserves is good. The issue of good seed of improved and drought-resisting varieties, the encouragement given in regard to the growing of suitable crops, the preparation of produce and the organization of marketing, are all having a profound effect in certain areas. There is no doubt in my mind that this work could be intensified and extended to further areas were sufficient funds available for additional agricultural staff. In this connection I have already mentioned the need for experimental stations in the Central and Nyanza Provinces.

Secondly, Sir, there is a need in this Colony for soil conservation, and there is every indication that special services will be necessary. If this problem, which is of so great importance to Kenya, is to be adequately tackled, the subject is under investigation by the Standing Board of Economic Development, but I should mention that the Board of Agriculture felt so keenly about this problem that at a recent meeting they passed a resolution to this effect: "That in view of the importance of soil conservation in this Colony in all its aspects, this Board urges the immediate necessity of appointing an *ad hoc* committee to formulate a policy and advise Government on the steps that should be taken to deal with the question". If further investigation shows that the expenditure of public funds is necessary to ward off desert conditions and to maintain the productivity of our soil, I do not think that these funds could be better spent in the interests of the Colony for the future, and if experience in other countries is any guide, for the very near future.

Turning now, Sir, to animal industry, it is clear that the prospects for development are infinitely superior now than they were when the Financial Commissioner was in the Colony. It is proposed to establish two meat factories probably exporting meat extracts, canned and chilled meat and so on, and consequently I think further services over and above those recommended by Sir Alan Pim will be required if we are to gain the full benefit from these factories. From the veterinary point of view it is essential that certain diseases should be kept away from the factories and therefore I think, and the Board of Agriculture agrees with me, that it would be unwise to adopt the recommendations of Sir Alan Pim in regard to veterinary officers until the requirements of these factories have been fully examined. On the animal husbandry side, it

is quite possible that the farming policy of many farmers will alter as a result of these factories, and it is possible that additional services of the Department may be required to assist farmers in that direction.

With regard to coffee services which were mentioned by hon. Member for Nyanza, hon. members are aware that the prospects of conducting beneficial research into coffee have greatly improved for two reasons. One is on account of the formation of the Coffee Team Services, and the other is because now we have a Standing Research Committee on which we have members of the Department of Agriculture and three planting members of the Coffee Board. There has been a feeling recently that the coffee services were not quite as good as they should be, but under this new arrangement I feel sure that the work will maintain the full support of coffee planters.

The main needs in addition to those in the Estimates as submitted to this Council, are that we should get additional travelling allowance, so that agricultural officers can go out more into coffee *shambas* than they can at present; the creation of sub-stations in districts—two at the moment are in prospect, one near Nandi and the other near Thika. For these stations if they are started we shall need agricultural officers and it was felt by the Research Committee that we should conduct more co-operative experiments, by which I mean experiments carried out on actual *shambas* and on private farms. I have been authorized to place these proposals in regard to additional services for coffee before the Standing Finance Committee, and I hope to do so in detail. The total additional expenditure amounts to £1,000. In view of the importance of the coffee industry and in view of the fact that the coffee planters subscribe £10,000 a year, which is used by the Coffee Board in the interests of the whole industry, I hope that Council will agree to this additional expenditure. This is the first on my list of needs for agriculture, and I hope if any additional funds are available that this will be the first on the Government's list.

The Noble Lord has said that he was sorry that the Government had been unable to accept his proposal for another £3,000 under the Maize Guarantee Scheme. I should like, however, members to consider whether that particular proposal is a sound one. The effect of the maize guarantee scheme was first of all to raise prices to producers, and from an examination of the figures of prices in different areas it appears that at the beginning of the season the figure of 4/50 per bag did come into the picture and was having an effect on the local price, but after a few months, when it became

common knowledge that the amount of money set aside by Government for this purpose, £13,500, would be insufficient to raise the average price to 4/50, about two months after the beginning of the season I think, the guarantee price of 4/50 had no effect on the local prices. If now a change were made and we gave another £3,000 in order to bring the price up to 4/50, that extra amount would go to the exporters and not necessarily to all the producers.

During the course of the debate on the maize subsidy scheme the hon. and ven. member for native interests asked if the effect would be that the native would get more for his maize. I think, although we have never been absolutely certain on these things, from an examination of the figures I believe that the natives actually did get more than they would have got if we had not had the maize guarantee, and I think that the figure which I gave of 50 cents a bag extra was in fact realized.

In doubting whether the proposal put up by the Noble Lord was sound, I am not saying I would not be in favour of any further scheme for the assistance of maize growers, but it was one of the objects of the scheme to raise the local price so that all the producers would benefit, and I think that the proposal to increase the subsidy now would be open to the criticism that possibly the natives would not get a benefit from it.

LT.-COL. THE HON. W. K. TUCKER: Mr. President, those of us who speak towards the end of the debate are always at a disadvantage, for they are continually striking from their notes subjects which have been dealt with by previous speakers, but I have half a dozen still left on my list which I hope to dispose of in as many minutes. (Hear, hear.)

The first department I wish to refer to, Sir, is that of Agriculture. I do not intend to say, although I feel very strongly, one word about this reorganization, because I suppose I am the only person in this House who completely disagrees with it from beginning to end, and have said so to everybody, including the Board of Agriculture. It is no good failing to recognize when you are beaten, but I do feel provoked by one remark of the Hon. the Director of Agriculture to make this final protest which in effect means adherence to the wise findings of Sir Daniel Hall, one of the greatest agriculturalists in the world, after examining this problem in Kenya at great length more than seven years ago. The provocation I refer to is that of justifying, or endeavouring to justify, one of the most important ventures on which the Director was unable to go further than say that he did not have sufficiently valid

reasons for opposing the proposal. Well, Sir, I do not want to use the strong adjectives that have been flying about this House for the last few days, not only to individual members but Government itself, but it does seem to me to be wanting in force and positive direction such as this Department of Agriculture, more than any other department, requires at the present time.

It may seem rather paradoxical that with these feelings my further references to the Department of Agriculture nearly entirely take the form of throwing bouquets!

I will first of all deal with the hon. member's statement about the increased expenditure on coffee services, with which I quite agree. I entirely endorse his recommendations, but I want to refer to the departure very shortly of the Senior Coffee Officer, Mr. Trench, who has contributed in a very, very large measure to the present splendid position of the coffee industry in this country. I think it is fitting that the briefest mention should be made of these services, particularly as they stand apart from ordinary Government work in this sense, that he is not merely a round peg fitting himself into the hole which has been made, but he has had to build up these services and judging by the eulogistic speeches at the recent Coffee Conference, Mr. Trench has been singularly worthy of his hire.

There is a vote of £100 for Mr. Hassan. Those of us who have lived a long time in this country recognize in him a very unique person. I doubt if there is any other individual who for so many years has enjoyed the great respect and confidence of all sections of all races in this country. (Applause.) Reluctant though I am to say it, I am rather sorry that our Indian friends could not allow that vote to pass without making it a subject of racial comments. (Hear, hear.) If on consideration they share my views, I do hope that they will privately express that to Mr. Hassan so that the full flavour of an *ex gratia* act on the part of Government, completely supported by this House, is not lost.

Then we come to the question of the Veterinary Department about which quite a little has been said in this House. Again I feel that bouquets require to be distributed and, first of all, I am very glad to say I think a big one is due to Government itself. I do feel whatever committees one goes into, whether it is the Land Advisory Board, or the Railway Council, or where you like, the moment that opportunity arose Government, with all its force, appeared to have furthered it in every way possible and I do feel gives a better background the strong criticisms one so often has to make on this side of the House when we are ready and generous to recognize such

matters. I cannot leave that subject without handing a bouquet to the Hon. the Chief Veterinary Research Officer. The Hon. the Director said a few minutes ago that the Chief Veterinary Research Officer was capable of doing the impossible. Well, if I do not give him credit for that I do say that the position we stand in today and the prospects if everything materializes are nearly entirely due to the enthusiasm which that gentleman has shown from beginning to end. (Applause.) I do hope—and I say this in parenthesis—that if he is to pursue that sort of work in the future he may be relieved of a very high percentage of the donkey work so that by no chance shall his great experience as a research scientist suffer and that secretarial and all that sort of work which he has dealt with in the past may be put on the shoulders of those not possessed of these scientific qualifications.

Finally, on that subject (and again it is no good crying over spilt milk), one is entitled to regret that previous opportunities of establishing these meat extract companies in this country were not taken, more particularly when you see the amount of time all of us are now spending on such subjects as overstocking of the reserves, soil erosion and so on, which would have been tremendously alleviated had those previous opportunities been availed of.

One word with regard to an item under the heading "Royal Agricultural Society". I would only point out that in the Memorandum the case is not quite correctly stated. I do not propose to correct it in this House because it is not the occasion to do so, except to say that when the budget comes back to this House from the Standing Finance Committee I hope that there will be alterations as a result of evidence which I am most certain the Standing Finance Committee will be quite ready to receive from those most closely associated with that work.

We now pass from the Agricultural vote. In the Police vote, Head XXII, Item 80, there is "Deputy Inspector Weights and Measures" and under Police Extraordinary there is "Purchase of Test Weights" £26 in 1935 and nothing in 1937. As you are aware, Sir, the Association of Chambers of Commerce have had this question of the improper administration of the Weights and Measures Ordinance under review at every meeting for several years past, and their endeavours to strengthen the present inadequate staff have failed nearly entirely because Government have not the necessary funds. I think you will agree it is rather disgraceful that the Police Department should have the work of administering such an important law as weights and measures which is nearly as important as pounds, shillings and pence, without more than

one man to adequately administer it. Yet I have seen in the last four weeks that Administrative Officers throughout the country have been given powers to ascertain things in regard to the administration of this ordinance. For that we are extremely grateful. But the point of my remarks is rather to inquire, as we spent £26 in 1935 on test weights and nothing since, whether all these officers are adequately equipped with test weights, in the absence of which I suggest that their inspection of weights and measures in this country cannot be other than wholly farcical. I do hope that when the Hon. Member replies to the debate he will clear up this point, which I assure you is of very, very great importance to the whole community, and particularly to the commercial community. I had a letter the other day from the Colonial Secretary, Tanganyika Territory, dealing with this question, and he pointed out that they had a very substantial item included in the 1937 budget for this particular purpose.

Referring for a moment to page 17, Land Sales, I would like when this debate is replied to to have a greater assurance than we have yet had that there really is going to be a reduction of £2,750 in the amount of land sales for the year 1937, having regard to the general upward trend of the land market in this country and the brighter hopes envisaged by the Hon. Commissioner for Local Government, Lands and Settlement when he spoke the other day. It does seem to me that this item the Standing Finance Committee may be able to trim very largely indeed, possibly by the addition of an extra night.

Finally, with regard to the items in this budget, I think we ought to hear a little bit more about that £3,000 put down for income tax collection. In the opinion of the man in the street it is perfectly ridiculous. The Pim Report itself visualises one gentleman from England, whose predecessor cost us a very great deal, and I have no doubt that this will cost as much, together with another gentleman of experience from India, and we all know what that involves in the way of offices and staff and so on. The feeling as I have heard it expressed is that here again another night has got to be added on if this particular tax ever eventuates in the Colony of Kenya.

There is one item not in the budget, but members have a good deal of indulgence to ask questions, and this can be done in a single sentence: can it be explained in the Colonial Loans how between the first July, 1936, and the 31st December, 1936—I am quoting the words—the "estimated expenditure on Government House, Nairobi," is going to be £4,958?

I have no doubt that it is just a matter of setting out some explanation, but people in Nairobi who are interested in that sort of thing, and watch Government expenditure, utterly fail to understand these precise words.

Speaking to an amendment to this motion a fortnight ago I indicated that I might subsequently give the House an analysis of Nairobi's point of view, but in my present desire to shorten this inordinately long debate I obviously do not intend to do so. When my hon. friend, the substantive member for Nairobi North, left, the country was not only very friendly to Government but was anxious to examine dispassionately every phase of the then expected Pim Report, including the income tax proposals. It was only after the successive publication of that report, the Income Tax Bill, the unfortunate propaganda, and later still the budget itself, that Nairobi became very concerned and not a little perplexed. When I say Nairobi I mean the whole community, for in the course of my very careful analysis of the prevailing state of opinion I satisfied myself beyond all doubt that no grounds continue to exist for the myth—and it is only a myth—that there is any real difference of opinion as between the officials and unofficials in this community; that is to say except those few persons in all communities whose superiority complex causes them to see red the moment they are faced with the mildest of criticism. The fact is that religious, social, sporting and other associations and contacts have made that feeling possible, and I therefore make these remarks because the other day, with the best intentions, my hon. friend the Commissioner for Local Government, Lands and Settlement questioned whether in another connection my colleague was not speaking for Nairobi as a whole.

There is a good deal of feeling in Nairobi and, very briefly, I propose to reflect that Civil Servants, for instance, regret, and in many cases resent, that this levy which, both inside and outside this House was imposed with so much good feeling, has now been dragged, perhaps unconsciously, by Government into the controversial arena. Furthermore, these Civil Servants, friends of mine, who while naturally glad to see the prospect of the levy being abolished, have taken it for granted and are extremely anxious that the levy simultaneously placed upon the shoulders of their unofficial friends by way of temporary taxation, should be . . .

THE HON. THE COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Sir, on a point of explanation, the levy preceded that taxation by two years.

LIEUT.-COL. THE HON. W. K. TUCKER: Did I state that it was imposed simultaneously? If so I withdraw that statement in the knowledge that I was not a member of the Council at that time.

At all events they have borne it for many years together, and there is strong feeling in the Civil Service that the two things should be synchronised as far as abolition is concerned. I do submit to the Hon. the Colonial Secretary that tension exists in Nairobi, possibly greater than he is aware of, tension that is inimical to business, tension that he can relieve if he will only urge Government to come off that perch of omniscient rectitude which his speech suggests, whereby the budget, and all the actions of Government preceding and associated with the budget, is incapable of serious, if any, alteration. If Government will make a few admissions along these lines they will regain some of the confidence they have lost, but failing that, Sir, Nairobi looks with grave interest to the next few weeks, because, having seen the voting and heard the arguments of the members of the Standing Finance Committee in this House, they feel that the result will be a wholly unwelcome one and wholly unacceptable one and that the chaos of the last few weeks which has been so deplored by all of us has not been allowed to rest but, on the other hand, may be re-opened before the new year begins.

THE HON. DIRECTOR OF EDUCATION: Sir, the Noble Lord, the Member for Rift Valley, views with some misgivings the increased expenditure on social services for Africans. His reason is that this increased expenditure amounts to a sum of £16,000 in excess of what would be available if the Moyne formula was applied to next year's Estimates. These views are shared by the Hon. Member for Uasin Gishu. It must not be forgotten, however, that on Lord Moyne's formula there are considerable arrears in the past.

It is not perhaps my place to criticize Lord Moyne's formula, but I would like to point out that it does entirely ignore the ever increasing contribution to revenue by Africans by means of indirect taxation. Again, in South Africa there has been recently a great awakening of the public conscience in regard to services for Africans, and there it has been found that a formula based on a very similar one to Lord Moyne's formula, is entirely hampering progress.

The Noble Lord then went on and discussed the very much vexed question of Government's overhead expenditure. Sir Alan Pim over and over again in his Report has emphasized the fact that the reduction of this expenditure is intimately connected with the development of the Local Civil Services, European, Indian, Arab and African. The success

or failure of these Services must depend on the quality of the recruits, and on the education that those recruits have received in the schools in the Colony. In the future it is possible that the African Civil Services will play a more important part. The African is in closer touch with his fellows than the Europeans can ever hope to be and, properly instructed, he can be a most useful agent in furthering that propaganda which is so necessary if we are to solve those many problems which are facing us to-day, and on the solution of those problems depends the advancement of the African peoples which all of us so earnestly desire.

African education is occupying a very prominent place in all our deliberations to-day, not only in Africa itself but at home, in London, in the heart of the Empire. A few years ago I think that there was a general conception that African education was a structure built of bricks brought by the missionaries, bonded together with the mud slung by their critics! (Laughter.) That is not the view to-day, it has an entirely different perspective. We are all agreed that in this question of the most suitable education for Africans, the African himself must share in our deliberations and he must be convinced that the proposals made are sound. We cannot get any really sound education unless we have properly trained teachers. We must have teachers who can give to the African the education suited to his needs, to his capacity, and to his environment. How important this matter is and how it was viewed by Sir Alan Pim is emphasized in paragraph 288 of his Report. 'Sir Alan Pim came' out to the Colony to effect economies, and yet he felt it incumbent upon him in his Report to recommend, not an economy, but increased expenditure on the training of African teachers. I may say that last year when drawing up the estimates for the Education Department a big reduction of nearly £4,000 was made in the vote for African education with the purpose of bringing in this new scheme of teacher training next year.

The Noble Lord considers that the Africans should, at any rate in part, pay for these social services. I am very pleased to be able to inform him that from the 1st January, 1937, the only Government school for Africans in the Colony at which fees will not be charged will be the Native Industrial Training Depot. (Hear, hear.) In addition, District Boards of Education have drawn up a scale of fees which will be imposed at all elementary schools receiving grants in aid either from the Boards themselves or from the central revenue.

The hon. Member Mr. Pandya has drawn a comparison between the cost of educating European children and Indian children. Figures are not available to make just comparisons

in this connection, and I think the hon. member has overlooked one very important fact; that is that whereas practically every private or community school for Indian children is in receipt of a grant in aid not one single cent is given to any European private school, although nearly 40 per cent of the European children of the Colony are attending private schools.

He also referred to a proposal to place Indian education under the Chief Native Commissioner. That is a question of policy, and I have no doubt will be dealt with by the hon. mover.

He has also drawn attention to the Pim Report in which it is stated that the boarding costs in European schools are excessive. The cost of boarding in European schools has fallen during the last six years by 88½ per cent. That is, of course, mainly due to the fall in the cost of living, but I think it does show that this question is being closely watched by the Department.

The Venerable and Hon. Member asked for certain information in regard to His Excellency's opening address to Council, the figure of 80 per cent, which was the increase in the number of African children in Government schools. The figure for all African schools was 11 per cent. I do not think that that figure was actually mentioned by His Excellency, but that is the figure.

I must thank the Venerable and Hon. Member very much for the way he has supported this new scheme for teacher training. This scheme was drawn up in close co-operation with the missions and very valuable aid was given by Mr. Dougall who, I am sorry to say, has left the Colony for work at home, and owing to the great generosity of the Church Missionary Society, who have loaned their buildings and land at Kahuha, no capital expenditure will be required.

The Venerable and Hon. Member also urged the importance of more facilities for the education of African girls. I do not know whether he overlooked the fact that in this year, 1930, an additional amount of £1,000 was given for the education of African girls. As a result of that grant, three new schools have been opened, two in Kavirondo and one at Limoru, and three existing schools which were not grant-aided before are now receiving grants. I do agree with him that there is still a very great deal to be done. There are, I believe, some 29,000 African girls in the schools, and that is approximately 30 per cent of the total number of African children receiving education.

He also asked for some information about the poll-tax pupils. That has been furnished by the hon. the Chief Native Commissioner, and as from 1st January, 1937, all apprentices and other pupils in post primary classes will have their tax paid for them by Government. That applies not only to Government schools but also to Mission schools.

The hon. member Dr. Wilson will, I am sure, be relieved to hear that civics are being taught in the elementary schools for Africans.

The hon. member Mr. Shamsud-Deen drew attention to the urgent necessity for new buildings for the Indian Elementary School in Nairobi. This matter was also mentioned by the hon. member Mr. Isler Dass. The matter has been brought to the notice of Government, and I understand that a new building scheme will be included in the next loan programme.

He also mentioned the question of employment of pupils from the Indian schools in the Local Civil Service. That is a very important matter, and I am sure that Government will not overlook it.

The Hon. Member for Mombasa has said that tuition and not education is given in the Government schools, and that the Government schools in Mombasa are turning out nuisances and parasites. Well, Sir, I do not know the town of Mombasa very well, but we do on occasion see visitors from that city in Nairobi, and to me it is obvious that the Government schools have no monopoly in producing that type of person which the hon. member described! (Laughter.) By comparison, urban education must of necessity be more bookish than that in rural areas. The hon. member has a great contempt for examinations. But examination certificates are required for qualification for entry into the Local Civil Service, and they are recognized the world over as some evidence of good, general education on which can be superimposed specialized training. I have the authority of the Hon. the Commissioner of Customs to state that the employment of boys from the Coast secondary school at Shimo-la-Tewa in his Department has resulted in economy with efficiency.

I must endorse everything the Hon. Member for Mombasa has said in regard to the missionaries. I think he referred to them as slaves. Their labour is not forced labour. It is a labour of love inspired by their affection and regard for the African peoples.

The hon. member Dr. de Souza has drawn the attention of Council to the increased grant for Goan education. As you are aware, at the moment no education tax is paid by the

Goan community, and it is felt by Government that after income tax is introduced an increased grant to Goan education was only an act of justice.

He referred to the provision of the post for a European principal at the Indian Girls' School, Mombasa. That post has only been provided in case no suitable qualified Indian lady is available, and it will not be filled without consultation with the Advisory Council on Indian Education. Members will all understand it is far better to make provision for a possible service rather than try and get it inserted afterwards or possibly obtained by means of a special warrant.

He also brought up the question of the modern side in the secondary schools. The same necessity for a modern side in Indian and African schools applies as in the case of European schools. The matter was under discussion recently at a meeting of the Advisory Council on Indian Education, and as the first step the possibility of substituting the school certificate examination in lieu of the London Matriculation is now being investigated. That examination leaves a much wider choice of subjects and would have its effect on the curriculum.

The hon. member Mr. Isher Dass brought up one or two points which I have dealt with in dealing with questions asked by other speakers. There was, however, one point which he touched on and that was in connection with the composition of the School Areas Committees. He seemed to be under the impression that nominations were made by members of the committee themselves. I can assure him that is not the case. On occasions the Director may consult the local District Commissioner, who is usually chairman of the committee, and it is conceivable that he may have consulted the members of his committee. But the principle is not established that these committees have any power whatever of nominating people to replace those members who have died or who have left the country.

HON. ISHER DASS: On a point of information, a member of a committee proposed a name, and it was seconded and unanimously agreed to, and then it was submitted to the Director of Education.

THE HON. THE DIRECTOR OF EDUCATION: If that is true, the name must have come through the chairman. You must also remember that on these School Committees it is not merely a question of having highly qualified educationalists; the idea is that the parents also should have their representation and be able to put up the parents' point of view.

Council adjourned for the usual interval.

On resuming:

HON. R. DAINYER: At the outset, Sir, may I thank the Hon. Member for Nairobi North and the Hon. the Director of Agriculture for the flattering personal references they have made, and may I also say that I thoroughly endorse the remarks made by the Hon. Member for Nairobi North with reference to the helpfulness of the attitude of Government to the proposals that have been put before them with regard to recent developments. It is difficult to say any more at this juncture about this particular point, but I should like to suggest this, that if members on the other side of the House share the view of the Hon. the Member for Nairobi North as to the importance of these recent developments, I hope their attitude will be reflected in a tendency to give serious consideration to any proposals which may be made at a later stage and put before them either in this House or in the Standing Finance Committee for increasing the staff of the Animal Industry Division to take care of future developments.

The Hon. Member Mr. Pandya referred in appreciative terms to the services of Mr. Hassan at the Coast, and the Hon. Shamsud-Deen, in discussing the recent recognition by Government of Mr. Hassan's valuable services also spoke of that gentleman's fine record of service. I might add that this is the second occasion on which Mr. Hassan's services have been recognized by Government in the past two years. The hon. member took the occasion to remark that if it were not for the colour of Mr. Hassan's skin he would have risen to the highest position in the Department. It is probably unnecessary for me to tell this Council that the colour of one's skin is no bar to professional advancement. It is merely the possession of registrable qualifications which a wise Secretary of State for the Colonies insists on our having before we are permitted to teach ploughing to the Masai. (Laughter.)

The Hon. Member Mr. Pandya also mentioned the facilities—or the lack of facilities—for the loading of cattle at Lamu. I am informed that with the assistance of the Administration a pontoon has now been supplied, together with a loading ramp, and that no complaint can now be made about these facilities.

Turning to the proposals for the reorganization of the Department, or rather for the separation of the Agricultural and Veterinary Departments, both the Noble Lord and the hon. Member for Nyanza have referred to the scheme put forward by the Director of Agriculture last year, and have expressed regret that Sir Alan Pim did not see fit to adhere to these proposals of the Director's. As the hon. the Director of Agriculture has explained, the proposals made by Sir Alan

Pim really constitute an acceptance of the main points of the Director's scheme, but they carry the proposals to what they considered was a very logical conclusion—the complete separation of the two Departments. I would say this, that in giving evidence before the Daniel Hall Commission, it was I who put forward the proposals which were eventually accepted and upon which the present organization of the Department of Agriculture is founded, and I think those members with any association with the Board of Agriculture will have realized I have not been in the past a consistent advocate of separation, but the experience of recent years—of several years—during which the difficulty has always been to find enough money to carry on the essential work of the Department, has convinced me of the correctness of the proposals now made; that is, the separation of the two Departments.

The votes of the Department are considered by this House and by the Standing Finance Committee as a whole, and when you have two technical departments under the one roof, as it were, there is also a tendency to attempt to exploit one in favour of the other. It is a natural tendency. I would draw your attention to figures dealing with reductions which have been made in the departmental votes during the last six years. During the period from 1931 to 1937, the total vote of the Department has been reduced by £44,723, and of that sum £33,769 represents the sum by which the vote of the Animal Industry Division has been reduced. In other words, they found three-quarters of the total savings for that period. There has been some evidence in speeches that have been made during this debate that certain members would like to see the votes of the Animal Industry Division reduced still further. I feel that the time has come to call a halt in this, shall we call it, process of attrition.

From the references which have been made it is obvious there is a general acceptance of the need, a general realization, that security for the settler community lies in the more general adoption of mixed farming, and that stock should play a greater part in the farming operations in the European settled areas. I feel that if white settlement is to fulfil the ambitions held in many quarters, if it is to survive in this country, it will only survive under a correct relationship of the community to the land, under a farming relationship; in other words as opposed to a plantation relationship. That has been the experience elsewhere. There is among the settler community, in certain parts of the Colony at all events, a reluctance to accept the lower standard of living which is imposed by farming as opposed to plantation methods, but I repeat that if white settlement is to survive it will survive upon the farming practice which conserves the land and gives a greater

measure of security to the individual than is ever afforded by plantation methods. For these reasons I am convinced that the time has come when we must swing the other way in regard to animal industry, and we must endeavour to develop the stock side of the farms.

The Meat and Live Stock Committee which has been sitting for something more than a year and of which you, Sir, have been chairman, has put up to Government various constructive suggestions of which the Liebig factory is one example, and Government has received the recommendations of that Committee in a very sympathetic manner and has been prompt to act upon them where immediate action has been possible. That Committee has evolved a fairly comprehensive plan for the development of the stock industry. I am speaking now personally and not on behalf of the Committee. That plan recognizes in the first instance the need for markets for meat and meat products. Messrs. Liebig's factory will be dealing largely with native cattle.

The hon. Member for Kiambu has doubted, and has given as his reason the findings of former commissions for these doubts as to whether the prices offered by Liebig's will be a sufficient attraction to the native to induce him to sell his stock. He has gone so far as to quote Captain Long, I think, as to the impossibility.

MAJOR THE HON. G. H. RIDDELL: On a point of order, Sir, I said no such thing. Prices are not stated in the speech I quoted.

THE HON. R. DAUBNEY: He doubted the statement made by the hon. mover, Sir, that the prices would prove sufficiently attractive to induce the native to sell his stock, which I thought was what I said.

MAJOR THE HON. G. H. RIDDELL: No Sir, I quoted from the speech of His Excellency, and the words used were . . .

THE HON. R. DAUBNEY: Well, Sir, whatever it was he doubted! (laughter). He did not think the stock would be forthcoming under the inducement that the factory would be able . . .

MAJOR THE HON. G. H. RIDDELL: On a point of order, that is what I did doubt, Sir.

THE HON. R. DAUBNEY: . . . and he quoted Captain Long as to the difficulty, the impossibility, I think he said, of purchasing cattle in the Masai Reserve.

Captain Long, if I may be permitted to quote him, made a statement to the Meat and Live Stock Committee to the effect that the average price paid for Masai cattle a year ago at Ngong was Sh. 15 per head. The same type of cattle that I myself have purchased in connection with the experimental shipment of beef to Palestine will be worth about Sh. 30 per head at Liebig's Factory. I think there is every reason for the optimistic view expressed in His Excellency's speech. If, on the other hand, it is necessary to put into effect culling rules or to assign quotas of stock to various grazing areas, then no doubt means will be found to impose these rules without any general measure of compulsion on the natives to sell to the company.

Previous commissions have generally referred to the native stock as worthless animals which are overstocking the country. Some of us take the opposite view. There is a very large proportion of stock in certain native reserves, particularly the pastoral areas, that have a market value as beef, and recently we have had the advantage of hearing expert opinions of gentlemen representing two factories which are operating in another part of Africa. It is their opinion that this is probably the best stock-producing country in Africa, and that we need have nothing to fear, provided production is properly organized, from competition with the Argentine on the London market when we begin to produce chilled beef. The natural trend of development will be for certain pastoral areas, whether in European or native occupation, to produce cattle which at 2½ to 3 years of age will be sold as store cattle and will go to the more fertile and present cereal growing areas for feeding, and eventually will be marketed at 3 or 3½, and I see no difficulty in arranging for these movements provided veterinary services are available to control disease and to permit movements much more freely than in the past.

There are just one or two things in connection with the Pim Report to which I should like to refer. They deal with staff proposals and the economies which are proposed on the Animal Industry side, and the hon. the Director of Agriculture in his speech has foreshadowed an application to retain staff rather than to retrench them, as a result of the development that we envisage in the near future.

Sir Alan Pim's proposals, it will be obvious to anyone reading the Report, are based upon the idea of marking time in animal industry. He could not see the possibility of obtaining markets for meat when he was conducting his investigation, and he emphasizes throughout his Report that the object of the animal industry staff should be to mark time, to control disease, not to eradicate it. It is perfectly obvious to anyone who is studying the evolution of the farming

industry in the settled areas that there is already a demand for eradication of disease. Areas which have been content to remain dirty for a number of years are now applying to be brought under the provision of the Cattle Cleansing Ordinance with the idea of becoming clean and of taking up stock farming as an integral part of their agricultural practice.

With reference to over-stocking, during recent years over-stocking and soil erosion are terms that have been used in conjunction with each other to such an extent that people almost think they are synonymous. It is generally stated that because of over-stocking there is soil erosion in the native areas. In the last few years we have heard of soil erosion due to faulty agricultural methods but, as I say, formerly the emphasis was laid on over-stocking as the primary cause of soil erosion. Is it not possible to look at the thing in another way? Is it not possible that over-cultivation is the cause of over-stocking and thus of soil erosion? In 1931 I was able to visit the Middle Western Section of the United States, where soil erosion has become a very acute problem indeed and, if I may, I should like to read you an extract taken from a recent copy of the *Observer* which illustrates the view that is held by the American Department of Agriculture on the causes of the extensive sheet erosion in the Middle Western States:

"The following remedial measures are being taken with Government assistance: Return of natural cover by replanting of prairie grasses, planting of trees on slopes, and removal of land entirely from plough crop cultivation on as many acres as possible."

That is the other side of the question. That excessive cropping of land, putting excessive acreages of land under agricultural crops, will lead to over-stocking and eventually to soil erosion. All of you know that agriculture as seen in the native reserves is not only very poor grazing but largely erosion.

There is one statement in connection with live stock in the Pim Report to which I should like to refer, and that is in paragraph 244. The paragraph finishes:

"Great stock-breeding areas such as the Northern Frontier area and the Masai Reserve are in a position differing little from a permanent blockade."

That, from the context, is taken as meaning that owing to veterinary restrictions those areas are in a condition resembling a permanent blockade. That is another of those ideas that require debunking. The real reason why these areas are in a condition of permanent blockade is an economic

one. The expenditure of relatively small sums of money on veterinary services in the Samburu area has enabled us in a comparatively short period to reach a position where we can allow cattle to move out of that reserve to slaughter markets. The same can easily be done in the Masai Reserve, in Turkana, Suk, and so on. Why has it not been done in the past? The reason is that the release of large numbers of slaughter cattle from these areas would inevitably break the Nairobi and other permanent markets for the European producer. That is really at the root of it, and this Department has accepted the blame of these quarantine regulations which could be lifted, as I say, with comparatively small expenditure for two or three years.

If I may refer just briefly to the development of the Masai Reserve which was a subject raised by the hon. Member for Kiambu, I would say that I have recently drawn up a plan for the development of the Masai Reserve and that I find myself in complete accord with the hon. member on the subject of hay-making and on the discouragement of extensive cultivation in the Masai Reserve. I would like to read a brief extract from that programme of development for the information of the Council. In dealing with general development the following extract occurs:

"The outstanding difficulty, which is the limiting factor to successful utilization of the western portion of the reserve, is a lack of permanent water supplies in many parts of the area. Where water supplies are deficient or absent throughout the dry season the grazing cannot be utilized, and more often than not the mature herbage is eventually destroyed by fire before the next rainy season. Thousands of tons of good hay are annually wasted in this manner, and the first step towards permanent improvement is the provision of sufficient water to enable hay to be cut and stacked in these drier areas as an insurance against drought. It would then be quite possible in the haying areas to provide a reserve of foodstuffs, together with a minimal water ration, sufficient to carry the Masai cattle through any ordinary drought period."

Again, Sir, in dealing with the possibility of the permanent settlement of mixed farming areas in the Masai Reserve I have said:

"As permanent holdings become gradually stocked up it will be necessary to introduce the growing of fodder crops, and I agree that simple experiments in this direction should be made at the veterinary centre at Rotian. The growing of fodder crops in such areas of abundant

food supplies will naturally always be a matter of secondary importance when compared with the urgent need that exists for the conservation of hay in the less fertile parts of the reserve."

I think that indicates that the position is appreciated by Government. The last point to which I wish to refer is this question of highly paid, highly skilled veterinary officers being employed teaching the Masai to plough. The hon. Member for Kiambu lives, I believe, not far from the Veterinary Training Centre at Ngong. One can imagine him seeing the ten or fifteen acres of ploughed land that we have there growing fodder crops for our station cattle, our dairy herd. He may even have seen a European in the field. He knows that the veterinary officer spends a little time there. He may even have seen red soil on his boots! Now Sir, given all those accurate observations, what is the impact on a superior intelligence likely to lend to? The conclusion that the veterinary officer is employed to teach ploughing! It is hardly necessary for me to say that that is not the case.

The hon. member goes on to tell us that there must be plenty of young Dutchmen on the Plateau who would be prepared to undertake this instruction in ploughing. Well, the instruction in ploughing such as it is—it is only part of the normal farming operations of the station, of course—is given by a perfectly competent Scotsman (laughter), who was brought up on a farm, and I do not think he requires any help from these highly competent Dutchmen from the Plateau! It is a curious thing, that only a year ago a similar bogey was raised, on that occasion I think, by the hon. Member for Nyanza, to the effect that these highly skilled—this is the only time we hear them mentioned in such fashion! (laughter)

THE HON. CONWAY HARVEY: On a point of order, Sir, may I explain that I was merely reading a quotation from an authoritative report?

THE HON. R. DAUBNEY: I beg the hon. member's pardon. But the bogey was raised by the reading of this authoritative report, to the effect that these highly skilled veterinary officers were being employed to teach the natives the rudiments of reading and writing, I think it was, or even the A.B.C., and the myth was very successfully disposed of by the hon. Director of Education. But at the same time, something remains after a point like that has been made. The foundation may be bad, but quite an elaborate super-structure can be built on it and when, after a lapse of time one is left, perhaps, if one does not consider the thing too carefully, with an impression which does not take any very great notice of the denial

of the basic fact upon which the super-structure was built, but according to the manner in which the elaboration was done one retains a distinct impression of the elaboration. It is a device not unknown in the less reputable walks of journalism! (Laughter).

MAJOR THE HON. G. H. RIDDELL: Do we understand from all this that the fact is denied that veterinary officers in the Nyanza Province teach the natives to make ghee?

THE HON. R. DAUDNEY: I was not aware that I mentioned ghee. Ploughing, reading and writing were the only things I mentioned. But I will deal with the ghee question. What I did wish to point out is, that long after it has been denied that a veterinary officer was employed teaching the natives reading or writing, or teaching him to plough, one still, if the thing has been done skillfully enough, retains the impression in some way that he has been used out of his proper functions. The same thing applies to the remarks of the hon. Member for Nyanza on the subject of these same expensive veterinary officers being employed in teaching the natives to make ghee. The natives are taught to make ghee through the medium of native instructors, who are not highly expensive nor highly skilled. That these instructors happen to be under the control of a stock inspector and again under the control of a veterinary officer does not matter one bit!

Some years ago there was a very successful anti-hookworm campaign carried out in the Digo area. I happen to know a little about it, because in the first place the officers who were going to carry out that campaign came to me for some advice. The main plank of that work, to which very creditable references were made in this House and elsewhere, the main plank, as I say, was the construction of pit latrines. Had these hon. members who have been referring to veterinary officers making ghee and so on been aware of that one can imagine the play they could have made out of the fact that a highly skilled, highly trained, most expensive medical officer was being employed to show the natives how to dig pit latrines! (Laughter).

Of course it is quite reasonable. The whole system can be described in one word, the word applies to the anti-hookworm campaign, to the teaching of natives to make ghee, even to the ten acres of ploughing—bonification. Bonification is a definite policy in many European countries, and in countries such as Italy and Holland feel they can correct deficiencies in the health of their people, the school children, the wealth and the economic structure of the people through general bonification measures, then they can be applied with much more success in a country as primitive as Kenya.

That, I think, Sir, disposes of the ploughing bogey, and of the ghee bogey. As I say, it was raised before and I do not know whether there is any intention to raise it again, but if any hon. members on the other side of the House feel it has not been used to its fullest extent then I shall be very happy to show them programmes of instruction at these centres, and they could select an item to be raised each year, and it would have the effect of relieving them from any risk of contracting those states of health which the hon. Director of Medical Services attributed to overstrain, and it might guard against any tendency to the development of a psychosis on the Veterinary Department! (Laughter.)

THE HON. T. D. WALLACE: Mr. President, my hon. friend the Acting Commissioner for Local Government, Lands and Settlement, in the course of his remarks last Monday, referred to a quondam member of this Council as being non-vociferous. Perchance he might level the same criticism at me. I take the first opportunity of rising to my feet, and am happy to inform him that my chief object in doing so is to reply to one or two remarks or criticisms which the hon. Member for Mombasa made with regard to the department over which he, for the time being, is presiding.

In prefacing his remarks last Monday the hon. member stated that he rose to address this Council with a certain degree of trepidation and anxiety. Those are my feelings to-day. But I understand it is not unusual for a debator and modest maiden to be so affected! However, I was somewhat surprised that such an old campaigner as the hon. member should be suffering thus, but my surprise was short lived, because in the course of the first few moments of his speech he accused Government, or made allegations and statements which I might describe as being as astounding as they were incorrect and without foundation.

In the first place, the hon. Member for Mombasa accused Government of being guilty of a wilful misdemeanour in that, throughout the discussions which took place on the ferry question, they failed to inform this Council or the general public that there was in being a concession to the East Africa Estates, Ltd., by virtue of which that company had a right to erect a landing stage at Likoni for ferry purposes and, therefore, he went on to say . . .

THE HON. F. A. BEMISTER: Not a landing stage, running a ferry.

THE HON. T. D. WALLACE: In a moment or two I shall read the hon. member a notice containing the exact clause in the agreement.

He went on to say that had the Municipal Board taken over the ferries and granted a lease with monopoly rights to a third party they would have been liable for heavy damages for misrepresentation.

Had Government been in possession of the facts and actually known there was such a clause in the agreement with the East Africa Estates, Ltd., I would be the first to admit that they were guilty of what is known to the law as *suppressio veri*, but I can assure the hon. member that they did not know and, further, the first occasion upon which they learnt of the existence of this clause at all was when they received a letter from the company concerned in June last, whereupon Government took the first opportunity of rectifying the mistake. If I might refer the hon. member to the notice which appeared in the Official Gazette on the 15th September last in which tenders were invited for this ferry, he will observe in the fourth paragraph that it is stated:

"The agreement will contain (*inter alia*) a clause making it subject to all the rights acquired by and conferred upon the East African Estates, Ltd., by clause 30 of a grant for ninety-nine years of certain land in the district of Digo and Mombasa . . ."

Then it sets out in *extenso* the full clause.

I ask the hon. member in all sincerity of what avail it would have been to Government to have suppressed this information? None at all. The company concerned were bound, sooner or later, to have realized that they were affected and were bound to bring it to the notice of Government.

I trust that the hon. member will accept my assurance that, in fact, Government were not guilty of wilful dishonesty. When I said a moment ago that they did not know, I noticed a smile on the face of the hon. member because, adopting the tactics which are well known in the Law Courts, and which I thought were the prerogative of the profession to which I belong, he charged us in the alternative. In effect, he said: "If you are not dishonest, if you did not know, then you were grossly incompetent because you did not know." (Mr. Bemister: Right.)

On the charge of incompetency I would just like to say this. In the first place, this is a grant ten or eleven years old, 1925 is the exact date, and there is not a single member in the Department of Local Government who was there on that occasion. But I daresay that might not be a sufficient answer. I should like to inform the hon. member and to draw his attention to the Ordinance under which it is proposed to grant this monopoly right because, to use a phrase which has become popular during the course of debate, Government

servants are not nitwits and the officer responsible for the preparation of the Ordinance, realizing that interests might be involved, took the precaution of safeguarding those interests. If the hon. member would care to glance at the Ordinance in question he will observe that not only was it necessary to obtain the approval of the Governor before such monopoly rights were granted but it was also necessary to obtain the approval of the Governor before any prohibition order was made.

Morton's fork is a very deadly weapon, but a clear conscience is a very effective weapon with which to parry such a bludgeon.

I leave the question of the ferries, but I cannot leave the hon. member yet, because not content with charging Government with dishonesty or; in the alternative, with incompetence, he went on then to accuse His Excellency of a flagrant violation of the statute law of the Colony. He said that the Mombasa Municipal Board had requested the Governor to grant the elective principle instead of the nominated principle, and that if the Board shall so request the Governor shall assent.

THE HON. F. A. BEMISTER: They passed a resolution.

THE HON. T. D. WALLACE: That if the Mombasa Municipal Board passed a resolution—I stand corrected—requesting His Excellency to grant the elective principle the Governor shall assent. I think those are the only words which are in issue, and such a preposterous statement cannot be allowed to pass unchallenged.

The Ordinance in question is the Local Government (Municipalities) Ordinance, 1929, and I might refer the hon. member to the section in question, which reads:

"There shall be constituted for the Municipality of Mombasa a Municipal Board, which shall consist of . . . The only sub-section with which we are concerned in (3), which reads:

"(2) Seven European members—to be nominated by the Governor."

There is, however, a proviso to that section which says:

"Provided that the Governor in Council may at any time direct, by notice in the Gazette upon receipt of a request so to do from the Board, that in lieu of such nomination as aforesaid the whole or any number of the members referred to in sub-section (2), (3) and (4) of this section shall be elected."

Is that a mandatory provision or not? I suggest it does not need the legal acumen of a Birkenhead or of my friend the hon. and learned Member for Nairobi South to construe the section. I go further and make bold to say it is couched in language so simple as to be understandable by a little child.

If my interpretation is correct, and my interpretation is that it vests a discretion in the Governor in Council, then the remarks of the hon. Member for Mombasa were wrong in two respects. First, that the authority is the Governor in Council, and secondly, it is a discretionary rather than a mandatory provision.

Perchance the hon. member might suggest that the discretion so vested was not exercised in a judicial manner, it might be as well for me to tell this Council the facts of the case.

It is true that His Excellency the Governor in Council did receive a copy of the resolution passed by the Mombasa Municipal Board requesting that the elective principle should be applied so far as that Board was concerned. That letter was referred to the Standing Committee on Local Government in accordance with the provisions of the Ordinance, and that committee, having advised the Governor in Council, the latter then considered that advice and eventually came to the conclusion that he must refuse the request. Although it was not incumbent upon the Governor in Council to inform the Board as to the reason for this refusal, they did so, and as they have done so it might be as well for me at this stage to read the reply. This is the letter from the hon. the Commissioner for Local Government to the Town Clerk of Mombasa:

"5th June, 1936.

Sir,

I have the honour to refer to your letter No. 2/3 of the 10th February, forwarding a copy of Minute No. 685 of the Board meeting held on the 4th February, in which was recorded the Board's resolution to the effect that in its opinion the proviso under section 9. (3) and (3) of the Local Government (Municipalities) Ordinance, 1928, relating to the election of European and Indian members, should not be applied.

2. This matter has received careful consideration by the Governor in Council, who was unable to accept the Board's resolution as it stood, for the reason that its acceptance would involve the imposition on one community of a procedure regarding elections which the majority of the members representing that community on the Board did not at present approve."

The position is, therefore, that when that resolution was before the Board, four European elected members voted against it; whereas only two voted in favour.

THE HON. F. A. BEMISTER: On a point of order, the hon. members said "elected members." Might he just alter that?

THE HON. T. D. WALLACE: European nominated members.

THE HON. F. A. BEMISTER: Thank you!

THE HON. T. D. WALLACE: In order to demonstrate still further that the Governor in Council does not exercise this discretion in an arbitrary fashion, I would inform this Council that a request was received that the Indian nominated members should be elected and because that resolution had the unanimous support of all Indian members the Governor in Council agreed. I leave it to this Council to decide whether in fact there was any abuse of the discretion vested in the Governor in Council.

There are only one or two other matters to which I wish to refer before I sit down.

The hon. member Mr. Isher Dass about this time yesterday—when he had gotten his second wind!—was pleased to criticize the Attorney General's Department and the Police Department. I think he was a little intoxicated with the exuberance of his own verbosity and I found it somewhat difficult to ascertain what the exact criticisms were that he levelled at these departments. As far as I could understand him, he requested Government to give an assurance that in any cases where an Indian person was to be prosecuted Government would take great care before instituting proceedings. If by that he intended to convey that Government should grant to any section of the community preferential treatment I regret that I cannot give him such an assurance.

THE HON. ISHER DASS: On a point of explanation. I said this has happened in the case of Indians, and that is why I wanted an assurance. If it had been in the case of Europeans, an assurance would not have been asked. It has happened in the Indian community.

THE HON. T. D. WALLACE: I do not know the case.

THE HON. ISHER DASS: I merely refer, for the information of the hon. member, to the case of Mauladad, the contractor.

THE HON. T. D. WALLACE: That was a running down case in which a European lost his life. An inquest was duly held, and the learned magistrate came to the conclusion as a result of the evidence, he had before him at that time that it was an accident. It is true that later on a preliminary inquiry was held but that only as a result of further evidence which came to light. If that is the case to which the hon. member referred I suggest it is fully answered.

He went on to refer to another matter, the unfortunate accident which took place at Shimo-la-Tewa last September. I do not know what was the exact criticism of the police on that occasion.

As I understand the position, the car in which this person was travelling across the ferry went into the water about 8.15 in the afternoon. A report was received at the nearest police station, which I think is Mombasa, at 4.30 p.m. What the police could have done other than they did, which was to send two senior Indian inspectors, who arrived at the scene at 5.15 p.m., I am at a loss to understand. Possibly the hon. member thinks the Commissioner should have flown down there, otherwise I do not know what he wants.

But he was not the only member to criticize the Legal and Police Departments. The hon. Member Dr. de Sousa, when he had finished his castigation of the Medical Department, and after he had concluded his remarks with regard to such abstruse psychological and anatomical matters as psychosis, neurosis, a lady's seat, an archdeaconal seat and his own seat, turned his attention to these departments.

He stigmatized our methods, if I recollect correctly, as being disgraceful and shameful. I do not know to what cases the hon. member was referring. We have already dealt with one case which the hon. Member Mr. Isher Dass has just mentioned. There are only three other important cases which have occurred in the past two or three years in which Indians were involved. Two of these have already been the subject of a full dress debate in this Council. I think, therefore, I shall have the full approval of the Council when I state that it is not my intention at the present stage to exhumate the dead bodies on which autopsies have already been performed in order to carry out a further post-mortem. The other case is being tried at the present moment and as all will fully appreciate, it would be highly improper for me to make any comment on a matter which is still *sub judice*.

DR. THE HON. A. C. L. DE SOUSA: I never referred to the case now going on in the courts. But perhaps the hon. member defending Government might bring to his memory and find out whether in another case the man was put to a great deal of expense, so that in the end he had to go to India.

THE HON. T. D. WALLACE: I have no knowledge of the case off hand, but the matter will be looked into.

THE HON. S. H. LA FONTAINE: Sir, hon. members opposite have taken the opportunity afforded by this debate of stating their views on the subject of native taxation and the methods of collection. I am very glad they have done so, because it enables me to draw attention to some other aspects of the problem which are causing district commissioners in the Central Province some concern.

I propose to confine my remarks to the question of actual collection.

There have been allegations as to malpractices by chiefs and members of the native staff in the collection of taxes. These have been the subject of a Report by the Webb Commission. Some of the abuses which relate to the districts of the Central Province are of a serious nature and cannot be lost sight of, but I trust that hon. members will accept my assurance that early steps will be taken as far as is humanly possible to see that these abuses are not repeated. Native chiefs and members of their staffs are not plaster saints and sometimes, not often, they yield to temptation. It would be marvellous if they did not. But in fairness to the district officers it is only right to add that the methods of collection are fair to the African, as efficient as circumstances allow, and compare favourably with those pursued in other territories, for the simple reason that where the tax is collected under the direct eye of the district officer he makes it his business to ensure that the methods are honest and inflict no avoidable hardships.

The business of collection is a soulless and uninspiring job to these officers. They spend many weary weeks in this process, and their task is made the harder and the burden more difficult when they are inundated with complaints from well intentioned people which, after lengthy investigations, are found to be ill-founded or grossly exaggerated. Recently, the best and most loyal chief in the Fort Hall district, at the instance of the ven. and hon. member representing native interests, was charged in this way. The district officer deputed to investigate these charges spent three weeks of valuable time in the process, and not one single charge was proved!

District officers are grateful when complaints are brought to their notice which enable them to correct abuses or to right a wrong. All they ask is that before action is taken on these complaints or before they are voiced on platforms or any other place, an effort will be made to certify them for close investigation. (Hear, hear.)

It has been brought home to the officers in the Central Province that the collection of the tax is getting more and more difficult. There is a greater tendency now on the part of the native to evade taxation in the Fort Hall district. In 1928 the whole of the tax was collected in the short space of two months; in 1936, in spite of the district commissioner, who commands the affection and confidence of his people, the tax will take the greater part of the year. It is not due to disaffection or discontent. It is due rather to the fact that the African, like others, is getting to realize that by lying low he can often evade payment.

And that is the reason why I welcome the Report of the hon. the Treasurer and the hon. the Chief Native Commissioner which deals in realistic manner with the collection of the tax and the present difficulties. What we have to face is not so much the capacity to pay, which of course is an important matter, but a mind which is averse to paying. The increased wants of the native, the increased demands of his domestic budget, the fact that Cheroqui wants his bicycle and his shoes, the wife wants sugar and clothing, the disinclination of the African to pay the tax on behalf of the other members of his family and last, but not least, the encouragement that has been given both on the platform and in the Press that the native is overtaxed, are important matters in inducing this reluctance.

The Report to which I have referred has endeavoured to deal with these difficulties, and I think that as the years go by we shall be able to redeem them with greater success.

I trust I shall be forgiven if I quote what has recently happened in the Central Province with regard to the methods of collection. I dare say I shall be accused by the hon. Member Dr. de Sousa of self-advertisement, but I am prepared to risk that because the credit lies largely with the district officers concerned.

At the last meeting of the district commissioners in August it was reported that a large number of adult males, able-bodied taxpayers, had run away from a native reserve to farms and to townships in the settled areas in order to evade payment of the tax, hoping for a return to their reserve when the actual collection had ceased. It was decided to post two officers to Nairobi and Thika whose function would be collect the tax from these defaulters, and native assistants went with them in order to identify the defaulters concerned. The result has been an outstanding success. In the short space of three weeks a sum of £3,500 has been collected without the slightest friction and with the minimum of hardship to the taxpayers concerned. This money would have been lost to the revenue but for the steps which were taken.

I draw attention to this matter because it shows that the solution of this problem lies rather in the methods of collection than in any other direction.

In conclusion, I would emphasize that in dealing with African taxation and African problems generally, what is required is a robust realism. Sentimentalism is not only ineffective in its results, it can only do harm to the cause of African welfare which we all have at heart. (Applause.)

The debate was adjourned.

Council adjourned till 10 a.m. on Monday,
the 16th November, 1936.

MONDAY, 16th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Monday, the 16th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The minutes of the meeting of the 13th November, 1936, were confirmed.

PAPERS LAID.

The following papers were laid on the table:—

By THE HON. THE CHIEF NATIVE COMMISSIONER:

Report of the Select Committee on the Registration of Domestic Servants (Amendment) Bill.

By THE HON. THE DIRECTOR OF AGRICULTURE:

Department of Agriculture Annual Report, 1935, Vol. II.

NOTICE OF MOTION.

The following notice of motion was given by the hon. the Chief Native Commissioner:—

"That the Report of the Select Committee on the Registration of Domestic Servants (Amendment) Bill be adopted."

ORAL ANSWERS TO QUESTIONS.

ASIATIC PATIENTS.

No. 58—DR. THE HON. A. C. L. DE SOUSA asked:

"1. Will Government state the number of Asiatic (a) out patients, (b) in patients, treated in Government hospitals and/or dispensaries during the years 1930, 1931, 1932, 1933, 1934 and 1935?

2. Will Government give the reason why such figures relating to the Asian community are not furnished in the relative table on page 2 of the Annual Medical Report for 1935?"

THE HON. THE DIRECTOR OF MEDICAL SERVICES: "1. As separate figures are not kept for African and Asiatic out patients and in patients, the figures requested are not available.

2. As Asians are treated in wards in African hospitals and attend at the same dispensaries as Africans, as at most hospitals and dispensaries especially in the out-districts the numbers of Asians attending is very small, and as the numbers of Asians treated by private practitioners must remain unknown, no information of value would be obtained by maintaining separate registers for Africans and Asians at each hospital and dispensary.

MOTION.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved—

“That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.”

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

MAJOR THE HON. SIR ROBERT SHAW: Mr. President, it is a time honoured custom in this Council on the occasion of the annual budget for hon. members to roam over a very wide field of discussion. Perhaps I am not going too far if I say that several examples of such roaming have taken place during the present debate. I am not going to do so myself, but there are a few comments which I should like to make on one or two of the speeches which we have heard.

I should like first of all, Sir, to refer to the remarks made by the hon. Director of Agriculture and the hon. the Chief Veterinary Officer on Sir Alan Pim's recommendations for the separation of these two Departments. I regret that these pronouncements should have been so non-committal. Possibly it would have been better, if they had nothing more to say than they did say, to have left it to the committee of the Board of Agriculture to which the Director of Agriculture referred. The Director told us in fact that he had no valid reasons for opposing the proposal, while the hon. the Chief Veterinary Officer told us in effect that he had no valid reasons for supporting it, other than that he had found the financing of the Veterinary Department increasingly difficult in recent years. I think it is not a very convincing reason since it applies naturally to the activities of most of our departments, and I think that it is somewhat incongruous at a time when so much stress has been laid on mixed farming and the combination of animal husbandry and agriculture together as the only sane basis of farming in this country, that these depart-

ments should be separated at the present time. However, I shall look forward to the report of the committee of the Board of Agriculture with some confidence.

Also in the speech of the Director of Agriculture, I regret very much to find that he made no reference to what I consider a very important statement indeed included in paragraph 254 of the Pim Report which is as follows:—

“The policy of exerting pressure for the extension of cultivation in the native areas, more especially of cash crops such as cotton, for the purpose of increasing native resources and taxable capacity, involves dangers of its own.”

I do not suggest for a moment that the hon. member is not fully aware of that very grave statement, but I would have liked to have heard whether Government in fact proposes to give any consideration to it, or whether this is one of those unpalatable truths which Government find it more convenient to suppress and ignore. I hope very much that that is not so. We know very well that if anyone talks about cash crops Government is very likely to sit back and lick its chops at the prospect of good things to come, but I hope that will not be the case on this occasion.

I am afraid I was not very deeply impressed with the efforts of the hon. the Chief Veterinary Officer to justify the employment of veterinary officers in this country on work for which they are neither trained, paid, nor recruited. He mentioned the criticisms which have been made, and also said that those criticisms had been followed by denials, but in spite of the denials the poison of the criticism, or words to that effect, appeared to remain. That is inevitable, because the basis of such criticism has never been tackled either by the hon. gentleman himself or by anybody else, and the basis of the criticism is Government's strange habit of making use of qualified veterinarians for the purpose of instruction in animal husbandry, which of course is contrary to all the canons of the stock industry.

When I was in the Service long ago, Sir, I was in charge of a considerable number of His Majesty's equines of various kinds: we had one invariable rule that, under no circumstances, should a veterinary officer be employed for the purpose of giving advice on the management of well animals. Sick animals was a different matter. If you had a sick animal you could not diagnose or treat yourself you called in the animal doctor, which of course is what the veterinary officer is in this country we have various schools or training centres established for the purpose of instructing the natives in animal husbandry, and the work up to now has been placed in charge

of veterinary officers whose job it quite obviously is not. It does not matter in the least whether they employ a little of their time teaching ploughing and the growing of fodder crops or a little reading or writing so that milk records may be kept, or scraping of hides, or the making of ghee, or teaching the natives to stand on their heads, or to chase their own tails, or anything else, it is not the work of the veterinary officer, and so long as the veterinary officer is employed on that work so long will we be wasting men and money and, so long as that continues the criticism persists.

I should like to pass on for a moment to the very admirable and refreshing speech made by the hon. the Acting Commissioner for Local Government, Lands and Settlement. I am sorry he is not here so that I might do myself the honour of offering him my congratulations. But as regards his remarks about the abolition of the levy on salaries I have a remark or two to make.

He asked for a reasonable spirit among members on this side of the House, and I can assure him that that reasonable spirit is there, but I would like him also to realize how very difficult Government has made it for us to exercise that reasonable spirit. For what do they do? They tell us that the crisis is passed, that revenue is now coming in nicely again, and that consequently there is no justification for maintaining the levy, or building up surplus balances out of the money so subscribed. With the whole of that argument I entirely agree, but what do they tell us in the next breath? They tell us that if the levy on salaries is abolished and if all this unavoidable extra expenditure is incurred then the budget will not balance. The two statements are a little contradictory, and we must believe one or the other. Either the crisis has passed, the money is there and the levy can be abolished, which we all believe, or else the crisis has not passed, the money is not there and the levy can only be abolished at the expense of introducing new and onerous taxation proposals on the whole of the rest of the community. So I can only suggest to the Acting Commissioner for Local Government, Lands and Settlement that if he wants support for his project, the best thing would be for him to step across the floor of the House and take a seat on this side for a short time.

I am afraid I must hark back to that remoter period in the Colony's past history when the hon. the Colonial Secretary introduced the motion that we are now discussing, and as that was a very long time ago any remarks which I make, if I happen to misinterpret or misquote him in any way, I hope that he will not only correct but also forgive me. I am afraid that at the beginning I have got to add my word of

protest to that already spoken by one or two other hon. members on this side as to this new and increased expenditure, more particularly on native services. What the hon. Colonial Secretary told us in effect was that we must face indefinitely a programme of such increased expenditure at a probably ever-increasing rate out of money which we have not got; and that furthermore, although Government admittedly do not seem to like the prospect, we must contemplate in the future a further falling off of native revenue by an amount up to £70,000. Well may my hon. friend the Member for Uasin Gishu ask where all this is going to end.

I believe that Government could end it and end it at once if they would introduce into their methods some of those principles which I welcomed very much from the hon. the Chief Native Commissioner and the hon. the Provincial Commissioner, Central Province. The hon. the Chief Native Commissioner advocated the principle of self-help and the hon. the Provincial Commissioner recommended the principle of robust realism in these matters. The African is able to add 2 and 2 together and make the answer 4 just as well as I or anybody else. This is a case where Government should come flat out into the open and say "No more taxes, no more services", and the African will understand, and such action on the part of Government would have the effect of removing this business of tax evasion from the category of a more or less legitimate pastime among those clever enough to achieve it into the category of an offence against the community, thereby relieving the pressure upon headmen and chiefs, pressure which they have to exert in turn on their people, and last but not least, would, I hope, have the effect of relieving the burden of distress and sorrow from the mind of our venerable and hon. member!

There is another thing that Government should do as well, Sir, and I was really delighted to find that it was recommended by the venerable gentleman, since I myself had the temerity to recommend it on a former occasion when discussing a Native Poll Tax Bill. That is, that the alternative to paying taxes should be made so unpleasant that it becomes a real deterrent. I do not see why that should not be done. After all, if you take a high minded and law abiding citizen such as myself, full of civic sense and moral uplift and all that kind of thing, and if I display any reluctance in paying my taxes you can sue me, you can attach my goods, put me in gaol, do everything except hang me! In fact so unpleasant are the alternatives that my reluctance is almost converted into a positive desire to pour my slender resources into the coffers of Government. But that is not the case with the African as anybody who has watched a gang of those who have been vulgarly called detonators wandering about an administrative

centre will admit. Those people should be taken right away from their own country, and put to work under real hard labour conditions on roads or railways or whatever work of public utility Government have in hand. Two months of such work should represent one tax, and while they are doing it Government should give them just enough food to keep them hungry. If that were done I would be prepared to wager that by the end of a year Government's labour supply from such sources would be negligible.

If Government would take these steps, whatever may be said or was said on former occasions, and if, instead of adopting this rather helpless attitude towards circumstances supposed to be out of our control, Government would take a firm line with these reluctant taxpayers, the whole of the native taxation controversy would be cleared up, adequate funds would come in easily from the proper source for the expansion of these public and social services which we all desire, and we could have the whole matter put on a properly financed and properly balanced basis. I wish to say at once that nothing I have said is intended to cast any aspersions whatsoever on the ability and integrity and very proper enthusiasm of the officers to whom these funds are entrusted, nor does it cut across any of their very proper ambitions in regard to the development of the services they are in charge of. All we want to see is that Government should step in and see that the whole programme is properly thought out and properly financed.

I now pass on to that harried subject which, in all the circumstances, we will describe as "IT", in capital letters, and since the hon. the Colonial Secretary saw fit to explain the matter to us at considerable length in his speech we cannot allow the whole of his remarks to pass unchallenged.

There are two counts on which, if I may, I should like to have at him, and the first is, he told us he wished to get rid of misunderstandings and certain misrepresentations as regards this Income Tax Bill being a very ill-considered measure. He told us, Sir, that the 1933 Bill had been framed with the greatest care in consultation with an expert from England. Well, I know all that, Sir. I go further. If I am not out of order in doing so I will congratulate you yourself, Sir, on the perfection of the terminological technique employed by yourself in drafting this Bill. So perfect is it that no layman can possibly understand it or compute his commitments without employing expensive advice, but there is not the faintest loophole of any kind for any reluctant taxpayer. All that, Sir, is very little use to us in dealing with the present problem of considering the purpose for which all that care and consideration was given.

At the time of the 1933 Bill, from humble people like myself at the bottom of the scale to the Secretary of State at the very top of the scale, there were no two opinions: the Bill was introduced as a measure for raising extra taxation, increasing revenue to meet the threatened budget deficit; it had no other purpose and no fiscal principles were involved in it at all, although I do remember the hon. the Attorney General getting up in his accustomed corner and treating us to a little oratorical nonsense about the improvement it would create in the fiscal fabric of the country, or something of that sort. I regret to find a very similar statement in the Gazette now, where these preposterous proposals are described as a comprehensive measure of fiscal reform.

Various public meetings have been held on numerous occasions, and ardent believers in income tax as a fiscal system have come to those meetings to scoff at people like myself, and, having had the matter explained to them and having seen the Bill, remained to pray, to pray that people like myself would do everything in our power to prevent the introduction of the Bill into this Council, for the simple reason that, having seen the Bill, the most ardent income tax believer in this country could not possibly agree it is appropriate or even possible in the economic circumstances of this country. So I beg to point out to the hon. gentleman that there have been no misunderstandings and no misrepresentations.

I am quite confident in making here a statement which I believe to be unchallengeable and that is, that no more ill-considered measure has ever appeared in the pages of our Official Gazette. (Hear, hear.)

My other count is this. The hon. gentleman will persist in the monotonous argument of quoting all these outside authorities who have so kindly recommended to us what we ought to do. He quoted, I think, Lord Moyne, Sir Alan Pim, and a former Secretary of State, who is now acting in another capacity. Lord Moyne came here and after his fleeting visit, which I hope he enjoyed, having no responsibility for the application of any of his recommendations, expressed the non-committal opinion that he thought that under a system of light income tax Kenya's credit stability would not be in any way endangered. Sir Alan Pim came here, spent the greater part of his time and consequently the greater part of his Report in a very industrious examination of the terms of reference we sent him and much less in his second term of reference, and after turning income tax down for Zanzibar for reasons precisely applicable to this country he, so to speak, ran away with his hands over his ears shouting, "Have the tax if you like it and get out of the mess as you like." Nobody could blame him, more especially as Sir Alan Pim at

that time could not know that Kenya was just about to get herself out of the mess by her resilience and splendid powers of recovery, if Government would only leave her alone and let her do it. The Secretary of State at the time of the last income tax controversy, had formed the opinion—why should he not?—that income tax would in fact be a more scientific system of taxation than the graduated poll tax. Possibly a great many people agree with him, but for the purpose of our problem that is a purely academic remark.

If the hon. gentleman is going to quote these outside authorities I submit he must quote them all. He cannot only pick out the ones which more or less, as the case may be, superficially appear to agree with the views it is his duty to express. I submit that he must quote the only authoritative expression of opinion or ruling we have had on this subject during all these years, and that was the ruling given by the Secretary of State who was in charge of our affairs at the time of the last income tax controversy. What he said was this:

"Where the choice lies between alternative means of taxing particular sections of the community, that method is to be preferred which is the more acceptable to those upon whom the tax is to be levied."

In the course of his opening address to this Council the other day His Excellency, speaking of these proposals, I think said that it appeared to be a case of introducing them, or other and less acceptable forms of direct taxation. In other words, the position of the country to-day is precisely the same as it was in 1935, and the application of that ruling is precisely the same now as it was then. Of course, I do not admit that. I do not think the case is in any way the same. Moreover, I assert that that ruling is of permanent application and is not dependent on circumstances, but that is neither here nor there. If the King's English means anything that ruling means that the Government of this country had no business whatsoever to introduce an Income Tax Bill at the present time unless and until prior to its introduction it had been so carefully framed and so carefully considered in all its bearings, including the inter-territorial repercussions, with the representatives of the people who have to pay it. By that way it might have won a fair measure of acceptance from those people, but it has not been done, and no attempt has been made to do it.

You perhaps know that it is my opinion that these proposals should never have been included in this budget, and I would draw your attention to the fact that I have only referred to such considerations as the hon. the Colonial Secretary himself mentioned in his speech, and since the whole thing is supposed to be *sub judice*, *sub rosa*, *sub mense*—I am not quite sure what—perhaps it is unsuitable to pursue the

discussion further at the present time. But I do say this. I hope now that the hon. members of this Council are convinced that Government have not made out the faintest kind of case for the introduction of "IT" into these Estimates. After all, it is only the result of the buzzing of the income-tax bee in the Governmental bonnet, and if Government had only resisted that temptation we should now be sitting round this Council discussing our financial proposals for next year in that amicable, sanguine spirit which has been so long absent from our major debates. (Applause.)

THE HON. E. H. WHITT: Mr. President, my participation in this debate will necessarily be brief, for the reason that, unfortunately for me, happily for this Council, in leaving the farm about dawn this morning in my hurry I left my notes behind!

It is very consoling to follow such a speech as that of my hon. friend the Member for Ukamba, because he reminds me of some of the main points of contention and, even in a debate where, on our side, everybody has been chiefly concerned in paying compliments to members on the other side, it is heartening to a person like myself to hear criticisms expressed in such virile terms as by the hon. member. Particularly was I pleased when he had the temerity to attack a person no less than the hon. the Colonial Secretary. I think it is a matter for amazement that so long a time has passed in this debate without somebody taking up the challenge as to the permissibility of such a high dignitary in Government building up the case for income tax in an *ex parte* way, who finished up by saying that as far as we are concerned the matter must be deemed to be *sub judice*.

It is rather upsetting to feel that the hon. gentleman, who presently will preside over the committee to which these Estimates are referred, has expressed his opinion and purpose so very clearly on this issue of income tax, and we begin to have the unhappy feeling that Government looks upon these committees as a very convenient method either of getting their own ideas vindicated or, alternatively, side tracking matters of agitation until people have forgotten all about the evil or until the evil has redressed itself. It does worry me from time to time that the results of committees and commissions are never very satisfactory in the long run.

My hon. friend reminded me, among other things, of the Veterinary Department, on which I took voluminous notes, so much so that perhaps it is just as well that I left them behind, but he has incited me to say something more than I would ordinarily have said. The hon. the Chief Veterinary Officer, in his long virgin speech to this House the other day, departed from a well-known custom. Chief of interest to me was that having so many

compliments paid him, and very worthily, from this side of the House, it seemed to affect him as incense, for he adopted a pontifical attitude and proceeded to give us a lecture on our way of life, criticizing our standards of living, comparing the plutocratic planter with a common or garden clod-hopper like myself, and generally doing all this by way of leading up to the fact that the inevitable thing to do and the best thing for the country was to glorify his own department by the appointment of five or six highly-paid men. That we cannot pass by.

I might seem inclined to single out one to make these attacks, but they are not personal, and the hon. member knows I am among those who pay high tribute to his skill in the Research division where he has a great name. But I say to him: stick to research and leave lectures about the cost and standard of living severely alone when you come to talk to us as a high research officer and scientist. We make these attacks, but not as individuals, because collectively, I believe, the hon. members on the other side are a menace! but individually they are excellent fellows, many of whom I am proud to count as my friends; the position being that we have known them well, they have grown up with us and understand us and they are eminently fair as individuals but collectively, under the domination of their overlords overseas, they are quite impossible people to deal with! And so we find committees and all sorts of organizations set up, whereby we are hoping forever to get a little forward, but the real welfare of the country is checked on every hand.

To refer to the matter of taxation, with which my hon. friend dealt so well, I wanted not so much to speak about income tax as threatened, even though the provocative invitation of the hon. the Colonial Secretary would warrant it, but rather to point to the severity of the tax collection method as it exists to-day. As I say, I am terribly sorry that I have left my notes behind, because in them I had full evidence and was prepared to substantiate the whole of the cases to good account, two cases worth being cited to this House.

First of all, is that of a farmer whose letters to the Central Revenue Authority all pointed to the fact that he had no income at all. Further statements made by him were to the effect that his bank manager and the local district commissioner were willing to substantiate the truth of his statements. This farmer friend, I may say, was politely and quite legally, told that he must prepare one year's accounts, not forgetting to put on the credit side the value of increase in live stock, cattle, pigs, and so on; furthermore, to send along his bank pass book. My friend, being unskilled at the art of figures, lacking the facility of the hon. the Treasurer, had to invoke the

assistance of a paid accountant, a professional man, to prepare a year's accounts and submit a letter dealing with the whole facts of the case. The simple issue of all this is that, having proved to the satisfaction of the authorities at last that he had had a very definite and serious loss, his claim for a rebate of Sh. 30 was disallowed.

The second case is rather different. It is that of a retired professional gentleman who has a very fine record of service in the British Empire, who, after a vexatious amount of correspondence, appealed under the clause enabling him to do so to the Treasurer, stating that he was arbitrarily assessed on two transactions of a capital nature and was, further, being taxed on two matters which, strictly speaking, were deemed not to be taxable. He submitted the fact that he had worked for a very long time to acquire the capital which now gave him his income and therefore it was entirely unreasonable that he should be arbitrarily assessed in the necessary outgoings of expenditure involved in collecting that income.

Finally, the Revenue Office replied to the effect—they put it very nicely—that they had made a mistake in assessing these items of capital, going on (and this very generously) to point out one or two things in this gentleman's statement whereby he had erred on the generous side as far as revenue was concerned, reminding him that the rebate for British income tax was not strictly rebate as it was part of his income. We begin to know what income tax means, don't we?

To conclude a long story, after a great deal of correspondence the district commissioner was finally instructed by the Central Revenue authorities to refund to this gentleman a sum representing roughly three-quarters of what had been paid. The district commissioner, in doing so, felt impelled to write to this gentleman and use words to this effect, I think they are the exact words: "The Central Revenue Office seems to have slipped up rather badly." To be quite fair, the Revenue Office did later write a very gracious letter regretting that this elderly gentleman had been put to so much bother.

I am citing these cases not to illustrate that there is anything wrong with the Central Revenue Office—on the contrary, the whole correspondence shows efficiency and fairness—but to prove to you that if this sort of inquisition can happen in such cases as I have cited under an admittedly loose unscientific system that prevails to-day, what is coming to Kenya when the scientific cords are tightened to the point of strangulation by your income tax?

Another point is that no matter how good the system, or how efficiently conducted, it seems entirely wrong that any settler should have all this trouble to take, to write and employ accountants and so on, finally to be paid back three-quarters

of the sum after having paid four times the sum to effect the return of what was originally his own. It seems, as in these two cases, terribly easy for good, honest citizens to get crushed between the upper and nether mill-stones of the tax system, except that in these cases the mill-stones assumed the shape of a Millstead. (Laughter.) That, may I say, is in no sense in disrespect to Mr. Milstead. Having read the prolonged correspondence in the cases I have cited, I want to say the matter has been cleared up in a most thoroughly efficient manner, but where here and there a settler is unable to keep accounts and puts up a case he is politely but firmly told that he must do this and that. And I have no doubt that in a country where there is a matter of only 2,000 settlers farming on their own account, the collector will make it his business to vindicate his inquisitorial system, and I fear for what will happen if it is allowed to go on or if income tax takes its place.

I notice that the hon. Indian members participating in this debate in every case have expressed themselves in favour of the income tax proposals. In passing, I should like to make a note for their information in case they do not know it. In their country, that is, India, all agricultural profits are expressly exempted from income tax. Having imparted that knowledge, I should like to know if they would favour the repetition of such exemption in this, our, Kenya?

The most salient feature in this debate has been this, that the problem of achieving what is called budgetary stability is not to be solved by logical deductions from exact data. Indeed, we are now asked to believe that even approximate data do not exist and obviously the logical processes are lacking probably because of the number of authorities on the Government side. But we learn in this debate, and it comes as a shock to our business sense, that the process of balancing a budget is an art rather than the exact science it ought to be. We know that the revenue figures submitted—and this has been abundantly demonstrated in the course of this debate—bear very little relation to the real state of things as they are to-day, and we begin to feel that there is an underlying motive and that the figures of the estimates as submitted are designed to be a case postulating the need for the introduction of one of the wickedest forms of direct taxation on an undeveloped country already suffering the highest forms of indirect taxation which any loyal British subjects, without having any control, are called upon to pay. (Hear, hear.)

THE HON. N. S. MANGAT: Mr. President, at the outset I have a few remarks to address to the hon. the Acting Commissioner for Local Government, Lands and Settlement, and I wish to assure the House that all my remarks will be general

though not irrelevant. I am sorry that he is not present, but he is represented by his very able advocate, who defended him so well on Friday last.

The hon. member last Monday was so anxious to unload that policy of his, which he grandiloquently called "my policy", about settlement, that he gave very little thought to other worldly matters. His plea for intervening at that stage was to offer his policy for criticism of the hon. members opposite to him, but it would be more true to say that he offered it for compliments rather than criticism, and he has got some very affectionate pats on the back.

In that policy, I do not see how the Indians are interested, when they are debarred from holding land in the highlands, but it would be tantamount to withdrawing all land from the market overt and passing it on to privileged people.

If that is his land policy, I think it would be safe to say that he can pass his portfolio across the floor of the House, where it will be received by eleven members who can deal with that policy much better than the hon. member. It would in that process also save a considerable amount of money which goes towards the pay of the Commissioner and, further, if his policy is what he has announced I think it would be much better if he treats it as his swan song and retires on furlough pending retirement. And I am sure that the hon. European members will not be so ungrateful as not to erect a statue to him at a suitable corner overlooking River Road which is the centre of the Indian settlement in this Colony.

The second matter which the hon. the Commissioner should have dealt with is a matter about which the Indian community of Nairobi has been knocking like the Commander's statue at the door of Government. He absolutely overlooked it. I mean, the matter of the Municipality. Even at the risk of repeating what has already been said, I wish to impress this point on Government. Before I say anything on the subject proper, I must confess that I have not got graceful enough words in which to thank my hon. friend the Member for Mombasa for all the nice things he said about the Indian community. I share his view, that Government should have accepted the recommendations of the Nairobi Municipal Council and the Mombasa Municipal Board. I do not wish to say so much that His Excellency the Governor was absolutely wrong in not exercising his discretion in favour of the Board and the Council, but I must say that he should have accepted the recommendations made to him.

We were told last Friday by the hon. the Solicitor General that even a child could understand the language of the Municipalities Ordinance where it provides that the Governor has

absolute discretion. I do not quite agree with him. Sections 5 and 8, which are relevant to the matter under discussion, deal with the Nairobi Municipality and Mombasa Municipal Board respectively. The provisions to these two sections are identical; except in the case of section 5 it applies to the Indians only, while in section 8 it applies to the European as well as the Indian members. That proviso is plain as far as this: that the Governor has no authority or discretion to replace a system of nomination with the system of election unless requested to do so. That limits his discretion to a certain extent, that he must receive a request from the Council or the Board to enable him to exercise that discretion. That would not be unlimited discretion, as the hon. the Solicitor General would have us believe.

Secondly, that proviso also lays down that it is up to the Council or the Board to say how many members should be elected or nominated, not up to His Excellency the Governor.

A third point, and the most outstanding, in that proviso is that if the Governor had absolute unfettered discretion in that respect, what would be the object of putting this legislation into that Ordinance that a municipal body could request him to do so? It would be redundant if the Governor had absolute discretion. The word "may" has been used, but it is almost mandatory, and implies that the Governor has to follow the opinion of the Board or Council.

Further, even if we accept that His Excellency has an unfettered discretion, none knows better than you, Sir, that the discretion has always to be used judicially and reasonably. If the Governor receives a recommendation, in the case of Nairobi a unanimous one, I think it is a misuse of discretion for the Governor not to accept it. It reminded me of that Irish proverb, that where you put an Irishman on the spit you will always find another Irishman to baste him. I think it is the same in the case of the Indians in this Colony, that if you adhere to the system of nomination you will get enough Indians to apply for those seats, and the Governor will be of the opinion that a large number of people still favour nomination. But that is not so, as is apparent from the resolution passed in 1934 by the Nairobi Municipality and the second resolution passed this year.

There is a minority, and Government, I believe, are anxious to protect minorities, there is a minority of one or two people who know very well that if election comes in they have as much chance of representing Indian interests on the Municipal Council as the hon. Member for the Coast has of representing Arab interests on the Standing Finance Committee? (Laughter.) So I think, Sir, if you would be good enough

to advise Government to take away its thumb and leave us free to do something else than bite it, all these elements in the Indian community shall automatically arrange themselves in natural order with consequent satisfaction to all concerned.

The second matter on which I wish to pass a few remarks was one enunciated by the hon. the Director of Education. He told us that Government was giving to the Indians as assistance to education in private schools a considerable sum of money and that they were still grumbling. That considerable amount of money which Government gives to the Indian community for private schools is what may be called a profitable business for Government. Government has not invested anything in the capital of those buildings in which these schools are situated. The average expenditure on an Indian child to Government is something like £6 a year and the grant-in-aid is only £3 per child a year, which is about 50 per cent of the expenditure of Government.

Further, the hon. the Director of Education said that the School Committees consisted of parents, or were supposed to represent parents, rather than educationalists. To a certain extent it would be so, but is there any harm in taking advice from those people who are interested in this problem? And the same would apply to the Advisory Council on Indian Education. I know it as a fact that for the past five or six years the Indian community does not even know who the members of that body are; although it may be due to lack of inquisitiveness but it shows the importance of the matter, for those members' ideas are becoming stale and they do not contribute anything to Indian education. The Director will say he has always received valuable co-operation from them; my reply is that he has not tried to get any better and that he cannot but get co-operation because most of those people contribute nothing themselves and agree to anything the Director puts before them. My submission would be that the Director should ask all these dogs in the manger to make a place for someone better.

Another point which has cropped up in this debate is that of the Indian educational standard compared to the Senior Cambridge. It is all very well to that extent, but I think the time has come when this Colony should consider establishing a college, if not a science college at least an arts college, up to a degree. It is not everyone who can afford to send his children outside the Colony, to India or England, and the standard of education that is imparted to these boys who just leave school, having done the London Matriculation or the Senior Cambridge, reminds me of a remark a Professor in English at the London University used to make. He said that boys who were in their first year in the college had as

much intelligence that if brains were money they would be unable to raise enough to get a third mortgage on a one mark German stamp. He said that in 1924 when a German mark was worth—well, a German mark!

Further you have initiated a scheme for a Local Civil Service, and if these students begin to get into that Service at this standard of education you cannot expect much improvement. If we had a college, the students coming out would have a much better chance of gaining promotion and contributing more to the Colony than those boys who have not had such an education. I grant you the fact that it is very improbable that this scheme can come into operation for a few years, but still, we must be prepared, and I have thrown out this general idea for the consideration of Government some time in the future.

About the Medical Department I do not wish to say much. I think it would require the skin of a rhino really to be impervious to those thrusts which the hon. Member Dr. de Sousa has already given that Department. I only wish to add this: that whenever we say that there should be cheaper medical officers, our primary object is economy. The hon. Member Mr. Shamsud-Deen has made that suggestion, which the hon. the Director of Medical Services as usual cast aside. All that the hon. Member Mr. Shamsud-Deen wanted to say, to quote the words of that famous proverb, was "Why give Aesop's cock a gem when he would be more pleased and happier if he had had a barley-corn?" The hon. the Director is giving those gems to people who do not appreciate them. One would not mind if gems were so cheap that one could afford to scatter them about, but they are not cheap.

While on this matter, the hon. the Director of Medical Services gave us a spoken thesis on the desirability of lady doctors to train natives. That is all very well, but if it can be done in the case of natives I think there is more necessity of that being done in the case of the Indians.

There is another thing I wish to mention, that is, relating to Nairobi Swamp. Whether it comes under the Municipality or whether it comes under the Medical Department, I think it is high time that something was done about it. Although it bestows equally its benefits on all the races, I think it is something which should be abolished at once. It is our habit that we do not do things unless we are forced to do them. They say that an epidemic was required in England to pass the Public Health Act; I hope the hon. the Director of Medical Services is not waiting for a malarial epidemic to break out here to take steps in connection with this Swamp.

The hon. member who has just sat down has raised the question of the collection of revenue. I have no complaints about the collection as such, but I wish to make a few submissions which may contribute something towards that point.

In the Pim Report we have a chapter devoted to the Central Revenue Office; the figures are given on page 81:

"It may be noted that in 1935 2,113 persons were claimed against in Nairobi for non-native poll tax, education tax, and hospital fees, the total sum claimed being £8,347. Of this total, £1,825 had to be foregone owing to non-service of summons, £1,170 was waived through exemptions, £893 was collected, and £4,460 is still in course of action."

Out of a total of £8,347 in one year only £893 was collected. It is not the fault of the Revenue Office, but it does show that cases are filed without proper inquiries being made as to whether a man is in the country or not or whether he can pay, because in most instances I have found that cases have been filed against people who really cannot afford to pay, and some of them to avoid that searching examination of their financial status have gone to other parts of Eastern Africa, some have gone to India. Although I realize that it is difficult for the Revenue Office to find out beforehand whether a man can pay or not still, if responsible organizations among the Indians and Europeans are consulted about the financial status of people much waste of time and money can be saved.

Further, I wish to point out seriously that in many cases in the execution of decrees obtained by the office, people have been committed to prison. In the Ordinance introduced the other day for the reciprocal enforcement of judgments, judgments for debts on account of taxes were exempt. So far as these decrees here are concerned there should be no commitment to prison. If property is attached by Government as a penalty for non-payment of poll tax it would be all right, if a man has any property, but it is futile to commit a defaulter to prison because it costs Government Sh. 25 a month in the case of Indians, which is as much as the poll tax itself, and if people are kept there three or four months it will certainly be a big expenditure on the Colony.

I have only one word to say about the Agricultural Department. The hon. the Director of Agriculture gave us a very valuable exposition of his Department, but I regret to say that he did not say a single word about the small settlement at Kibos which has suffered acutely from depression for the last few years. If sugar cane cannot be grown in that area, the Director should recommend other crops or other means by which those people can get a decent living. The hon. the

Acting Commissioner for Local Government said the other day that land has no value unless it is developed. I wish he could have added, unless its produce can be disposed of at a profit. In the Kibos area even those who possess 200 acres of land cannot make both ends meet, because of the monopoly that exists in the sugar market, so that it is high time the Director appointed an officer or gave some thought to this problem and see whether there cannot be a change of crops, because these people are illiterate and cannot obtain guidance from magazines or agricultural bulletins so that it is really necessary something should be done about this settlement.

Council adjourned for the usual interval.

On resuming.

THE HON. N. B. MANGAT: To continue, Sir, I have a few things to say about the Forest Department, not in the way of criticisms but in the way of submissions which may be taken up.

The Estimates for this Department are on page 50 of the Draft Estimates. I think there is a mistake in Items 7 and 8. Item 7 is: "Clerks (Asian) (three 1st Grade, one 2nd Grade, two 3rd Grade), £208." Item 8 is: "4 Assistant Foresters (African), £1,364." I think the figures have been interchanged and those in the emoluments column are wrong. I have simply pointed this out because if this page goes through as it stands, one of these African foresters may put in a claim for a portion of that £1,364 which he is not meant to have.

The estimate for the Department is comparatively small, although persistent criticisms have been advanced from the European members. In my opinion, it is a department which has been working in a very businesslike manner, but at the same time it has not adequately safeguarded the interests of those people who serve it, especially the Asiatics or, for that matter, the European forest officers.

We know that about 8 per cent of the estimates is spent on reforestation, which is in the interests of Government, so that if the vote were increased by another £1,000 or £2,000 it could be used to increase the privileges of those people who serve in the forests away from civilization. The Indian assistant foresters who are employed in this Department have practically the same salaries as clerks who work in Government offices, but they cannot possibly get their 11 o'clock tea when they are 15 miles away from their camp, nor can they have other amenities which clerks in towns get, so that it would be as well if the hon. the Conservator of Forests did something in these matters.

There is an item in the Forest Department's estimates of £510 for maintenance of forest stations and roads.—I wish there could be a proper proportion of that money spent on the houses in which the Indian foresters live, as I imagine that more attention is given to the roads than to the houses. Some of these houses contain only two rooms of 10 feet square, in which the Department expects the officers to live with their families, and one must remember the high birthrate in this Colony.

Further, there is a great shortage of water on these forest stations. Usually, I know, they are established on a stream or river, but some of them are so far away from water that the forester has to employ a boy exclusively for the purpose of fetching water, and even then there is no guarantee that the water is really good. If that water has to be used, the Department must provide these people with filters or something in which the water can be purified.

I am informed that assistant forest officers are provided with mules, on which they never ride, and some of the animals are ten years old. I think that instead of mules the Department could give them something better, a wireless set or something of that sort, which would be more helpful to them in their lonely lives than to supply them with mules which are never used.

These forest officers have to walk sometimes 20 miles a day, and think nothing of it, and they have to go on the same trip the next morning. They act as game wardens, and are responsible for cash and fuel and other timber, with duties so multifarious that they should be given either a personal allowance or travelling allowance or something extra to their salaries. When they go on safaris which sometimes take as long as 15 days they are given 50 cents extra allowance a day. That is ridiculous. Why not take it away altogether if you do not want to give it to them? For roads in the forests they are given Sh. 100 a year, which provides at the most one boy at Sh. 8/50 a month. That is also ridiculous. If the provision for roads in the forests is to be made adequate more money should be allowed.

Lastly, these people should be provided with uniforms, because under work such as theirs the clothes item is very heavy on them. The Department must in all fairness to those who do so much for it provide them with all these things.

The next point I wish to touch on is one which probably comes within the province of the Chief Native Commissioner or the Local Native Councils. So many of us who have travelled by road must have noticed, as I have myself many times, groups of boys sitting around a fire, and often when

it is raining heavily. I think Government should do something in the way of providing rest houses for these people who walk from one place to another because they cannot afford to ride, something-in-the-way-of rest houses for agricultural labourers in some countries.

For instance, between Kijabe and Narok many natives frequently walk, spending two or three nights on the way, and at night they light a fire and sit around it in a country full of dangerous game. It would not be too much to ask the Chief Native Commissioner or the Local Native Councils during next year to provide rest houses where these travellers could stay at night. It may be said that proper use would not be made of them, but after travelling 20 miles in the day on foot they would make proper use of it, to sleep.

Another point which has been raised by hon. Indian members is native representation on this Council. It is entirely for their information that I am saying this: that I fail to understand how the Indian members are interested in native representation. They have no hope of being nominated or appointed to represent native interests and, as far as I can see, the present hon. members present their case more ably than if natives were in their seats.

The charges made last year by the ven. and honourable member have resulted in a very thorough investigation into the incidence of taxation. And I wonder if any native member were in his place such an investigation would have ever taken place? And even if natives are appointed they will not be those who are politically conscious of their right but those who will be acceptable to Government. I wish to tell my colleagues that nominated natives can be helpful to nobody but the official majority.

Coming to the very vexed question of income tax, I do not wish to give an exposition on the subject. The hon. Member Dr. de Sousa seems to have fallen into a slough of despondency, and sees no hope whatever that the Bill will be brought in. I am not so pessimistic, and still hope that Government will bring in this measure after a thorough investigation of it by the Colonial Office.

Government last year, while introducing the 1936 budget, announced that it was only a provisional budget. That provisional budget is going out as a normal budget, with a certain surplus, so that it will not be surprising if Government in the new year brings in this proposal of income tax. All I wish to say on this occasion is that the fiasco Sir Alan Pim predicted should not occur, because it will result in the loss of one thing that Government loves so much—its prestige, a loss which will be irretrievable, and I hope Government will not allow the settler perambulator to crush its wagon!

THE HON. G. P. WILLOUGHBY: Sir, I am sorry that the Noble Lord, the hon. Member for Rift Valley, is not present to-day, because I have to refer to one or two points in connection with the Posts and Telegraphs Department which he made earlier in this debate.

He suggested that there would be no loss of revenue consequent upon the foreshadowed reduction of postal rates, and then went so far as to say the invariable rule was that when postal rates were reduced the revenue increased. If that were indeed the case, it would be remarkable that no Administration has carried out this phenomenon to its logical conclusion—by continual reduction in rates to secure sufficient revenue to permit the removal of all taxation and meet the whole needs of the country from postal revenue!

But I can assure the Noble Lord that the facts do not support his contention and that a loss of revenue is inevitable. The actual estimate of what this loss will be is the sole responsibility of the Post Office, and not the Treasury. On the last occasion when a reduction in postal rates was made, in 1930, there was an actual increase in letters sent amounting to about 84 per cent. On this occasion we have calculated an increase of 12½ per cent and an additional increase of 5 per cent in telegrams despatched. Yet, in spite of this increase, the amount of the loss will be the sum of £6,569 which His Excellency mentioned in his communication from the Chair.

In spite of the Department's calculations, perhaps I may be permitted to state that it took many years of development following upon Rowland Hill's historic introduction of the penny postage before revenue was restored to the figure at which it previously stood and, further, the Postmaster General, in the House of Commons recently, stated that the restoration of penny postage could only be done with a consequent loss of revenue amounting to some 7 millions of pounds.

The Noble Lord can rest assured that this figure of £6,569 is not one selected merely at haphazard, and with perhaps an ulterior motive! It was an accurate estimate of the loss the Department will have to face. Since that estimate was made, and the figure is not reflected in the sum of £95,000 anticipated for revenue from the sale of stamps, there has been an actual increase in business, and it is not improbable that were there no reduction of rates the revenue put in the Draft Estimates would have to be increased. This means really that the actual loss of revenue collected has been under-estimated, and if there is an increase in business there will be an increase in the loss. Nevertheless, the figure that it put in the Draft Estimates need not be reduced by quite the same amount as was mentioned by His Excellency in view of the revenue which has accrued since.

The Noble Lord raised two other points—rural telephone rates and hours of service.

In the matter of rural telephone rates he rather understated the actual amount he himself pays, but if we were to render a similar service elsewhere, say in the Union of South Africa, he would have to pay Sh. 10 more than the amount he actually does here. Nevertheless, this question of rates is engaging the attention of the Postmaster General.

On the subject of hours of service, I can be more definite, and can state that without any extra cost to Government the staff routine has been altered or re-arranged so that now subscribers on the Rongai telephone system enjoy the use of the telephone for 36 hours more a week than before, making a total of 78 hours.

THE HON. S. H. FAZAN: Mr. President, I have a few words to say on the subject of native taxation. It appears sometimes from the debates in this Council that possibly there is an insufficient knowledge of the facts and figures, and though I have no suggestion to make I may, perhaps, be able to clarify the position in regard to the actual state of the case in one or two particulars.

It is well known that the reason why Government taxes the native both directly and indirectly is in order that there may be enough money for direct native services, and also that the native may be able to make their fair contribution to indivisible services and overhead charges. The general conception that one can meet indirect charges by indirect revenue does not, perhaps, work out entirely in the case of the natives, because at the time Lord Moyne was here the amount from import taxes derived from natives did not properly represent quite their fair share towards overhead charges and indivisible services. Therefore this Moyne formula was devised by which a certain amount even of direct taxation goes to meet indirect services and only half the direct native taxation goes to meet direct native services.

In order that direct services might not suffer, a fairly formidable amount has to be collected from all concerned, and it is not easy to ensure that in getting the money it is not got unfairly and that the amount does not bear unfairly on the population in so far as we can prevent it.

One of the suggestions put forward in the Pim Report for consideration is the possibility of reducing the tax on plural wives, and that is a point on which it is necessary to know something of the facts.

Prima facie, it seems perhaps at first sight not to be a very fair suggestion, because we know that some wives are rich, that heads of families collect wives, and that these wives are often an asset rather than a liability. At first sight it appears a surprising suggestion. On the other hand, we have a large section of opinion, especially native opinion, reflected in the speech of the ven. and hon. member Archdeacon Burns, that this tax bears unduly hardly in the case of widows.

There are some widows clearly on whom it does bear hardly, but you have to take the widows as a whole. I have had an analysis made in the case of one location to see what the actual proportion the various classes of the population bear to each other. I took a small sub-section of only 774 taxpayers in one of the Mango areas, a sub-section of a location in Kavirondo.

I found that out of those 774, the number of widows was 93, or 12 per cent of the whole. When you eliminate 116 polls, unmarried men, the number of widows in the total number of married women comes to 14 to 15 per cent. That is a tremendously high figure compared to any civilized population. The reason is clearly that if you take the statistics of any European population you will find that the average age at which a man marries is possibly 23 years, and the average age of the girl is about 25; when one dies the widow does not, as a rule, survive so very long. In the case of a native population, a man marries fairly early, and if he is well off he takes a second wife fairly early, that is only with the rich men; others remain content with one all their lives. The third and subsequent wives are not married so early, at any rate among the Bantu population, and among our own natives the same thing prevails.

That means to say that old rich men of about 45 are marrying young girls of about 16. They die in due course, but the young girls are still hale and hearty and able to do a day's work. Therefore, the suggestion that widows as a whole should be exempt, which I believe the ven. and hon. member made, would certainly be very unfair. It would mean that we should have to get that amount of money for direct native services in some other way, presumably by fixing a rather higher rate of tax in order to exempt these particular people. It surely is far wiser to leave the district commissioner to exercise his discretion and exempt widows really old, leaving the other widows who can still do a day's work. (Hear, hear.)

That is the first point I wish to mention because it is a point of fact which probably some hon. members did not know.

Another point is this. For the last six years, I think I am right in saying, the gross-taxation figures of the Colony have fluctuated, the main cause being the varying amount of arrears remaining over at the end of the year to be collected in the following year. It has led to an impression, I think, that native taxation is falling very badly, and possibly the question is asked: Why? and whether the officials in the native reserves are really doing their jobs? I can only tell you this in regard to the Nyanza Province, but I believe it to be true of other also.

In 1930, there was a big slump and a great deal of money was lost. In the case of Nyanza, less than half the taxes were paid. That tax which was left over came in in a rather large sum in the next year. In the successive years since then, more in tax has been collected in the year on account of the year, but less received by way of arrears, and the total of the two together has actually been less each time, until the present year in which we hope to stem the tide, but every year till now there appears to be a decline.

If you make a re-arrangement of these figures and credit to 1930 the tax collected in 1930 on account of 1930, and also the tax collected subsequently on account of 1930, and you do that for each year in succession until 1936, making a reasonable estimate of what will be collected for 1936 in 1937, you will find in the case of the Nyanza Province no one year in which less than £192,000 has been collected or more than £199,000; that is, the tax derived on account of each year has been fairly stable, although the tax collected during the year shows fluctuations.

The position is becoming normal. I have not the figures, nor have I seen them for about a month, but I think I am right in saying that in 1931 about £68,000 arrears were collected belonging to 1930. This year, only £14,000 belonging to 1933 have been collected, and each year these arrears have diminished, and next year we estimate only £7,000 which, I think, will remain constant. We shall not get a much better collection than that because, actually, in North Kavirondo, there is the question of the cotton crop which just goes over the year.

The point I wish to make is that the tax is fairly stable. It has, on the whole, been declining a very little in the middle years, and is now recovering slightly.

The criticism brought, to some extent rightly, against the Administration, is: why is it, with the wealth of Nyanza Province greater than it used to be, which nobody can deny, the natives do not pay more? The answer is the answer given by the hon. Member Mr. Pandya, that is to say, that the

economic needs of the natives have got so very much greater and, although it is no excuse for a man not paying his own tax, it is an excuse for him not paying his neighbour's tax. And we get flat refusals from natives to pay the tax of a dependent which cannot be claimed legally. That is part of the reason, and is certainly the reason why the administrative officers complain more of the difficulty of collecting the tax than they used to.

I believe the point will come in the next few years when the wages earned will be increasing rather more rapidly than actual needs, which should result in a slight increase of taxes realized. Naturally, that is a doubtful point, but I am inclined to think we shall get rather more in 1937 than we did in 1936 on that account, and that that will probably go on and we can add about 2 per cent to what is realized for some years to come. The normal increase of population is not a great help, because although it may be in the region, in the case of the Kavirondo, of 1.5 per cent or something of the sort, there is a migration going on to Tanganyika and Uganda at the moment which counteracts that and probably puts us down each year.

There are points of fact, and all I wanted to say on that particular subject, but a kindred subject, which was mentioned I think, I might say one word about, the question of the Moyne formula.

The hon. Member Mr. Pandya said he thought that formula was intended to provide minimum native services. The hon. Member Dr. Wilson stated that he wished that was so but thought it was not. This sent me to the Moyne Report to read it. I looked at the index and found section 07 is the point at which he began to talk about the Native Betterment Fund, and the heading there is "Need for Ensuring Minimum Native Services." So that as you start to read you begin to think that the hon. Member Mr. Pandya is right. As you go on, you find another paragraph in which Lord Moyne says the services for 1931 direct services might be taken as a useful minimum requirement for native services.

I do not think, although these two points occur, that they are conclusive, and I was left in as much doubt at the end of the reading as at the beginning as to whether what we were dealing with was an average or was supposed to be a minimum.

The only other point that I wish to refer to in that connection is Appendix No. 7, in which Lord Moyne points out how he proposes to work out this particular sum, and it is quite patent that that sum is not, in point of fact, worked out exactly as it is in these Estimates. Anybody interested in it can go and read the appendix. What is more important than

that is that Lord Moyne was thinking of, presumably, a stable state of affairs in which the taxes would get rather more each year and the services possibly rather more, too, and were tendencies which would balance each other. What has actually happened is that direct native taxation has decreased to some extent, but indirect contribution by way of imports has enormously increased. If that position goes on and we get a peasant population of the kind you find in a European country, we know for certain that it is very difficult to get direct taxes out of a peasant population but their value to the country by way of production is very great.

In that case the Moyne formula cannot permanently be a fair guide to working out what we ought to spend on native services.

Those are the only points I wish to mention in that connection, but before sitting down there is just this one little point, concerning what was said about the Masai, of which district as late incumbent I might be allowed to speak.

The objection was raised that expensive services of the veterinary officers are being used to teach ploughing. I do not think the hon. member meant to specify ploughing in particular, but animal husbandry and agriculture generally. The object is to try and make the Masai more economic minded. That clearly is the programme, and I will do the hon. member who raised the matter the credit of believing that he gives us the credit for trying to develop the Masai, whose premier industry is stock producing for the market. But it must first of all be our duty to teach them to value their stock and breed them in a more economical manner, together with a number of small things which have to be taught, such as dams, hay-making, economical crops, and so on.

There are only ten white officers working with the Masai, of whom four are administrative officers, three veterinary officers, and three educational officers. They administer an area of 15,000 square miles. For the proper administration of that area, I am sure all will admit, there must be an avoidance of excessive departmentalism. As officers go on safari they naturally do what is the direct concern of their own department, and nobody would dream of taking a man off his own work for five minutes to do somebody's else's. There are only three natives to the square mile, and considerable distances have to be travelled, and while a man is at a place something crops up to be done, and it is everybody's job to do it. In that sense it is no discredit to a veterinary officer if he does spend a few minutes on any subject that occurs, agriculture or ploughing or any other. In order to see that everybody does it properly, a great deal of time has been spent by various

officers in collating a programme which is now well understood and accepted as a development programme for the Masai. Each knows what his own job is and how he can help the rest.

CAPT. THE HON. H. E. SCHWARTZ: I understood the Treasurer was going to speak. I would ask, for it is sometimes permitted, that as the hon. the Colonial Secretary has the last word on the other side of the House I might be allowed to wind up on his side, if the hon. Treasurer has no objection.

THE HON. THE TREASURER: I have personally no objection. I only delayed my reply as it seemed possible that other hon. members might raise some point on which I could give some information.

In spite of the inordinate length of this debate I find relatively few points to which I am called upon to refer. In the first place, Sir, the Noble Lord, the hon. Member for Ilft Valley, who is not here this morning, asked me to verify certain figures with regard to estimated and actual and anticipated revenue. The actual net revenue for 1935 totals £2,191,740. This figure is given in column 5 of page 6 of the Estimates. His figure was £2,221,065 and I cannot quite make out how he arrived at that. The revised estimate of net revenue for 1936 is £2,219,300, not including a marginal surplus of £20,000 to which allusion is made on page 11 but which cannot be itemized. The estimate of revenue for 1937 is £2,228,690, as stated by the hon. member and as shown in column 3 on page 6 of the printed Estimates. After making allowance for the abolition of the levy and the proposed alterations in taxation, representing a net loss of £14,500, an increase of approximately £9,000 over the Revised Estimates for 1936 is shown. These are all net figures.

The figures given in the Financial Appreciation to which the hon. member alluded, on the other hand, are gross figures, and if the hon. member will refer to page 11 of the Draft Estimates he will see that the revised estimates of gross collections for the present year is £3,433,376, which exceeds the actual gross collections in 1935 by £122,350, to which must be added the marginal surplus to which I have already alluded, making a total gross increase of approximately £160,000, and not £29,000 as I understood the hon. member to state. I think the explanation of these discrepancies lies in the fact that there has been some confusion between gross and net figures.

In connection with the general question of the Estimates, the hon. Member for the Coast cited the action taken in 1921 as a precedent which we might follow at this stage, but he

omitted to tell the sequel to the story which, to my mind, was by far the most important part. It is perfectly true to state that the budget, in consequence of outside pressure, was recast and when it finally passed through this Council it reflected an exact balance, achieved by a specific addition to the Revenue Estimates on the one hand and a specific reduction in the Expenditure Estimates on the other hand. This, of course, was purely a paper balance, but when the actual results of the year's working came to be ascertained it was found that the year closed with a deficit of no less than £923,180 and that the yield from customs estimated at £516,973, was only in fact £387,580, an over-estimate of approximately 25 per cent. In connection with the customs receipts the Financial Report for the year contained the following note:—

"The shortfall of £129,441 in customs can only be attributed to a very excessive estimate. The shortage would have been still greater but for the fact that tariff rates were subsequently increased."

MAJOR THE HON. E. S. GROGAN: On a point of explanation, I only quoted that by way of showing that there was precedent for Government taking the budget back for reconsideration. I did not attempt to draw any comparison whatsoever between the position of an obviously falling price level and an obviously rising price level.

THE HON. THE TREASURER: I quoted it because it seemed to me that the precedent quoted by the hon. member should act as a warning to this House and not as a guide.

The hon. Member for Aberdare, I think, suggested that the balancing of the budget should be an exact science and not an art. Well, Sir, my opinion is that it should be neither, because if he applies the problem to his own affairs he will know that in the first place he cannot really tell whether the rains are going to fail next year, he cannot really tell what tonnage of crops he is likely to get, and certainly he cannot tell what his yield is going to be, and that is exactly the problem with which Government is faced on the revenue side. On the expenditure side it is a supply, apart from supplementary estimates and savings, that can be computed exactly.

I was extremely sorry to hear the hon. Member for Rift Valley repeating the allegation that the Revenue Estimates had been deliberately kept down with some ulterior motive in view. May I say that accusations of this sort can do no possible good. What we, as members of this Council, must try to do is to get together and do the best we can for this Colony. But so long as senior members of the Civil Service are accused of what amounts to sharp practice it seems to me utterly impossible that we can get together in a spirit of complete amity.

It is all very well for the Member for Aberdare to say that individually some of us are not so bad but collectively we are no good at all; because in cases like this, if you accuse a Civil Servant of a not very high standard of integrity of course you are attacking an individual, and that is my point.

The hon. Member Mr. Pandya and the Member for Mombasa, raised the question of the Mombasa Water Supply. The handing over of this undertaking to the Mombasa Municipal Board has been examined but it is a subject fraught with grave, and I think, almost insuperable difficulties with regard to the loan schedules, personnel and the altered status of the Port. Government, however, has no desire whatsoever unduly to penalize the inhabitants of Mombasa so far as water charges are concerned and, in view of the very much improved financial position of the undertaking, is quite prepared to discuss this question with the proper local authorities.

The hon. Member for Mombasa, I think, questioned the propriety of setting aside a sum of £10,000 to renewals . . .

THE HON. F. A. HEALSTER: The urgency for this year.

THE HON. THE TREASURER: Well, Sir, it was a definite instruction of the Secretary of State that we should set aside a sum of at least £10,000 for renewals. It seems to me better to do it at a time when, as I said, the profits of the undertaking have gone up very considerably. If we do not begin now, I personally cannot see when we are going to start. £50,000 has already been taken out of the renewals fund and reduced loan charges by that amount, and it seems to me only common financial prudence to start contributions to renewals funds again as soon as possible.

The hon. Member for Nairobi North raised the question under Head 20, Item 49, of the Expenditure Estimates in connection with income tax, £9,000, and asked for particulars. This is in connection with the employment of a specialized European income tax officer and a specialized Indian income tax officer. As hon. members know, the Revenue Office now undertakes among other things the collection of European and Asiatic education tax, and poll tax based on income, and the fees under the complicated Licensing Ordinance. If the proposals now embodied in the Estimates are brought into effect, the Revenue Office would then collect poll tax, a simplified Licensing Ordinance, and the tax based on income, and it is thought that this staff, which at the present time costs £7,753, can perform these duties by the addition of the £9,000 to which I have referred.

The hon. Member for Mombasa seemed to think Civil Servants here will be insulted, or should be insulted, by the employment of an Indian income tax officer. I can assure him

that such is not the case seeing that it happens almost every day that we employ from outside specialized officers if we have not the people on the spot who understand that particular job of work.

I am much obliged to the hon. Member for Aberdare for his tribute to the staff of the Revenue Office. I have not actual personal knowledge of the two cases to which he referred, but I think in the case of his former friend concerned, the question of Sh. 30 refund, must have been in connection with the basic tax of Sh. 30 which is chargeable on incomes of £100 or under. So far as his professional friend is concerned it seems to me that possibly a lot of the trouble to which he was put might have been avoided had the Revenue Office been operating on a scientific tax rather an unscientific one. (Laughter).

There is only one other point and that is a small point in connection with the loan schedules. The hon. Member for Nairobi North raised it in connection with anticipated expenditure from the 1st July, 1936, to the 31st December, 1936, £2,958 in respect of Government House. Hon. members will remember that, I think at the last session of Council, the late Director of Public Works submitted a comprehensive statement in regard to loan charges. Among his proposals was a reallocation of establishment charges. If the hon. member will refer to this particular column he will see that £1,500 has been added to Government House charges, the same amount I have just stated in regard to Government House, Nairobi. It is purely a book entry under expenditure incurred on Government House, and puts the recommendations of the late Director into effect.

CAPT. THE HON. H. E. SCHWARTZ: Mr. President, the hon. the Treasurer referred to the inordinate length of this debate, and I think there is no doubt that this is the longest budget debate there has ever been, because it will take nine days before its conclusion.

In speaking as, not the oldest, but the oldest member of this House with the exception of the hon. Member for Nyanza, and one who has perhaps attended more actual days in this Council (because he has been able to go on leave more frequently than I have!) (laughter), I think I can say that in spite of the length of this debate with one or two exceptions, perhaps, the level of the speeches has been—at all events as far as my experience is concerned—of a higher order than I have ever known and I believe the reason for that is, at all events so far as the members on this side of the House are concerned, that the hon. Member for Nyanza has been a

It is perhaps the more remarkable that in spite of that feeling there has been—again I regret to say with the exception of certain racial speeches—an absence of bitterness in this debate which two months ago would not have seemed possible. I attribute that lack of bitterness in the first instance to the hon. mover of this motion for the action he took on the 15th October last which, whatever the purpose of it—I will deal later with the allegations that Government have been tricked and that we have been tricked—whatever the purpose it certainly did have the effect, whether for good or ill, of easing the tension, and I think he will realize that we all realize that if that tension had not been eased the course of this debate might have been a very different one. I think perhaps some little honour is due to us on this side of the House for having definitely refrained from any kind of bitterness. When we consider the events prior to 15th October, let us say, from 1st September to 15th October, when we consider the treatment that was meted out to this Colony by the tactics of Government during that five weeks, it would not have been entirely unreasonable if we had given greater vent to our feelings than in fact has been done.

It is necessary in winding up the debate, subject to the answer of the hon. mover, it is essential, difficult as it may be, to try as far as possible to avoid redundancy, but it is not easy because one has to make one's notes as speeches are made and as the debate goes on, and points which one had proposed to make may at the last minute be made by other speakers. I hope to avoid redundancy as far as I possibly can, and I shall hope to limit my speech to as reasonable a period as I can.

May I deal with the speech made by the hon. the Treasurer while it is fresh in my memory? There are three points particularly arising out of his remarks. It is very difficult to take in and assimilate figures from the spoken word but as far as I could gather, dealing with the net figures, and really it is only the net figures which matter because if you are dealing with gross revenue you have such things as Colonial Development Fund which is put in as revenue and the gross figures are therefore entirely misleading, but if I understood him rightly—if I did not I apologise—I gathered that he said that the 1937 budget mirrored an increase in net revenue over the revised estimates for 1936 of £9,000. If that figure is correct I suggest, with respect, that it proves our case that this revenue bears no relation to reality whatever. It is ridiculous to suggest, in my submission, that on a rising market you should solemnly assert that the revenue for 1937 will only exceed the actual for 1936—because we can take for the sake

THE HON. THE TREASURER: On a point of explanation, Sir, that is so if the proper allowance is made for the proposed alterations in taxation which, of course, includes reduction of the levy which amounts to £47,000 and so on. Therefore the figure of £9,000, although correct, in fact is based on a different system of taxation. I think one must thus take the other figure of £14,500 net and add that to the £9,000.

CART. THE HON. H. E. SCHWARTZ: My hon. friend will, I am sure, agree with me that if there is any doubt about the exact figures he mentioned, if I misinterpret him, we can leave the matter for fuller discussion in the Standing Finance Committee, but whether it is £9,000 or £23,000 it seems to me that my argument is just as strong. I will only ask him to look at the graphs of the past years of this Colony when markets were rising, and he will see that if history is going to repeat itself the amount put down for the revenue estimates on this rising-market bears no comparison with what has been the past history of this Colony on rising markets. There are figures we can show and prove to him.

The second point he made was when he suggested that the allegation that the Revenue Estimates had been under-estimated was a direct personal attack on those responsible for producing these Estimates and that you could not separate an official in his official capacity from his personal capacity, which I regret I cannot accede to. Whether these Revenue Estimates have been framed for any purpose or whether they have not, seems to me to be entirely distinct from any suggestion that a member of a political party—because you can call Government a political party (and you can call us another political party) is trying to make certain that the figures he produces will not give an argument to the other side to defeat the project which he has at heart. That is merely a political dodge.

There are many political dodges at home. Take the date of the last General Election. There was a theory on the part of those who favoured the Labour principles in England that the National Government were going to the country on the League of Nations question. They said it was unfair that they would get a sort of catch majority by going at the time they did, which was probably true in view of what happened almost immediately afterwards, but nobody suggested that Mr. Baldwin, who shares the distinction with the hon. mover of this motion of being looked upon as the most honest man, the one in England and the other in Kenya, of being a rascal or a dishonest gentleman. And we must in this House, whether on this or any other issue, we must distinguish between the two entities. Every time anyone has attacked

Government whether you say that the budget has been faked (we have not said that this time!) or whether you say the Revenue Estimates are under-estimated, there is immediately an outcry that we have made a personal attack. Nobody in this Colony knows what a political attack is. Read some of the debates in the House of Commons! the frightful things said! We should all be weeping and never speaking to each other again if that were so here! I make this point because it really is time that we understood that in politics hard words are between politicians and they are not hard words between people who are otherwise friendly outside, and the sooner it is understood in this Council the better.

The fact, however, remains, whether it was done for a purpose or not, that if you look at the past history of the budgets in this Colony you will find on a falling market Government over-estimated their revenue and on a rising market they under-estimated. These are peculiar facts, and it may be pure coincidence, but there it is, for each person to put such interpretation upon it as he wishes.

The last point he made was a little bit of a gibe—he was perfectly entitled, of course—when he referred to the hon. Member for the Aberdare's case of the professional gentleman, and suggested that the reason there had been all this trouble was because there was an unscientific tax operating instead of a scientific tax. That really, with the greatest respect to the hon. member, is a most futile argument. Does he not know that because of this great scientific tax, the most scientific and equitable tax we are told in the world, namely income tax, hundreds of people in London are earning a living getting taxpayers out of the mess and getting rebates? So much for the scientific tax! (Laughter.)

Now Sir, going back to what seems like the dim distance of this debate, I want to refer in the first place to the speech made by the hon. and ven. member. First of all, a very small point, and that is this question of the difference between £540,000 and £550,000 of direct native taxation. I do not think the hon. member understood, and will pardon me if I suggest I do not think he understands now that in what I said when speaking on that amendment to this motion there was no suggestion whatever that the native taxation should be increased. I want to make it quite clear that whether you put down £540,000 or £550,000, or whether you put £600,000 in a budget it is only an estimate, it does not in effect mean that the native is going to pay more. At the end of 1957 the native will pay X pounds in direct revenue, and what you put in the budget will not affect the amount he actually has to pay.

I do not want it thought by the hon. member or anyone else that I was suggesting an increase in native taxation by £10,000.

VEN. ARCHDEACON THE HON. G. BURNS: On a point of explanation, Mr. President, my point was that the hon. member pressed the two hon. gentlemen who drew up the report for an explanation why £550,000 was not put down as the figure for 1937 as native taxation instead of £540,000 which the Government put down. I do not accuse him in any way, but he did press and ask the Government why it was not £550,000 instead of £540,000.

CAPT. THE HON. H. E. SCHWARTZ: So long as I am accepted by the hon. member we can leave that matter!

I now change my attitude from one in the dock to one of prosecutor, the hon. and venerable gentleman being in the dock this time, not on a very serious offence. I do regret very much that he thought fit in view of all that happened again to reiterate in this House the story of these abuses which have taken place all over the country in connection with the collection of native taxation. The hon. and venerable gentleman, a year ago I think it was, started this thunder storm which did a great deal of harm, and as a result of a careful and impartial inquiry it was found that it was a very small storm in a very small tea cup. The Report is before the Colony, it is for everyone to read who wishes, and it is signed by the hon. member, and I suggest that, having had the inquiry, having had the fullest publicity given to the allegations he made, he should have rested content with that Report and not have suggested by innuendo that the abuses were considerably more than the Report shows and that the abuses were still going on.

He also, I think, was hardly fair in the suggestions he made in regard to detention camps, and perhaps the hon. gentleman will not think me impertinent if I suggest that sometimes he is a little too apt to give vent to *suggestio falsi* which, if carefully considered, would really prove to have no foundation of fact.

With regard to the taxable age of the native, leaving out the question of loss of revenue, I would ask hon. members to agree with the point made by the hon. Member for Nyanza when he pointed out that a native of 16 is a far older man or boy than a European of 16, that he at least could be compared with a European of 18, and there is in fact no good reason whatever why he should not work, in fact he does work, at the age of 16. Leaving out, as I say the question of revenue, I do implore Government (for it is an open secret that in

their own hearts they are opposed to the proposals of Sir Alan Pim that the taxable age of the native should be raised) that they should stand four-square to the agitation which this suggestion will undoubtedly raise at home by somebody, by Archdeacon Owen and the *Manchester Guardian*, or by permanent officials at the Colonial Office or anyone else, and say that in their opinion it will be quite wrong to raise the taxable age of the native and that they will not have it. I will again tell them, if I am not considered impertinent that the only way this Government can get its way is not by saying "Please Mr. Colonial Office, we would rather you did not do this". If Government were strong enough they should say, "We are the Government of Kenya and are not going to raise the taxable age, and not all the Secretaries of State or Colonial Offices in the world will make us".

The hon. Member Dr. Wilson made a speech upon which I would congratulate him most heartily. It was a most reasoned and reasonable speech, and it dealt mainly with two matters. First of all, he was brave enough to say—and it has a greater effect coming as it did from one sitting here to represent native interests—that every native ought to do his day's work just the same as everyone else, and it was time that was said. How many Europeans are here who do not have to do a day's work to earn a livelihood? Why should one section of the community not have to go out and work just the same as everyone else? If there is one thing nearly fifty years life has taught me it is that hard work has never hurt anyone yet but lack of work very often does.

The other point of the hon. member was his interpretation of the Moyne formula, and the hon. the Provincial Commissioner for Nyanza touched on that this morning. Can there really be any doubt (I do not think so) in the mind of Government or anyone else that in fact the Moyne formula was not a minimum but was an average? The hon. member in dealing with this question never suggested that it was anything but an average, and he seemed distressed at the difficulties which faced him as to how to keep to the Moyne formula. But he is a sufficiently astute politician to have seized the minimum argument if he thought it applied, but is also sufficiently honest not to have produced that argument when he knew it did not apply. This matter of native taxation and the Moyne formula have been dealt with so eloquently by the hon. Member for Uasin Gishu that very little remains for me to say, but I must warn Government that members on this side of the House view the possibility of a departure from this formula with the greatest possible misgiving, and look upon the remarks of the hon. the Colonial Secretary as one of the most serious aspects of this debate.

The hon. the Colonial Secretary said it looked as if we have to accept the Pim proposals, that apart from £16,000 which the native is now getting in direct services over and above what he gets under the Moyne formula we may be faced with another £70,000. He said: "I do not know what is going to happen. It seems very difficult to know how we are going to reduce native services."—It is always very difficult to reduce anything once it has been given, and no one on this side of the House desires to see the native services reduced if it can possibly be avoided. But we must stand firm. Having accepted the Moyne formula it must be adhered to, not only because the Moyne formula deals with natives, that is a small part, but because unless we watch things very carefully we will find that the Reports of the various experts who come out here which are formally propounded by them and accepted by us, whittled away to our disadvantage and to the advantage of some other person or community.

It will be something like the old song which you and I, Sir, probably knew in our youth:

"Every little bit taken from what you've got
Makes just a little bit less,

And every little bit added to what you've got
Makes just a little bit more."

If we are not careful we shall find a little more going from the European to the native and a little less to the European until we come to a state of affairs which may have very serious consequences which cannot now be foreseen.

This leads me to the whole question of Reports which are accepted after debate but which never seem to be implemented so far as the Europeans in this Colony are concerned. I refer, as you are aware, more particularly to the Report of the Carter Land Commission.

That Report came out just about three years ago and almost immediately after its publication was accepted *in toto* by the House of Commons. So far as ourselves, the accredited representatives of the Europeans, are concerned, we accepted it *in toto*, with the reservation of the Leroghi Plateau, with which I will deal in a minute, and there the matter stood. But what has been the result? Any implementation there has been has been entirely on the native side, and there has not been the slightest implementation of any sort so far as concerns the white highlands and all we stand for.

First of all, the recommendation that the white highlands should not only be defined but should also be safeguarded by an Order in Council, in the same way as the native reserve, was thrown over, largely owing to pressure brought to

bear by the Government of India and the India Office. Then it was suggested that the administrative practice should remain but that, so far as the recommendations contained in the Report, that there should be definite statutory safeguards that could not be done. And that in the face of the House of Commons accepting the Report *in toto*!

Has there been one single implementation with regard to natives living on land which, in accordance with the Report, they are to be removed from? Take the Scott and Bradshaw case, what happened there? The native stays there and tells Government, in so many words, that he is not going off until the Order in Council comes out, when he will graciously allow himself to be removed. And Government sits down and says it cannot do anything until the Order in Council comes and he is still there! I know that in the other case, of natives on a farm at Limuru, there has been an investigation, but Government have said: "As soon as the Order in Council comes you have our assurance that the natives will be removed," and the natives are blackmailing Government and say they will not go until such time as the Order in Council is promulgated and Government have sat down under it.

I admit there are difficulties in the way of Government. I do not place the blame on Government. I do think that in certain cases—the Scott and Bradshaw case, for instance—they have been weak and vacillating, but I do not put the blame on them, generally speaking. But why cannot we get this Order in Council? Why are our affairs held up, the only implementation we accepted on the understanding that the whole thing was dealt with as one?

So far as the Leroghi Plateau is concerned, I do not know how long ago definite representations were made, and we were promised that the matter should be referred home and given a definite and unequivocal answer. How many months ago that was I am not aware, but no answer has been received, there has been the same delay, the *laissez faire* attitude, and failure to come to any decision outright.

If these things continue to happen I would ask hon. members on the other side to try and place themselves in our position, by trying to be as reasonable as we can. We have had from His Excellency in his address quite clearly the statement that we are sympathetic and that we have done all we can for native interests. We propose doing so, but, as the hon. Member for Uasin Gishu said, one's patience may one day be exhausted, and if we are expected to help the natives, to continue doing our part there must be some kind of fair dealing in bargains made and our interests safeguarded, and not one side implemented without the determination to do it on the other.

The hon. Member Mr. Shamsud-Deen in the course of his remarks, especially when referring to income tax; talked about *sub judice* and pooh-poohed the idea that there was any real *sub judice* about it. He said that Government had finally made up their minds and other members on this side of the House were inclined to share that view. I do not propose in my remarks to discuss the merits or demerits of income tax at all, because I suppose, perhaps owing to my legal training, the word *sub judice* has some meaning for me, and whether the agreement reached has been a gentlemen's agreement or a trap or anything else I am still going to believe this matter is *sub judice*, and I believe the hon. member shares my views.

I noticed that when the Noble Lord was speaking about the duties of the Standing Finance Committee and how it had as far as possible been met with a genuine desire for co-operation, the hon. member nodded his head on several occasions. I was very glad to see that. I admit quite frankly that I shall walk into the Standing Finance Committee with a strong predilection against income tax in a Colony like this, and no doubt the hon. the Colonial Secretary will walk in with a predilection in favour of income tax. But what I ask members of the Committee to remember is: they are going in to conduct a very exhaustive and very important inquiry and they must try and preserve open minds until the whole of the facts and figures and the evidence are before them. Unless they can go in like that, unless they are prepared to listen to the evidence, unless they are prepared to adopt as far as possible a judicial attitude, we might as well meet in the interval between now and to-morrow; take a vote, and come back and say what the result of the inquiry is.

The hon. the Colonial Secretary quoted from Sir Alan Pim's Report on Zanzibar as one of the arguments in favour of the introduction of income tax here. Can anyone who has read that Report and read what he has to say about income tax in his present Report on Kenya seriously believe that if Sir Alan Pim were here to-day he would have reported in favour of income tax? It is perfectly obvious that that would not be the case. In the Zanzibar Report he says, first of all, that there would be tremendous difficulties in collection. He points to the great evasions which exist even in India even with qualified income tax experts, he points to the complete failure that it was in Kenya before, and he points to the fact that Tanganyika have said they are opposed to it as being unworkable. He then deals with the present position in Kenya, says again that he realizes the difficulties, and he ends up by saying: "Well, something has got to be found to meet the financial situation if you do away with the present unscientific taxes." (He was referring to the graduated non-

native poll tax.) "Therefore, as no other suggestion has been made, you are faced with only one alternative, and that is income tax."

What was the position when he reported? There was no question then of there being any likelihood of being able to balance the budget or of having a revenue sufficient to cover the expenditure without some kind of taxation, whether graduated or income tax, and he said: "In spite of the difficulties, which I fully realize, I believe it can be worked somehow or other and, in any case, it is better than the unscientific graduated non-native poll tax." That is all he said, and there is nothing in his Report which points to him being definitely in favour of the principle of income tax, except that it is a last resort to raise money, and if it can be shown that there is no necessity for that last resort I am prepared to wager that Sir Alan Pim would be the first to say: "In these different circumstances of course I would not suggest income tax."

The hon. Member Mr. Shamsud-Deen said that the Standing Finance Committee was the final arbiter on this matter. Let me disabuse his mind of that very quickly. The Standing Finance Committee is not the final arbiter, nor is this Government; there is only one final arbiter in this case, and that is the Secretary of State for the Colonies and the home Government. And the extraordinary position has arisen where you have one Colony saying—I think it has been officially said but I do not want to misquote—of Uganda saying they were definitely opposed to income tax and Tanganyika not saying anything but having last reported that they were opposed to income tax, and the proposition to bring it into this Colony when, of course, it is clear, and probably all members on this side will agree that it is perfectly obvious, that we cannot have it in Kenya without having it in Uganda and Tanganyika unless there are serious economic results to Kenya.

We seem to be in a complete impasse out of which there is no way except by an inter-territorial conference to clear up the matter and to get finally once and for all and have done with these arguments backwards and forwards. I sincerely hope that in his reply the hon. the Colonial Secretary will be able to tell us that Government are prepared to support the request the elected members have made to the Secretary of State for the Colonies.

Let me say this with regard to the hon. Member Mr. Shamsud-Deen. He said "I don't like income tax, and if I thought I could stop it I would vote against it, but I am so anxious to get the matter finally settled that we had better have it." If, as he says, he is opposed to income tax; that is a defeatist attitude, and it by no means settles the matter

once and for all. If it is finally decided after this inquiry that we are not to have income tax in Kenya now, might not circumstances change in five years time and it would be desirable, or Government think so? The same position might equally apply if income tax were introduced now, and in proof I would remind hon. members that income tax was once introduced and disappeared. And why? It disappeared because after an inquiry held by the Bowring Committee which was presided over by the then Colonial Secretary, which really did inquire into the merits and demerits and suitability or unsuitability of a tax such as income tax in a Colony like this, they went into the whole matter with a fine tooth comb, came out with a unanimous decision that income tax was unsuitable and must go. Government accepted it, and it went.

We have heard a lot of talk about a most careful inquiry, and the hon. the Colonial Secretary said that after consideration and inquiry Government had thought for some years that income tax was the best thing. I am particularly not arguing on the merits or demerits but am talking about what was said. Some other hon. member this morning, I think the hon. Member Mr. Mangat, said that the Colonial Office had made an inquiry and as a result it was decided that income tax was the best thing. Sir, there has been no inquiry of any sort here or there in the slightest sense. What is an inquiry? Not three people sitting in the Secretariat or the Attorney General's Office and saying to each other: "What do you think about income tax? A jolly good thing, we'll keep it up our sleeve." Income tax has not been forced on us by the Colonial Office. It was only two years ago, I think, that the then Secretary of State told the hon. Member for the Coast that there was no suggestion of going on with the introduction of income tax. It was only in February of last year that the then Secretary of State, Mr. Thomas, told me himself at the Colonial Office that there was no intention on the part of the Colonial Office of enforcing income tax in this Colony. It is a fact that at the time it was known Government proposed to support the proposal for income tax they had neither the approval nor the consent of the Secretary of State. The suggestion to bring in income tax, whether it be good or bad, did not emanate from Downing Street, but from this Colony, and from one source.

I am afraid, Sir, that when I told the hon. the Treasurer in the interval that I should only be forty minutes, I was perhaps influenced by Government's under-estimation of their Revenue Estimates and shall be much longer.

The debate was adjourned.

BILLS.

FIRST READINGS.

On the motion of the hon. T. D. Wallace, seconded by the hon. the Treasurer, the following Bills were read a first time:—

The Fugitive Offenders (Pursuit) Bill.

The Coffee Industry (Amendment No. 2) Bill.

The Employment of Women, Young Persons and Children (Amendment) Bill.

Notice was given to move the second readings of these Bills at a later stage of the session.

Council adjourned till 10 a.m. on Tuesday,
17th November, 1936.

TUESDAY, 17th NOVEMBER, 1936

Council assembled at the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, the 17th November, 1936, THE HON. THE ATTORNEY GENERAL (W. HARRAGIN, Esq., K.C.) presiding.

The President opened the Council with prayer.

MINUTES.

The minutes of the meeting of the 16th November, 1936, were confirmed.

ORAL ANSWERS TO QUESTIONS.

GROUPED HOSPITALS, NAIROBI.

No. 55.—DR. THE HON. A. C. L. DE SOUSA asked:—

“ 1. Have Government completed and finally approved the plans for the Combined-General Hospital for Nairobi?

2. If the answer to the above is in the affirmative, when will the building of the hospital be started?

3. Have Government sought and obtained the advice of representatives of the communities concerned in the preparation of the plans for the hospital in question?

4. If not, will Government allow representatives of the communities concerned to offer them such advice and suggestions for the building of the hospital as will obviate dissatisfaction over accommodation and services which this hospital is intended to provide for the public?”

THE HON. THE DIRECTOR OF MEDICAL SERVICES: 1. The answer is in the negative.

2. In view of the answer to No. 1, the question does not arise.

3. The advice of representatives of the three communities concerned has not yet been fully sought.

4. Yes.

In extension of the above replies, Government desires that it should be known that earlier in the year the Government Architect and a Medical Officer visited South Africa and carried out an extensive study tour of the Union with a view to acquiring information with regard to modern practice in the construction and design of grouped hospitals. On their return to the Colony the Government Architect, working in close collaboration with the Medical Officer, prepared a comprehensive set of preliminary sketch plans for the consideration of Government. Such preliminary plans were essential

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in order that Government might be in a position to judge whether a group of hospitals, such as the Colony requires, could be erected from the Loan Funds so far allocated for the purpose by this Council by resolution on the 2nd July, 1935. The revised estimate indicates that this cannot be done, and consideration is at present being given to the question of how far the present scheme can be modified and what extra financial provision may be essential. Before any final decision is arrived at with regard to this question, or with regard to the general design and detail of the proposed hospital, representatives of the three communities concerned and of the medical profession as a whole will be given every opportunity to offer advice and suggestions to Government with regard to the matter.

MOTION.

DRAFT ESTIMATES, 1937.

THE HON. THE COLONIAL SECRETARY having moved—

“That the Draft Estimates of Revenue and Expenditure for the year 1937 be referred to the Standing Finance Committee.”

THE HON. THE TREASURER having seconded.

The debate having been adjourned.

The debate continued.

CAPT. THE HON. H. E. SCHWARTZ: Mr. President, when the House adjourned yesterday, I had just concluded with a statement of what hon. members on this side of the House believed to be the true *fons et origo* of the income tax proposals, and I had been dealing in some detail with the speech of the hon. member Mr. Shamsud-Deen.

There is only one other point in his speech that I wish to deal with, but before doing so I might refer back for one moment to the hon. the Treasurer's speech yesterday, in which he stated that if you deal with net figures of revenue, the annual revenue estimates for 1937 exceed the revised estimates for 1936 by £9,000 plus £14,000, making £23,000. I don't propose to go into these figures, but I would remind the House that the hon. gentleman, while he dealt with certain figures put up by the Noble Lord, said these were gross figures, and there was some misapprehension in the Noble Lord's mind that he did not deal with the quite definite statement of figures put forward by the hon. Member for the Coast when speaking to the amendment that was moved to this motion. There was a very definite statement made by the hon. Member for the Coast to this effect: that if you take the net figures of revenue

and exclude all adventitious gross revenue, such as Colonial Development Fund, from sources of taxation which react to the economic tide of the Colony, and must necessarily react to such tide, it would be found that the estimates for 1937 are actually £5,000 less than the revised estimates for 1936. We have therefore quite a definite divergence of opinion, amounting to £26,000, the difference between the increase of £33,000 and the decrease of £5,000, and I do earnestly ask the hon. the Colonial Secretary to deal with these figures when he replies and let us know if Government accepts the figures of the hon. Member for the Coast as correct or not, and, if they do not, where they allege the error lies.

The hon. member Mr. Shamsud-Deen made a rather remarkable statement when he was dealing with the question of income tax only, or to be applied to all territories. He stated he could not support our view that it was obvious that income tax, if it came in, should be applied to all the territories, because we must remember the constitutions of these different territories were different, and whereas we have a somewhat more advanced constitution than either a protectorate or mandated territory, therefore it was only right we should have income tax, and he did not see that the other countries, not having the same constitution as ourselves, should be brought into it at all. He entirely misunderstood the purport of the Noble Lord's remarks. Our suggestion that it was essential that income tax should be applied simultaneously to all the territories, if applied at all, was not based on any kind of political suggestion. It was purely economic. The arguments against applying a tax such as income tax to one territory and leaving the others exempt, are purely economic arguments, and they are, in my submission, quite irrefutable.

I want to deal as briefly as possible with certain remarks made by the hon. Member Dr. de Sousa. At the commencement of his speech he made rather a great deal, in a pathetic manner, of the fact that he had been fooled, and what seemed to upset him more than the fact that he had been fooled was that the Government had been fooled, and he suggested that what has been termed a "Gentlemen's Agreement" was, in fact, a very clever device by members on this side of the House to fool Government, and that it had succeeded. It is common knowledge that a certain number of people take a precisely opposite view. They consider the result of the gentlemen's agreement was that, I will not say, members on this side of the House, but the Noble Lord and myself were completely fooled by the hon. mover and His Excellency. I will deal with exactly what happened later on, but meanwhile I propose to suggest to the hon. member that if a large body of persons, say A, has been fooled by B, and, equally, a

large number, say B, has been fooled by A; it is generally a fair assumption to take it that neither side has been fooled by the other. That is only my belief with regard to this particular matter.

I was most sorry to hear the hon. gentleman say that while, when he first heard of the suggestion that there should be an inter-territorial conference, he thought it was a most splendid idea, that it was a possible way out of the difficulty, but as soon as he began to think he became suspicious because it was put up by the European Elected Members. I do think, in all seriousness, that it is such a pity that because one side puts up a suggestion, the other side immediately, although they really support it, should turn it down and become suspicious simply because of the source from which that suggestion sprang.

DR. THE HON. A. C. L. DE SOUSA: On a point of explanation, I got suspicious because it came at the wrong time, not because it came from the wrong quarters; but the wrong time—on the eve of the budget session.

CAPT. THE HON. H. F. SCHWARTZ: I regret if I have in any way misinterpreted the views of the hon. member, and if I have I, of course, withdraw, but I would point out to him that when matters of such vital moment as a complete change of fiscal policy are under consideration, it cannot be expected that those who represent the people most affected, namely, the European Elected Members, can in two minutes decide on their complete line of action. These things take time for discussion, and there was very little time given us. I can assure the hon. member that this suggestion was not put forward, as he suggests, for the purpose of causing unreasonable delay. If he says we are working for a delay, he is speaking the truth—if he means that we say we are not prepared to such great changes taking place until there has been sufficient delay for a complete and full investigation.

That has been the line we have taken from the first—a line we do not propose to waver from—and from that point of view he is right. But to say that we are in any way indulging in delay tactics or trying to prolong the matter unnecessarily is not correct. All we ask for is a full inquiry, and all we propose to press for, and to continue to press for, is that full inquiry.

The hon. members—this may probably be going from the sublime to the ridiculous—dealt with that token vote of an extra £50 in the budget for the hire of this hall. He complains of the ventilation, with which I am in whole-hearted agreement. He also complains of the light, with

which I am more in support. And he complains of the acoustics, which I am not in support of, because I believe anyone can be heard in this hall if he takes the trouble to speak up. I do not think the hon. member realizes the reason for this extra £50, and perhaps hon. members on the other side do not.

The position is that the Management Committee of the Colonists Plot Association, who are responsible for the plot and the hall, have decided to add to this plot at a cost of nearly £7,000. The proposed alterations are to build over that side, right on to the street, two-storeyed offices, and to build from that end to the street another new hall, and there will be long sliding doors, so that this can be made into one big hall. Among the offices on the ground floor it is proposed to allocate two rooms for the use of Government—one for the use of His Excellency the Governor, and one large room for the use of heads of departments, in order that they may do some work instead of having to listen to persons who speak for a long time, and they can be summoned by a bell when there is a division. The result will be not only largely increased accommodation to Government, but, I am glad to be able to inform the House, it will mean a very great improvement in the acoustic properties, and will also result in a great improvement in the lighting and ventilation, because there will be large windows, and there will be a system of through draught, which I hope will succeed in pushing some of the hot air out at the top! (Laughter.)

I am awfully sorry that the hon. member and his colleagues were supplied with hard-bottomed chairs, and I will take great care that in future they will be supplied with soft ones. I only hope, in consideration of that being done, they will then utilize the chairs more often and not find it necessary to stand up so much! (Laughter.)

I rather regretted the criticisms which the hon. member thought fit to bring against the Medical Department. I do not propose to deal with them in detail, but I think he would himself admit that the real burden of his song was an attack on the hon. the Director of Medical Services for his racial prejudices. I do not really believe there is any substance in that attack. I cannot speak for the hon. the Director of Medical Services, but I should not be surprised if I were mirroring his views if I said that, so far as the complaint about Indian nurses is concerned, he would be the first to welcome Indian nurses, if adequate Indian nurses are available and the personnel was there. I only wonder if the personnel of Indian nurses will exceed the personnel which was found available for the Kenya Royal Naval Volunteer Reserve, which, I believe, was one! (Laughter.)

Finally, I must correct one statement which the hon. member made. It is only a word, but an important word, for at one time it was a point of great discussion in the Colony. Throughout his speech with regard to the proposed new hospital he referred to a combined hospital. There has never been any suggestion of a combined hospital. It is to be a group hospital. The two things are very different, and there is nothing racial in saying that each community will obviously prefer having a group hospital where they have a place to themselves rather than there should be any suggestion of a combined hospital with all three races not separated in any way.

I listened, as we all did, with very considerable interest to the address of the hon. the Director of Medical Services, and he is probably aware that this auspicious body has now been re-christened the Royal Society! I do not think anyone would deny the very great ability with which he conducts his Department and the very high efficiency that Department has reached, but I must sound a little note of warning. I think the hon. gentleman perhaps is sometimes a little bit too much of an idealist, and he wants what may be the unattainable. He is apt to forget that a Colony like this has got to cut its coat according to its cloth, and however desirable the schemes are he has in mind we must be limited by the depth of our purse. I do not want to go into the question of native taxation again, but he himself has said, and we all agree, that the medical attention that the natives of this Colony get is far greater than in any other part of Africa, or, I should think, in any part of the world wherever natives live, and he must appreciate that it is part of our duty to keep an eye on how far these services extend. If there is money, he will never be grudging it, but we cannot allow him to take the bit between his teeth unless we are satisfied the money is available. The hon. member has been referred to as a rhinoceros, but I should hardly like to call him that. I much prefer to call him a duck off whose back the water flows ceaselessly!

The hon. the Acting Commissioner of Lands and Settlement is not in his place, and I am sorry, because it is always a pleasure to say something nice about him and to see him trying to hide that maidenly blush which he falls so miserably to do. His proposals with regard to future land alienation policy in this Colony have been welcomed by speakers on this side of the House, and I am certain they will be welcomed by all Europeans in this Colony. It is a policy which he was careful to say had not definitely been accepted by Government, but it was his policy, and that Government had authorized him to state his policy, and he expressed the hope that the subsequent holder of the post would not disapprove of this policy. I am not so sanguine. The hon. the Acting Commissioner

said that in his view it was the duty of the Government to let land be alienated as reasonably as possible, and not try to make all the money they could out of such alienation. That is a direct reversal of the policy of the substantive holder of the post, who has always been out to make as much as he can. The most striking example of that was the recent auction of two plots in City Square, near the Law Courts site, when, in spite of every effort, official and unofficial, to make him see reason and get him to understand something of the value of the plots in Nairobi, he put such a fantastic figure on that no one bid at all, and the plots are still unsold. I do hope, Sir, in your reply, that you will be able definitely to accept on behalf of Government the land policy outlined by the hon. the Acting Commissioner, and I assure you if you do that it will be a source of the greatest possible gratification throughout the Colony. (Hear, hear.)

The hon. Member for Nyanza has already dealt with the question of transfer of leaseholds to freeholds. He dealt with that more from the rural than the urban side, but the question of freeholding leaseholds in the towns is daily becoming more important. This is no time to make a long speech on the dangers of non freeholding leases. That must inevitably come when the peak period passes and leases begin to go downhill towards their determination. Probably hon. members have read the most interesting monograph on the subject by Mr. Tannahill, and while it is a matter I do not suggest should be dealt with between now and Christmas, it does merit the earliest consideration of Government, and I ask the hon. member to agree to the appointment of a committee at an early date to consider the freeholding of leaseholds, both in townships and outside—to consider the whole matter and report to Government. There can be no harm in the appointment of such a committee, and if you can meet us by agreeing to the appointment of such a committee it will save the necessity of tabling a motion which will entail, I am afraid, a debate which may go to very considerable lengths.

The hon. the Conservator of Forests, I think, was rather pleased with himself when he picked up the Noble Lord, who had suggested that there could be no reason for no increase in the estimates for fuel over the 1935 actual unless some kind of patent engine had been introduced, and he got up and said that of recent years there had been new kinds of engines which are non-fuel burning. He did not say what he meant by "recent years". If he meant 1935 and prior to 1935, the argument ceases to have any effect, because our complaint is that the revenue estimates from fuel do not exceed the actual for 1935. In any case, if it should happen these engines only came in in 1936, I believe I am right in saying, and no doubt the

hon. the General Manager of the Railways will tell me if it is not so; that during the cotton season in Uganda, when there is a rush, the engines that do burn fuel are brought out and utilized; therefore, when there is a rush; whether it is cotton or increased products or anything else, the old wood fuel engines are brought out, and consequently there must be more fuel consumed when there are more exports to be carried to the Coast, and; because of such exports, more imports to be carried from the Coast.

I regret that I was not here during most of the speech by the hon. Member for Mombasa, who, as I understand, in his own inimitable manner, referred to me as an "asinine amateur" (Laughter.) I would say this: however amateur and however asinine the temporary or emergency taxes were, they served the purpose for which they were made. It was never suggested that they were scientific, but they served the purpose of preventing permanent taxation being imposed on this Colony to cover the deficit. If it had not been for the asinine amateurs, we should not now be in the middle of a discussion as to whether income tax should be introduced, but probably in a discussion as to whether income tax should be repealed. I hope, if the hon. member's suggestion of a sales tax is accepted and introduced, he will not find himself at the end of eighteen months braying in the same stable as myself (Laughter.)

With regard to the remarks of the hon. member Mr. Isher Dass, I was only here a short time during his speech, and have little to say. I did hear him say, towards the end of the two and a half hours he spoke, that it was our suggestion the alternative taxes should remain in force, I gather permanently, that these unscientific taxes should remain and the wonderful scientific tax should not be brought in. No one has ever suggested that. If he listened to the speeches on this side, especially that of the Noble Lord, he should realize, whether he agrees with us or not, that our suggestion and our belief is that all these emergency taxes, whether by way of graduated poll tax or levy, could go at the end of the year without the introduction of anything in their place.

He made a tremendous speech in favour of income tax, but it is perhaps not very difficult to realize why the people he represents are so anxious that this income tax should be brought in when it is remembered that 97 per cent of them do not pay. Perhaps another reason why some who might have been against the principle of income tax are now persuaded to support it is that that part of the Pim Report which suggested a basic tax of Sh. 50 was conveniently altered by Government to Sh. 40 for Asians, and no doubt it is again pure coincidence and no ulterior motive whatever. (Laughter.)

The hon. member attacked the Attorney General's office and the Police in regard to two cases, and while these cases are of no particular interest to members, as I was intimately concerned in both of them, in fairness to the two Departments I should say a word about them, because perhaps a little defence of the Attorney General's Department coming from this side of the House would be as effective as a defence from the Department itself.

With regard to the case of Maula Dad, a contractor, the facts were as outlined by the hon. the Acting Solicitor General. An inquest was held by a very experienced magistrate, Mr. Gamble, now a judge in Uganda, who, on the evidence then before him, came to the conclusion that the death was accidental and found accordingly. Further evidence which, it is true, turned out to be completely unreliable (but that was not to be known at the time) was laid before the Police and, presumably, the Attorney General's Office, as a result of which the driver of the car was brought before the magistrate, charged with manslaughter.

As you know, a preliminary inquiry takes place to show whether he should be committed to trial or not. At the conclusion of the evidence for the prosecution the magistrate decided that there was not sufficient evidence, *prima facie* evidence, to commit him for trial, and one would have thought that would be an end of the matter. The next thing that happened, however, was that a relative of the deceased made personal application, I believe, in a very long screed, to the Supreme Court asking that the decision of the magistrate should be reviewed, and that the Supreme Court should order the magistrate to commit the contractor for trial. That matter came before the judges of the Supreme Court, and the hon. the Acting Solicitor General appeared for the Crown. When he was asked what he had to say, he expressed the view that the magistrate had acted in a way in which he was entitled to act, and, in fact—I do not say, of course, supported the argument for the defence—was honest and straightforward enough to say he did not think the court should interfere with the decision of the magistrate. As a result of that, the court refused to alter the decision of the magistrate, and, there again, the matter might be thought to have ended. But I want to emphasize this: it is quite possible that if the Attorney General's office had not taken the extremely fair line they did and stated what they thought to be the law on the facts, it is at least possible that the unfortunate man might have been committed for trial and put to the great expense of standing trial for nothing. If the facts of the case proved anything at all, they proved that the Attorney General's office behaved as one would expect them to behave throughout the matter.

The next thing that happened, to finish this history, was that the same relative tried to get the man prosecuted, this time for dangerous driving. I believe I am right in saying that the Attorney-General's office were approached and stated again, very rightly, that they did not think the Police could take any steps in the matter, and that if the man wished to make his own complaint he could do so. If he did that and failed he might have to pay the costs, but he would not have to pay if he could get the Police to take the matter up. Finally, I am told—this is mere rumour—that you, Mr. President, were reported to the Secretary of State for not having allowed the persecution of this man, twice found innocent, to continue, but I am glad to see, in spite of that, you still retain the confidence of the Secretary of State sufficiently to preside at this gathering. (Laughter and hear, hear.)

The other case can be much more briefly dealt with. It was instituted against a man for assault and bag-snatching, and he was acquitted. He had a cast-iron, watertight alibi, and there is not the slightest doubt in the world he was innocent, and that the charge was a false one. I am told by the hon. member Dr. de Sousa, and prepared to accept it, that the result of the prosecution has been very seriously to damage that man in his reputation and livelihood.

But that does not justify an attack on the Police. If a number of witnesses go to the Police and lay complaints, and if the Police have no reason to believe those complaints are false, they cannot tell what lies behind those complaints, their obvious duty is to take the matter before a magistrate and let the thing be thrashed out by a judicial tribunal. Everyone knows that many complaints in this country are false, and are actuated by all sorts of motives which no reasonable person could conceive, but I do not think it is fair to attack the Police for accepting statements by a large number of persons as to events and placing them before the court, the right body to decide whether there has been an offence or not. I am sorry to have dealt with these cases at some considerable length, but there was an attack which, if not cleared up, might quite possibly have led to a completely false impression with regard to the attitude of the Police and your office, Sir, in this Colony.

Before I leave the hon. gentleman, I did not understand what his complaint was about with regard to a motor car that fell into the sea at Mombasa. Apparently they sent one or two Indian sub-inspectors as soon as they got the news. I can only suggest that possibly the hon. gentleman thinks that it was not sufficient to send Indian sub-inspectors but that they should have sent a European commissioned officer.

THE HON. SHAMSUD-DEEN: On a point of explanation, Sir, I never suggested anything of the kind. My complaint was that the Police should have made some arrangements to get the car out of the sea. In fact the owner of the car had to spend all that money to get the car out the next day. What I actually suggested was that some responsible people should have gone to see for themselves and make the necessary arrangements.

CAPT. THE HON. H. E. SCHWARTZ: In regard to the remarks made by the hon. Director of Agriculture, I really very much admire him for the gracious acceptance of proposals which, though I think he may not pretend to himself, pretends to us, were in effect the proposals he himself put up, were in my opinion nothing of the kind. I personally believe that the proposals he put up would have been of lasting benefit to this Colony and would have prevented overlapping in the reserves, and I also think and believe other hon. members on this side think that throughout this business and from the moment he put up his proposals, he did not get that fair treatment and loyalty that he might have been led to expect. (Hear, hear.) I did, as I say, admire him for a complete absence of bitterness and the charm with which he dealt with this matter.

I want to say no more with regard to the question of the division of his department into two, except to say this: that the hon. members on this side of the House—I am sorry to have to say it, but I think it right—feel that if there is to be this division of the veterinary side from the agricultural side it is essential the new department should have at its head someone, well, say, fresher and perhaps more suitable than the present head of that branch.

With regard to the maize subsidy, I was rather surprised to hear the hon. gentleman advocate the refusal of Government to grant this extra £3,000 which has been asked for, on the grounds that it would not help the internal price of maize and would only help the exporters. The whole scheme was devised to help the exporters, and for no other reason. It is true one of the arguments supporting the proposal was that it would probably have the indirect effect of raising the local price of maize, but the basis of the scheme was to help the exporter, maize, but the basis of the scheme was to help the exporter. I think the hon. Chief Native Commissioner said at the time (he will correct me if I am wrong) that he was not concerned with any possible beneficial effects this £12,500 might have on the natives. I do not mean to say he ignored the welfare of the natives, but I think I am right in saying that that was his view, though I am not quite certain whether he said it.

You are faced with a surplus this year, according to your own showing, of £87,000—everybody of course knows it will be far greater—and you say you cannot afford £3,000 to put into effect what would have been put into effect already without the slightest hesitation at the time the £12,500 was voted, had it been known there was going to be a surplus of anywhere near £87,000! On the other hand, you suggest that part of the emergency taxation, namely, the levy, should be removed for the last three months of the year at a cost of £12,000. I will deal with the levy in a minute, but it does seem an almost incredible attitude to adopt if one considers all the circumstances.

Mention was made by some hon. member on this side of the House of the proposed contract with Messrs. Liebig's, Ltd., and the view was expressed that if the Government some years back had adopted the same attitude, and had taken the opportunity of getting Liebig's here, the position would be very different to-day with regard to overstocking, soil erosion, and everything else. I saw a surprised look on the face of the hon. mover, who took up his pencil and made a note, and I believe that that note is to the effect that he knows nothing about Government having turned down Liebig's offer, which was long before he held the exalted position he holds now. I think I am right in saying it was in the early days of General Northey. When Liebig's came out here with some propositions they were entirely ignored by Government, and treated in a most cavalier fashion. I think no member of this Government was here then, so there are no hard words being said about them! I think I am right in saying that when they got to Kisumu on their way home the Secretariat sent a cable to say that if they came back they would be pleased to discuss it, and the answer was a lemon. And it has taken the best part of fifteen years for Liebig's to come back here owing to that action of Government; fifteen years wasted when we might have had the benefit of Liebig's here, with all that means.

The hon. member Mr. Willoughby, in speaking yesterday, referred to the remarks of the Noble Lord with regard to postal rates. Whether the revenue is going up or down as a result of this decrease in postal rates, I think I can speak for everyone in this Colony, official and unofficial, whether European or Asiatic, when I say how we welcome this reduction in rates and how grateful we are to the Postmaster General for persuading Government to give them to us. We hope that it will only be the thin end of the wedge, and that shortly there will be still greater reductions.

Coming to the speech of the hon. the Colonial Secretary, I want to say one word about the Defence Force. Quite apart from the remarks made by the Noble Lord with regard to the

now name, with which we on this side of the House agree there is no need for, and that in common decency it should retain the name which it has at present and of which we are so proud, I would say this: that if the committee we asked for, I think some time at the end of last year, had been granted to go into the whole of this matter, exactly the same result would have been achieved without the bitterness, the unfairness, and the "hole in the corner" methods with which it was dealt with. (Applause.) It was most regrettable. That is one other example of the almost incredible lack of tact sometimes adopted by Government during the last five years and nine months.

One hon. member—I am not certain whether it was Mr. Mangat, but I think it was he—dealt with those words of the Secretary of State in the famous despatch of 1933, when he said that communities should have the right to choose by what method they would be taxed. He suggested by implication that as the Indian population were all in favour of income tax there would, in order to put the Secretary of State's theory into practice, in effect be found a majority of non-natives in this Colony favouring income tax, and therefore the Secretary of State's theory, on which we rely so much, would act as a boomerang against ourselves. But I would refer the hon. member to the wording of that despatch. I have not got it before me, but the wording is that those people should have the right to choose the tax on whom the burden would fall; that is to say, as it is 3 per cent of the Indians against 87 to 40 per cent of the Europeans, you cannot seriously suggest introducing a tax which will only fall on 3 per cent of one community that the whole of that community should voice what kind of taxes they would prefer!

There has been a lot of talk about the gentlemen's agreement, and whether in fact any change in procedure was agreed to as a result of that agreement, or whether precisely the same procedure is being adopted as was intended to be adopted. I should like the hon. mover also to deal with this in his reply, because I am quite certain he will agree that, as a result of that agreement, the procedure was very materially altered, and he himself, at the now famous (or infamous) interview, admitted that that was the case. There has also been a suggestion that this Standing Finance Committee, when inquiring into this question of income tax, should not have the right to call such evidence as it required. All I can say, and again I am sure the hon. member will bear me out when he replies, is that there was a definite assurance at that interview given us that the Committee should have the right to call evidence, and it was never anticipated at that interview that the investigation of the Standing Finance Committee would be concluded this year. The hon. the Treasurer frowns at me, but the very

words of His Excellency at that interview were, "Of course, it is quite impossible that the Committee can finish their investigation before the end of the year." Nobody wants to prolong the inquiry beyond reasonable limits, but I want to make it clear to this House and to the country at large that that was the impression I had at the interview; we were assured that evidence would be taken and that it was not anticipated this inquiry could finish during the currency of the present year.

I do not know whether the hon. mover has had time to read the *East African Standard* of to-day's date, and, even if he has, he might not feel it fitting to reply to the definite questions in that article in a debate in Council. But perhaps he will not mind my asking him three of the questions that appear there, because they are most germane to the issue, and we should like information on the subject.

The first point is: Does the hon. mover consider—I am not putting this as a cross-examination question suggesting the answer "No"—by any means; I am purely and solely asking for information—does he consider, in view of what has been said in this debate, that the deliberations of the Standing Finance Committee can and will be conducted in an impartial manner? I said yesterday that I am optimistic enough still to believe that could be done, and I should very much like to know whether he shares that view or not.

I have already dealt with the question of the inter-territorial conference when I stated yesterday that I did most earnestly hope that the hon. mover would be able to say that Government would be prepared to support the suggestions Elected Members made to the Secretary of State. I should like to ask him whether any representations have been made by this Government to the neighbouring territories as to their reaction to the suggestion of an inter-territorial conference, and as to their views with regard to the possible introduction of income tax into their territories. I hope, if no representations have been made to other Governments, that they will be made at the earliest possible moment, for it is essential in my view that this whole matter should be dealt with once and for all and got out of the light.

I come to this levy, and I am again sorry that the hon. the Acting Commissioner is not here. Our views on the abolition of the levy as from the 1st January have been quite clearly enunciated by the Noble Lord, and, I think, the hon. Member for Uasin Gishu. With regard to the question of the proposal to lift the levy as from the 1st October, I have been asked by Elected Members to say that our view is this: that we wish to keep a completely open mind on the subject until we have

cleared up the main issue as to the position next year. When that is finished and done with, and all this dispute and argument is over, and we know where we are, we will then be prepared to give the fullest consideration to the suggestion to lift the levy. I trust Government will accept that assurance in the spirit in which it is made, and will not attempt by executive authority automatically to lift the levy while all these other matters are still under consideration.

I understand the hon. mover is prepared to accept the suggestion made by the Noble Lord with regard to the allowance to unofficial members, and presumably that will take effect from the 1st January or the 1st October, as the case may be! I would say one thing with regard to this levy, and one thing only, with regard to the argument put up by the Acting Commissioner for Local Government, because it is an argument so often put up, and, whatever you say about the levy, it is an argument which really is of no force. His argument was that the Civil Servants of this Colony have donated, or subscribed, to the funds of the Colony a sum of £210,000, or whatever the figure may be. That really is not an argument. It simply happens that the servants of the Crown have subscribed that sum to the Crown because they are all employees of the same employer, but the employees of the farms and firms and commercial houses throughout the country have subscribed a far greater sum out of their own pockets, but not to an individual, because they are servants of different employers. But it makes no difference. If you take the employees of the Colony, and I class naturally Civil Servants as employees of the Crown, and if you could work out the sum that all the employees of the Crown have subscribed to their employers by cuts in salaries and leave conditions, and one thing and another, they would far, far outweigh what has been subscribed by the employees of the Crown to Government.

I want to make that quite clear, because it really is a specious argument, which cannot stand any close examination. It is invidious to say who has suffered most, but I think at all the events some members on that side will agree that, in fact, the unofficial employee has suffered far more than the official, and I am dealing with the employees only, because the argument that in boom times the unofficials make large fortunes which it is not competent for the Civil Servants to make, while in some cases it may apply to the employer class; it certainly does not apply to the employee class, who are not beneficially affected by good times.

The hon. mover, when proposing this motion, admitted quite frankly that there will be a large surplus in 1936, and I do not mind wagering that surplus is well over £100,000.

no arguments put up by the other side which required answering. I have endeavoured to answer to the best of my ability some of the points made by Government speakers, and my hon. friend did not see fit to do that!

In conclusion, Sir, I sincerely hope that the hon. gentleman will not consider that I am persona in referring to his attitude as somewhat ostrich-like. I can assure him that it is his attitude I am referring to and not to himself, because I understand from some of my colleagues who represent rural constituencies that an ostrich is a bird with a very considerable kick!

LT.-COL. THE HON. LORD FRANCIS SCOTT: Sir, as I was unable to be present yesterday, may I rise to a point of explanation? I have read in the papers that the hon. the Treasurer said he did not know where I got my figures from. I understand that the figure in particular he quoted was the figure of £2,221,065 as actual receipts for 1935. That figure I took from the Treasurer's own figures in the Estimates, page 11, Heading VI, which shows the actual receipts for 1935. I took the gross figure which appears below Reimbursements. I added on Land Rates to bring it comparable, and deducted Reimbursements. The sums given the following: £3,273,734, less £1,052,669, leaving £2,221,065; the figure I quoted. If these figures are inaccurate, the hon. the Treasurer is responsible for them and not me. Further, the other figure queried was when I said on the Government's figures the revenue at the end of August was £154,000 greater in 1936 than in 1935. He says I mixed up gross and net figures. If that figure of £154,000 is made up from the Colonial Development Fund, Parliamentary Grant, and Reimbursements, I consider it is a very misleading figure to put before the public.

Council adjourned for the usual interval.

On resuming.

THE HON. THE COLONIAL SECRETARY: Mr. President, this debate has been a very exhaustive one, and, I think perhaps I might say, somewhat exhausting, and I trust therefore that I may be forgiven or at least regarded with a certain amount of charity if my replies are not considered to be in every way entirely adequate. A large number of the specific questions which have been asked have been dealt with by hon. members on this side of Council speaking for their respective departments, but there are a number of specific questions still remaining, and I propose to deal with them later, and to start by referring to some more general questions that have been raised.

I want to start by dealing with the question of the procedure which Government has adopted in referring Sir Alan Pim's proposal, that we should adopt income tax, to the Standing Finance Committee of this Council.

That procedure has been criticized in at least two directions. On the one hand, it has been suggested—rather more than suggested; it has been practically stated—that Government in doing so has surrendered its convictions or its principles. On the other hand, it has been suggested that it was nothing but a trick—possibly, if I may borrow an expression from the hon. Member for Nairobi South, a political dodge—on my part, because it would mean referring the proposal to a body which I may have some reason to believe would approve the proposal.

It is an astonishing thing to me that there seems, even in this Council, to be some misunderstanding as to what the Standing Finance Committee is. It is not an independent body; its decisions are not final. It is part of this Council; it is a committee of this Council, and this Council can accept or reject its findings when those findings are reported back to it. A few days ago it was suggested that when I, on behalf of Government, refused to accept an amendment instructing that Committee to add something to the expenditure side of the Estimates in respect of one head, Pensions and Gratuities, I was elevating the Committee to a position of superiority over this Council.

Now I should like to explain that I did not say what I was reported to have said. I did not say that this Council could not bind that Committee or limit its functions. So far as I know, there is nothing in our Standing Rules and Orders to prevent this Council from issuing to its sub-committees any instructions it likes, however asinine those instructions may be, and however well calculated to defeat its own intentions. What I did say was, "I do not think it would be right that we should bind that Committee and limit its functions in this manner," and I did say, "I think it entirely wrong to issue an instruction to that Committee that they have got to do it whether it is right or wrong." It would, of course, have been entirely wrong to have issued an instruction of that kind.

What would have happened if we had done it? The Standing Finance Committee, on meeting, would have fulfilled its proper function in examining this particular head of expenditure, would have come to the conclusion that the figure in the printed Estimates is the right figure, but would have been under instruction to add, say, £500 and produce a lying figure. What would the report have been like when it was sent back to this Council? "We have gone into this matter

carefully, and come to the conclusion that the figure in the Draft Estimates is the right one, but, under instructions from a full Council, we have added an £500 to the previous figure, which we know to be a lie."

That is the kind of report this Council would have been asked to accept. And it was suggested that because Government could not accept an amendment of that kind I was in some way or other exalting the Standing Finance Committee to a position of superiority above this full Council. I wish to make that perfectly plain. The present Standing Finance Committee is not an independent body; it is a body that has to report to this Council.

What are its functions? It has two distinct categories of function. One is a specific one: the duty of examining and reporting upon the budget for the year. The other is a general one: keeping under review the finances of the Colony, and also considering and reporting to the Governor on any subject that the Governor likes to refer to it. It seems to me in the very nature of things that that must be the proper body to which to refer the financial proposals. The Pim Report is called, "Report of the Commission appointed to Inquire into and Report on the Financial Position and System of Taxation of Kenya." Is there any other body in this Colony more qualified to consider and report on a Report of that nature than the Standing Finance Committee? It is what it is there for, so that it would be most naturally the right and proper thing to do to refer the proposal to the Standing Finance Committee in the first instance.

But quite apart from that, we are bound by our own Standing Rules and Orders to refer the budget to the Standing Finance Committee. And the income tax appears as an item in the budget. So that whether we liked it or did not, we were bound by our own Rules and Orders to refer it to the Standing Finance Committee.

Now it has been suggested that we ought first of all to have introduced the Income Tax Bill, argued it out, perhaps passed it, and then, and not till then, have inserted the item in the budget. I freely admit that that might have been one way of doing it, and we thought, and I still think, that the better and more reasonable way was to settle the principle first, and then, if the principle is approved, introduce legislation to give effect to that principle.

Therefore Government has decided to wait before introducing an income tax measure, if indeed it does introduce it, to wait until we have had the advice of the proper body to advise on it; that is to say, the Standing Finance Committee of this Council.

I think I will go now straight to what the hon. Member for Nairobi South said towards the end of his speech, in referring to what he called a "gentlemen's agreement" and the interview which we had with His Excellency the Governor. He asked me first of all to give him an assurance that, as a result of these negotiations, there has been some difference in the procedure originally contemplated by Government. Well, I am not quite certain that I can give him that assurance. For some reason or other it was supposed that Government intended to introduce the Income Tax Bill at once, at the beginning of the session. There was no justification for that belief. Government never intended to introduce it until towards the end of the session. So far as that goes, I do not think the interview made any difference whatever in the procedure we contemplated.

On the other hand, I think the hon. member is perfectly right in this: that, to start with, we did not contemplate necessarily a long meeting of the Standing Finance Committee, and I do not think we did contemplate anything more in respect to the income tax item than an examination such as is given to other items in the Estimates. But it was pointed out, quite rightly, that this particular item might necessitate a very much longer consideration than I had originally contemplated, and though my recollection of the words used by His Excellency does not quite coincide with what the hon. Member for Nairobi South said, although I am not for a moment questioning them—he probably wrote them down at the time—it is perfectly true that the Governor quite well realized that this particular investigation might go on into next year, and certainly he did say, I think he went so far as to say, probably it could not be finished by the end of this year, and, so far as the income tax issue was concerned, it would not matter if it did go on to next year, provided that we must have the Appropriation Bill passed through this year, that we must somehow get the Expenditure Estimates reported on and approved by Council.

I do not think there was any great difference of opinion between us as to exactly what happened, and although I cannot give him the definite assurance that he asked for, that some change of procedure has been introduced, I think as a result of these negotiations, it probably will be that the investigation will go on a good deal longer than I thought it would.

The hon. member asked me if this Committee would be entitled to call evidence. Well, the answer to that, as far as I know, is emphatically in the affirmative. I think on other occasions the Standing Finance Committee has called evidence. I certainly would not go so far as to say that anybody who

wants to come and talk to the Committee has the right to do so, but I do say that the Standing Finance Committee will be perfectly justified in calling such evidence as it thinks will help it. As far as that goes, I will certainly give him the assurance for which he asks—

I want to clear up one more point. I have been reported as saying that Government is referring the Income Tax Bill to the Standing Finance Committee, and I have been told that that is an unconstitutional procedure. I have never said that Government is referring the Income Tax Bill to the Standing Finance Committee. What I said was that we are referring the Pim proposal to the Standing Finance Committee. The Bill, of course, will be referred to a select committee of this Council, and it would be a particularly stupid thing to do to refer the Bill to a committee of the Council on which neither the hon. the Attorney General nor the hon. the Acting Solicitor General has a seat. But, of course, if the Standing Finance Committee in the course of its deliberations, as it will probably do, wants to know the effect of the Income Tax Bill on various communities and individuals or what the rates ought to be, of course it has a perfect right to call for the Bill and to go through every item. From that point of view, but not from the legal point of view.

CAPT. THE HON. H. E. SCHWARTZ: On a point of explanation, as the matter is of considerable importance. Perhaps the hon. gentleman misunderstood me when I stated that at that interview it was suggested that any procedure should be altered. The point was, I think he will remember, that His Excellency, towards the end of the interview, said in effect that matters were as they were, and the hon. member himself said, "No, Sir, that is not the case, because before the interview it was the definite Government policy to introduce income tax, and now the matter is *sub judice*. That is the alteration."

THE HON. THE COLONIAL SECRETARY: The hon. member is perfectly correct in what he has said.

Now I am coming to this very expression he has just used—*sub judice*. I do not think I myself have used the expression in this Council, but I certainly did use it to the hon. members with whom I had the interview. I did not say *sub rosa*, and I did not mean *sub rosa*. (Laughter.) I did say *sub judice*, and I did mean *sub judice*.

It is a fairly common expression, and I thought most people understood what it means. For some reason or other, some people do not seem to understand, and have imported into it all sorts of hush-hush meanings. Because I said the income tax issue was *sub judice* it was suggested that it ought

not even to be mentioned in this Council. I know, of course, that when a particular issue is *sub judice*, such as that of a man on trial for his life, it is very improper for outsiders to write letters to the papers or for the papers to put in leading articles suggesting that the man on trial is guilty or not.

But that does not apply here. The expression *sub judice* is commonly used of an issue which is still under consideration, and on which the verdict has not been given. That is the position of income tax in this Council. The figures of the Estimates which I have produced, and the speeches which have been made about those figures in this Council, are the evidence and the pleadings on which this Council is going to be asked to come to its conclusion, so if there is one place in the whole world where it is right to talk of income tax it is in this Council, or in that part of this Council which is called the Standing Finance Committee, and to which this Council looks for advice.

Coming to the end of this business about the Standing Finance Committee and whether we are constitutional or unconstitutional, I will just refer to a remark made by the hon. member Dr. de Bousa, who said he had been fooled as no man ever before was fooled. (Laughter.) I think he is probably right! (Laughter.) But I do not think anybody has fooled him but himself.

Now, Sir, to come first of all to the general remarks on the subject of expenditure. The Noble Lord, the hon. Member for Rift Valley, said that five years ago His Excellency said that Government would seize every opportunity to lower the overhead charges of Government, and yet, in 1931, the recurrent actual expenditure was £2,185,330, and the 1937 Estimates had a figure of £2,175,595; that is to say, showing a decrease of £15,000 only. He suggested that that small decrease did not show very much result for a continued five years' effort.

Actually, so far as I can make out from the hon. the Treasurer's Report for 1935, on page 8 his figure is £2,187,640, which would give a difference of £17,000, but whether my figures or his are right does not matter.

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of explanation, I took my figures from Sir Alan Pim's Report.

THE HON. THE COLONIAL SECRETARY: Anyhow, the difference is only £2,000, and that is immaterial. But what is material, I think, is that in these figures there is a £90,000 increase in respect of Public Debt Funded, and £90,000 in

respect of pensions." Well, His Excellency could not conceivably have contemplated impossibilities and suggested that we could reduce either the Public Debt Funded or Pensions, so that the real reductions that are relevant to His Excellency's statement, these real reductions amount to somewhere about £160,000 or £200,000.

LT. COL. THE HON. LORD FRANCIS SCOTT: On a point of explanation, I deducted the Public Debt Funded but not the Pensions.

THE HON. THE COLONIAL SECRETARY: Then I am very much afraid that our figures do not coincide. I have gone into these matters carefully, and as far as departmental expenditure is concerned almost every department shows a decrease. That is a matter that can be settled in Standing Finance Committee, but at the present moment I do not believe my figures are wrong.

The Noble Lord went on to say: "I say we would not have had any reductions in expenditure at all if it had not been for the persistent efforts of members on this side of the House." I am the last person to belittle or under-value the initiative of members on the other side of Council in suggesting to Government economies or suggesting any other measure for good government, for in my view in this Council we are all colleagues, and are, or ought to be, animated by precisely the same ambition; that is to say, to run the Government of this Colony as economically and as efficiently as possible. I know that that viewpoint is apt to be obscured by unnecessary and, to my mind, unprofitable dissensions, but I am quite unable to entertain any other point of view.

Therefore it must be a matter of supreme indifference to me whether some suggestion or recommendation for the good government of this Colony comes from one of my colleagues sitting over there or sitting over here. I am afraid that that is a point of view which does not quite coincide with the conception to which the hon. Member for Nairobi South gave expression yesterday, that we are two political parties sitting opposite each other with apparently unlimited licence to have recourse to what he calls political dodges, but which I should call something very much shorter and far less complimentary!

However, there it is, that is my view, and I am far from undervaluing the efforts that the Elected Members have made for reducing the expenditure of Government. But when it is suggested that those economies were wrung from a reluctant Government, then that is a statement which I do not think I should allow to go unchallenged, even if my only consideration were one of justice to my predecessor and to the Govern-

Reference to Hansard will show that my predecessor, Mr. Moore (now Sir Henry Moore), in 1930, when the depression came upon us, and was realized, immediately seized the opportunity and gave the most rigid instructions to all heads of departments that every sort of economy must be effected. In June, 1931, a paper was laid on the table of this Council showing that already Government had effected economies to the extent of about £150,000 on the sanctioned Estimates for 1931, and the Treasurer's Report for 1931 showed there were savings of somewhere about £230,000, and that these savings could not possibly have been effected but for the rigid policy of economy adopted in 1930 and rigorously and unswervingly pursued during 1931.

I have emphasized this because I think it is a matter of some importance. I do not think that the picture of an extravagant and pig-headed Government, incapable of devising any efforts in a crisis to save itself, and only reluctantly accepting measures for its salvation offered to it by its friends, is a picture that is true to life. And I do not think its constant reproduction lends to it even a specious verisimilitude, and I do not think it is a picture which we should retain permanently in our gallery. It is not an attractive picture, and I do not think a true one. If it is not a true one, I suggest that we should hide it. It is not the kind of thing likely to attract settlers to this place. It would not be much of an advertisement to say, "Come to Kenya, where you will find a magnificent land and find the best of people, but where you will find a most pig-headed and obstinate Government that will stultify every effort you can possibly make."

While still on the subject of economies, I suggest that Sir Alan Pim has done us at least a great service in reporting to the effect that no very great measures of economy are now practicable. In fact he, as I suggest, has vindicated Government's policy, so far as expenditure is concerned, during the last five very difficult years. But it has been said by two hon. members that the economies recommended by him would probably have been greater had he not been handicapped by the Secretary of State's decision on the subject of salaries.

Well, I fully admit that from one statement at least in the Report there might seem to be a good deal of justification for that statement, but a closer examination of the Report I think shows that there is very little, if any, substance in it.

In the first place, his terms of reference in no way debarred or restricted him from examining all our salaries. Secondly, he has, Sir, suggested a reduction in the salary of the Attorney General! There was nothing whatever to prevent him from

suggesting reductions in the salary of every officer of Government exactly as he has done in the case of the Attorney General. But reference to his Report shows that he did go into the question. In paragraph 102, which comes after three or four pages of the history of Administrative salaries, he says:—

"For more normal times, I do not consider that the recently sanctioned long scale of salaries, running from £950 to £1,000, for ordinary members of the Administrative Service, with selection posts of Senior District Commissioner on £1,200 and of Provincial Commissioner on £1,200, is too high considering the importance of attracting candidates of the best type."

That very sentence shows that he did not consider himself in any way debarred from investigating and considering the Secretary of State's own decisions. He has considered them, and come to the conclusion that they are reasonable.

In paragraph 93 he says:—

"It has been the practice in Kenya to co-ordinate the terms and conditions of service of the superior staff in all the major departments with those laid down in the Administrative Service, and it will therefore be convenient to refer more specifically to the history of that Service and more generally to that of other types of officers."

His argument, then, as I see it, is this: "I have examined the Administrative salaries, and I have come to the conclusion that they are all right. Departmental salaries are related to the Administrative Service. The Secretary of State has worked out the relationship between the two, so that it is no good me worrying about that." I had hoped that his Report might have settled this long vexed question as to the salaries of officers of Government.

On the general question of revenue, I gather that there is a widespread feeling that we have under-estimated our revenue. Indeed, I think it was possibly that feeling that led to my interview with the Noble Lord and the hon. Member for Nairobi South. The argument was: "You say you must have income tax to balance the budget. We say, you have under-estimated your revenue; we can easily show you another £100,000 you knew nothing about, so that there is no necessity for income or any other tax." We said: "Of course, if that is so, it is quite a different picture. Let us go to the Standing Finance Committee and thrash it out between us, and see whether it is so or not."

All I can say is that we on this side spent a good many months trying to arrive at what we think represented a reasonable estimate of revenue. I said in my opening speech that

when we go into the Standing Finance Committee there will be fresh data which will be about two months more recent than the data on which we made our estimates, and we may find that these estimates can be altered in one way or the other.

In passing, I should like to make a very mild protest against the speech of the hon. Member for Nairobi North, in which he implored Government to "come off its perch of self-righteous omniscience"; I think those were the words he used. I do not think that in my opening speech I gave him any justification whatever for a stricture of that kind. It is my business to produce Estimates, and I have done so. It is my business to refer them to the Standing Finance Committee, and I am doing so. I do not think there is anything self-righteous about that, and, as for omniscience, I think I said in my opening speech not only was I myself making many proposals for alterations, but, with particular reference to Customs, I definitely foreshadowed that the Estimates might quite likely be subjected to material alteration.

LT.-COL. THE HON. W. K. TUOKEN: On a point of explanation, I am quite satisfied that an examination of Hansard will show that I did not use the term "self-righteous".

THE HON. THE COLONIAL SECRETARY: If the hon. member did not use "self-righteous" I must apologize. I have it written down somewhere, but I may not have it right. If I am wrong, I apologize in advance!

On the subject of revenue, several questions have been asked by hon. members as to what are Government's intentions, and it has been suggested that the statement in His Excellency's speech that Government's intention was to accept the Pim Report as a whole was, to some extent, inconsistent with Government's procedure in referring this vexed question to the Standing Finance Committee. Hon. members wanted to know what Government really meant.

I do not know that I can add a great deal to what His Excellency has said. What he said—he was referring to the Secretary of State—was: "He is of opinion that Sir Alan's recommendations are generally acceptable, and ought to be adopted as a whole. He adds, however, that this opinion is necessarily based on information at present available to him, and is subject to such reconsiderations as discussions in this Council and further examination may indicate to be necessary. He desires me to state that he has no wish to fetter discussion, and that the fact that he is inclined at the moment to accept the Report as a whole will in no way prejudice his careful consideration of any criticism raised during these deliberations."

That is the position as it stands to-day. Government's policy is to accept the Pim Report as a whole, rather on the general grounds that if you call in a doctor and he advises a course, the wise man accepts the whole of it, even if parts are unpalatable. He does not take a part, such as drinking champagne at 11 o'clock in the morning if he likes that sort of thing, and leave out all the unpleasant parts.

So that the general principle of Government's policy is to swallow the Report as a whole—as somebody said, swallow it lock, stock and barrel. If we were to accept only those recommendations which have received unanimous approval, I think we should be left with one only, and that is the employment of local tax collectors. I do not believe there is one single other recommendation that has not come under suspicion or received criticism of some sort or the other. Incidentally, in passing, I would assure the Noble Lord that it is the intention of Government to employ local officers for this purpose under the local terms of service. (Hear, hear.)

That is Government's intention, but the Secretary of State has said that he wants to hear what we have got to say. He does not want to fetter discussion; he does not want to stifle criticism. Therefore, we go to the Standing Finance Committee, and we wait until that Committee has advised this Council, and wait to see what the Council has got to say about the Report.

While on the subject of general questions concerning revenue, Government has been criticized for inserting a second term of reference into Sir Alan Pim's instructions. It has been said that he was wanted only to look into the question of expenditure and not to say anything about revenue at all. I think it was the most natural thing in the world for Government to have added that term of reference.

In the first place, expenditure and revenue are so inter-related that it is almost impossible to consider the one without the other. Secondly, I remember at the time the common talk was, "Let us get Sir Alan Pim out here to do for us what he did for Zanzibar." In his Zanzibar terms of reference there was a special term instructing him to look into the system of taxation. Similarly, in his terms of reference for his British Honduras investigation, he was told to try and find some way to remedy the financial situation, whether by reduction in expenditure or by increased revenues. It never occurred to me that he was wanted to do anything else here, and that his terms of reference were to be restricted to expenditure.

In the first place, if that had been the case, it is improbable that the Secretary of State would have asked him to come out here, and if he had been asked it is improbable that he

would have accepted. If he had accepted, suppose we had said to him:—"You come and tell us what to spend, but don't dare say a word about revenue; because it is not your business." He might easily have said, "You ought to spend another £25,000 maintaining your roads, you must give the hon. member Mr. Pandya his all-weather road from Mombasa to Lamu which I understand will cost £75,000 to £100,000, you must have a hospital at Nanyuki and Rumuruti, and you must repair your public buildings." So that he might easily have increased expenditure by about £200,000, and concluded his Report by saying, "It is no business of mine where you get the money." I do not think that would have helped us very much. Nor do I think that Government is vulnerable for having added that second term of reference to Sir Alan's instructions.

In any case, Sir Alan Pim had already recommended against income tax for Zanzibar, so that Government cannot be accused of loading the dice in favour of its own opinion on the subject of income tax when asking him to advise us when he had already published to the world the fact that he did not think it suitable for Zanzibar. If we thought anything, we must have thought it likely that he would advise against it here. But what Government wanted, what it believed the country wanted, what it still wants and believes this country still wants, is some sort of finality. Therefore we said, "Let us get him here; he is a man of tremendous experience, he has helped all sorts of other colonies, let him come here and say what he likes. If he says income tax is the wrong thing for us, let him." But nobody can say that Government in any way loaded the dice in its own favour.

The Noble Lord quite fairly and appropriately quoted from the Pim Report on Zanzibar a whole lot in the way of the difficulties in introducing income tax there. That was quite proper, and the difficulties are admitted. But I suggest that those who support income tax might perhaps quote the same words with even greater effect on their side, for they would say: "Here is a man who has realized all the difficulties, who must be supposed to have a natural inclination to advise against income tax, but still, having taken all into consideration, in view of the special conditions existing in Kenya, has still, in spite of all that, recommended income tax for this Colony." Therefore this recommendation comes from a man not prejudiced in favour of income tax; not what we call a die-hard income tax man, who thinks it is the panacea for all ills, but who rather does not like the tax and knows how difficult it is, but still thinks he has got to recommend it for this Colony. (Hear, hear.)

A general commission of inquiry has been recommended, and I have been asked to say that Government supports this straight away. I am afraid I cannot. We have not had time to consider all its implications yet, we do not know whether the other territories will agree, or what the terms of reference will be. I am not going to say that Government is going to oppose it, but I cannot say that Government will support it at the present moment; it may or may not. But there is one general point of view, and that is: I think that many people in this country have had about enough of commissions. (Hear, hear.)

We are rather tired of commissions, and we did hope that the Pim Commission was a commission to end commissions. (Hear, hear.) And it is a little disappointing to find now that there is a very strong body of reputable opinion who think we have got to start pretty well all over again, and that the Pim Commission really has not helped us much.

There is another point which has been raised, and that is, to say whether we can have income tax in this Colony without it being introduced simultaneously into the other territories. Sir Alan Pim makes no secret of the fact that it would be far better if it were introduced in all the territories together. Everybody knows that a few years ago the other territories were in favour of the tax and were quite prepared to introduce it. It is no business of mine to say what their views are now, but I am authorized to say this: that if this Colony does introduce income tax, the neighbouring territories will help us, by legislation if necessary, to see that facilities for evasion of the payment of our tax are at least reduced to a minimum. They are prepared to introduce legislation, if legislation is necessary, to prevent our people evading their civic obligations.

I now come to some particular and special points.

The Noble Lord said that in the budget there were no indications as to economies in departments other than in the Game, Prisons, and Public Works Departments. I did suggest that when we came to the Standing Finance Committee we could show, and probably would, considerably more savings in respect of the Administration. Since I made that statement, it has become more obvious that we can show considerably greater savings. We have not worked out the figure yet, but we have had two resignations and one death—of a very fine officer whose loss we all greatly deplore—and another officer has been promoted. I am sure hon. members will be glad to hear that Mr. Troughton, a former Clerk of this Council, has been given a job at home. (Applause.) And so on, so that I think the figure, when we have been able to work it out, will show a very considerable reduction under the head of Adminis-

The Noble Lord also asked whether the squadron of the Royal Air Force to be stationed in Kenya would be paid by this Government or the Imperial Government. The cost will be met by the Imperial Government, except for some expenses of landing grounds which we shall probably have to meet.

The Noble Lord next referred to the allowance to Elected Members. I can assure him that he was perfectly right in assuming that it was a complete inadvertence on my part that the restoration to the proper figure had not been made. No reasonable person can possibly say that £3 a day is an excessive allowance for members of this Council, considering their responsibilities on the one hand and the fact that they have to leave their businesses and farms on the other. No reasonable person could possibly say that sum was excessive in any way at all. I certainly will take the first steps to propose in Standing Finance Committee that the allowance be restored to the proper figure. I must apologize to the Noble Lord that he had to bring this forward himself. It ought to have been done by me, and I am grateful to him for bringing it to my attention.

The hon. member Mr. Pandya apparently does not like any taxes, wants a lot of remissions, and at the same time wants more medical facilities, better agricultural and veterinary services, and an all-weather road between Mombasa and Lamu, the last costing from £75,000 to £100,000. I have the fullest sympathy with every one of his ambitions, and I shall listen with great interest to his exposition in Standing Finance Committee as to how he will balance the budget and at the same time include all these items. (Laughter.)

Now I come to the hon. and venerable member Archdeacon Burns, and I am going to spend a certain time on one subject that he raised; that is, detention camps. The hon. member said:—

"I do not want to speak about these detention camps, because they are a very sore point with me. They are a nuisance to the whole Colony. I cannot see that they are of any benefit to the country. I entirely agree that detention camps should be done away with."

Detention camps were introduced as a result of the Punishment Commission which was appointed by Sir Edward Northey in 1921 and reported in 1923. I think the following extract from that Report is of sufficient interest for me to read:—

"The Commission's attention was directed to a large increase of late years of what may be called technical offences which involve no moral turpitude and which are very largely punishable by imprisonment. As examples of this form of offence, during 1923, 2,187 were punished

under the Master and Servants Ordinance, and 3,872 under Revenue, Municipal and other laws affecting the social economy of the Colony; a very large proportion of these convictions were for non-payment of hut tax, i.e. 2,216. At present a large number of natives are sentenced for breaches of the Native Registration Ordinance; in 1922, there were 2,764 convictions. All of these convictions were not accompanied by imprisonment, but imprisonment was inflicted in many cases.

"The Commission feels that imprisonment for many technical offences is a great mistake; fines should ordinarily be imposed, and care taken to see that if possible they are collected. In default of fine it is suggested that periods of detention be inflicted, the detention to consist of an obligation to live in a place allotted for the purpose and to work not as a prisoner surrounded by guards but on parole for a Government department. This plan would, it is believed, be practical in out-stations, but possibly not in large townships such as Nairobi and Mombasa. Its result would be to render such convicts free from any chance of contamination through association with criminals in gaols."

As a result of that report, the Detention Camps Ordinance was introduced and passed. I would recommend the hon. and venerable member to read Hansard, 1925, pages 504 to 507. He will see that every single member in this Council who spoke approved of the principle thoroughly, and among them was the hon. member's predecessor, Dr. Arthur, who welcomed the proposal as a very great step in the right way, as a great and progressive reform, just as did the late Lord Delamere and other speakers.

When we consider that these detention camps were brought into being as the alternative to imprisonment, and that thereby these people who have offended against some of the local Ordinances—possibly riding a bicycle without a number or no tail light, or possibly doing something or other without the licence they ought to have, or not paying their hut tax—when we consider that they, by this measure of reform, were separated from the real criminal and that by this measure the object was achieved of keeping them away from contamination and so breeding real criminals. I think we must admit that we did achieve a real measure of reform. (Hear, hear). It is a measure of which we have every reason to be proud.

Very few human institutions are perfect in their working, and I do admit that lately, probably owing to this depression and reluctance, or inability, to pay taxes, numbers have got rather greater than an inexpensive organization can deal with.

but I would ask the hon. and venerable member not to abandon the principle we all believe to be sound, which, in fact, we know to be sound, and has brought about a very valuable reform; not to abandon that principle because in practice it is a little difficult to put into effect. I certainly hope that with a return to prosperity the number of detainees will rapidly decrease. That is my hope; but I certainly would not subscribe to his policy of doing away with detention camps throughout the Colony.

VEN. ARCHDEACON THE HON. G. BURNS: As a matter of explanation, Sir, what I meant to say, and what I still mean, is that the detainees in these camps should be given such work as will be more profitable to the country and make their detention in the camps a little more distasteful to them.

THE HON. THE COLONIAL SECRETARY: That is exactly what I meant when I said that the numbers of detainees are outstripping the organization. If you have 10 or 12 detainees in a station it is quite easy to find them work under the station headmen or tribal policemen, but when that number is increased to 250 and they are inadequately supervised and there is not enough money to increase the supervision—that is what I meant when I said the numbers had become more than it was found easy to deal with.

The hon. member Dr. Wilson expressed disappointment that the result of the Tax Inquiry Committee was a negative one; that is to say, no better system had been found than the system which is in existence. I assure the hon. member that the hon. the Chief Native Commissioner, as well as myself, and everyone who has had anything to do with it, share that disappointment, but we have been trying for years. We know perfectly well that the hut and poll tax is not a perfect system, and would like to have a better one. We have tried hard, and, if the hon. members cares, I will show him file after file, memorandum after memorandum, and pages and pages of figures, to show how we have considered different systems, and, if he can find us a better one than the existing one, the hon. the Chief Native Commissioner will be just as grateful as I will be.

The hon. Member for Mombasa, I think it was, asked the question as to why Appendix O was not included in these Draft Estimates. Appendix O is a statement of the accounts of the water works up to the end of the year; that is, the 31st December. It therefore cannot appear, and never has appeared in the Draft Estimates; only in the final Estimates as approved by this Council as on the 31st December of any year.

The hon. Member for Kiambu referred to the question of compulsion, and, if I understood him aright, wanted to know whether Government was prepared to use compulsion in connection with the Masai cattle, and why we had not done it in view of Sir Daniel Hall's Report. That has to some extent been answered, but I can answer it rather more definitely. The whole point is that we do not like to use compulsion until there is an outlet. It is rather hard to go to a fellow and say, "Destroy that bit of property." He may value it a great deal. But as soon as we get Messrs. Liebigs' plant here we can say, "You must either destroy that bit of property or sell it for a fair market value." That is a fair proposition to put to him, and he can do as he likes about it. When Liebigs are established we shall have every justification for using compulsion. But whether compulsion or not will be necessary is a matter of opinion; none of us can tell at the present moment, but the indications are that it will not be necessary.

There has been a considerable change in the native mentality during the last few years, and they are, I think, far more ready to sell stock now than they were a few years ago, if they can get what they consider a fair price for it.

And, incidentally, during the interval, I was told of an account of what happened at the previous visit of Liebigs. Well, there is a different version of that. I am given to understand that they came out here and had a look, and found in those days that the natives would not sell their cattle under some perfectly exorbitant price; £5 or £10 has been mentioned to me, so they found they could not possibly buy stuff at reasonable prices unless Government exercised compulsion. This Government certainly would not, certainly not with the Masai. In those days compulsion might have involved all sorts of things, like patrols of the K.A.R., which would be far more expensive. Anyhow, Government was not prepared to exercise compulsion on the natives to sell stock, and so Liebigs went home. The situation is now very different.

I come to the hon. member Dr. de Sousa, who seems to have read into the Report of the hon. the Director of Medical Services a suggestion that because education imposed certain strains on Africans, Africans should not be educated. There is not the slightest justification for any such inference. The hon. the Director of Medical Services was speaking of a fact which I thought was known to every layman. I am surprised to learn that it is hidden from a learned doctor. That is to say, education all over the world imposes certain strains on people. The Director was, quite properly and in a valuable way, pointing out that our natives are subject to such strains, and was

On the subject of the training of Indian girls as nurses, I understand the hon. the Director of Medical Services will be only too pleased to do this as soon as he has got the necessary facilities. He first wants the facilities, and it is hoped the new group hospital will provide them.

The hon. member objected to African dressers administering anaesthetics. Usually it is done only for jaws. The Director of Medical Services offers no apology whatever for this. It is the general practice, and by no other means could the Colony have been relieved to the tremendous extent it has been relieved from this dreadful scourge. It does not take a medical officer to realize what an enormous incalculable improvement there has been in the state of the native health in respect of this one disease in the last twenty years. Any Administrative officer must have seen it; I am perfectly certain my hon. friend the Member for Nyanza must have noticed it, as well as anybody who knows anything about the Kikuyu country. Everyone here has noticed the tremendous difference that has come about because native dressers are allowed to do the injections.

On the subject of school medical inspections, I am told that these inspections have been in abeyance for reasons of economy. This does not apply to the Indian schools only, but to the European schools as well. I rather expect the Director of Medical Services will reintroduce them as soon as circumstances permit.

Another complaint was that there were no facilities for training Indian youths as compounders and sub-assistant surgeons. As hon. members know, the compounding work is perfectly well done by Africans, and they are the right people to do it. As to the training of sub-assistant surgeons, the Director tells me that this is not done here because it is better for the Indians to go overseas to where they can obtain degrees which would enable them to practice throughout the British Empire. That is to say, as I understand it, it is not worth training only up to the position of sub-assistant surgeon, but that it is better for them to obtain degrees after more comprehensive training.

I am coming to one point in which I have the deepest sympathy with the hon. member Dr. de Sousa. That is to say, his complaint that African male dressers are present when Asian ladies are operated on. I do assure him that I do deeply sympathize with him and feel that he has a case. I do not, however, think the case is as bad as it perhaps seems at first sight. In the first place, there is always a European nursing sister present at an operation; secondly, although the African dressers are male dressers, they are men of experience and just as good a class of people, just as are the

surgeons who perform the operations, and I am told they do their work remarkably well.

The alternative would be to have Indian nursing sisters, which would be very expensive, and it is not at all certain that the same high standard of efficiency could be maintained. I understand that since his speech the hon. member has had a conversation with the hon. the Director of Medical Services, and that they are trying to work out some solution of this problem which I hope the hon. member will realize both of us appreciate is a real one.

Another complaint of his, coming away from the medical, was that there is dissatisfaction among the Asian staff of the Government Service in the matter of transfers. He seemed to think that because a man might have had 20 years' service in out-stations that fact gave him a claim to be stationed at headquarters. In our Administrative Service one has to serve wherever one is sent without complaint, and I certainly could not think, for a moment of accepting the contention that 20 years' service in an out-district gave a man a right to come into Nairobi or Mombasa. At the same time, I will give the hon. member an undertaking that I will go into the question of transfers to see if I can find any instance in which a man has been hardly or unjustly treated.

I come to a very difficult point raised by the hon. Member for Usain Gishu; that is to say, the Resident Native Labourers Ordinance. He wanted to know when something was going to be done about it.

I had better come out straight into the open and say that the difficulty is to find land for the squatters who will be returned. They have lost their right to land in the Kikuyu country, and at the present moment we cannot see our way. But only yesterday I gave instructions that as soon as this debate was over I would have a meeting to see what could be done, and I very much hope that the representatives of the White Highlands will attend that meeting, when we will put all the facts before them and ask for their advice as to what we can do about it. That meeting, I hope, will take place in the next day or two.

The hon. member Mr. Isher Dass asked a question to which I have got to reply, and that is whether it is proposed to nominate an Indian member to Nairobi District Council. I admit that he has a strong case. In 1934 Government definitely gave an answer in this Council that it was proposed to nominate an Indian member in due course. That is in accordance with the policy of the Beetham Commission and

These appointments are made by the Governor, and whenever they come up for consideration the Governor has to decide. Nothing has happened up to date to alter the existing situation and he has not made the appointment. The last answer that was given was that "the Governor as at present advised does not contemplate making this appointment in the near future." I can only say that since that reply nothing seems to have happened to have changed the situation. And there it is!

The hon. Member for Nairobi North mentioned an item, the grant to the Royal Agricultural and Horticultural Society. I have seen the authorities of that Society on the matter, and I have assured them that I propose to bring up the necessary alteration when the Estimates go to the Standing Finance Committee; that is, not an alteration of the amount of money but its allocation for a definite purpose.

The hon. member also asked whether District Officers are provided with test weights and measures when they go round inspecting. All I can say is that I will take the matter up with the Commissioner of Police and see what the position is and whether it wants remedying.

He asked whether we really expect a reduction of £2,000 under the head, Land Sales. I have inquired of the Land Department, and I understand the reduction is due to this: that the instalments on account of previous sales are gradually petering out; that is, they are gradually being completed. Most of the really valuable land in the country has already been sold, there is not a great deal of valuable land left to be sold, and it is not expected that the new sales will quite compensate for the ones that are now being completed. That, I believe, is the right answer.

The hon. Member for Ukamba mentioned a very important point indeed, paragraph 254 of the Pim Report, and asked if Government proposed to take any notice of his warning against overproduction in the native reserves. That is a most important paragraph, which Government most certainly will take notice of, and have done so long before the Pim Report came out. We have a Standing Board of Economic Development, and months ago we sent out a circular to nearly every body concerned, a circular asking for every kind of detail as to facts about soil erosion and deforestation. We have now got a mass of information which is being circulated around the Board, and in due course I hope that that information will be collated and that we shall issue a statement about it, with advice as to what ought to be done. That does not mean that there is hardly a

everybody is concerned to try and preserve the soil. So that I can assure the hon. member that that paragraph is engaging the earnest consideration and attention of Government.

As to the figures about revenue that were mentioned by the hon. Member for the Coast, I have to confess that I am not quite clear as to the position myself, and I think it would be better really to wait until the Standing Finance Committee can go into it and clear up the point. But I have a note that has been passed to me by the hon. the Treasurer, in which he says, "The figures required by the hon. Member for the Coast will be found in column 10 of the statement appearing on page 11 of the Estimates. If he will take the total of Heads 1 to 10 inclusive, and Head 19, he will find that the estimated revenue for 1937 under the heads which were presumably alluded to by him exceeds the revised Estimate"—I take it that is for 1936—"The Treasurer: Yes."—"by £13,320." As I say, I am not clear about the position, but in Standing Finance Committee we can clear it up easily.

MAJOR THE HON. E. S. GONAN: On a point of explanation, I did not ask for figures—I merely used the Treasurer's figures!

THE HON. THE COLONIAL SECRETARY: The hon. Member for Nairobi South asked me to give a definite statement that I would accept, on behalf of Government, the land policy which the hon. the Acting Commissioner for Local Government, Lands and Settlement outlined in this Council. I cannot do that at the present moment. I think he is asking me to go too fast! I have approved the reference of it to the Land Advisory Board. I cannot prejudice their decision. When they give their recommendation then presumably it will come up for the approval of the Governor in Executive Council.

But, as the hon. the Commissioner for Lands himself said, I had something to do with the initiation of it, because I went to Nyeri and had a talk with people there, and came to the conclusion that the position was not entirely satisfactory. Directly I came back, I saw the hon. the Commissioner and said I wished him to go to Nyeri and find out whether it was satisfactory or not. I asked him, "Are you satisfied with your land policy?" He went, and produced this scheme, so that I can say that, as far as I am concerned, it has my fullest sympathy. (Hear, hear.) That does not mean that I can commit Government to its acceptance; at any rate, until we have had the advice of the Land Advisory Board and it has been considered in Executive Council.

The hon. member also asked me to agree to the appointment of a committee to consider pre-empting of leasehold titles. I have not had time since that proposal was made to see the

papers or find out what the position is, so I do not know whether I should accept or not. I would suggest that the simplest thing is for the hon. member to ask a question to-morrow or the next day—Does Government intend to appoint a committee, or will they?—and I will give him an answer.

I want to thank the hon. member for his defence of the Departments of Police and of the Attorney General. It was a kindly thought of him to do it, and obviously we appreciate it very much, coming from that side of Council much better than if I had done it myself.

There is one point to which I allude with some diffidence, and that is: we are asked how we can recommend that the levy shall come off from the 1st October while at the same time Government has not accepted the proposal to grant a £3,000 subsidy for maize farmers?

Put that way, it does not at first sight look too well! (Laughter.) On the other hand, I do really hope that hon. members will look at it a little more closely, and I do not think the two things are logically connected. The levy, if we take it off at all, will be because we think it a matter of simple justice to do so. That is the only reason. The other is a matter of economics, or a matter of generosity, or a matter of subsidy, or something of that kind. But I do not think it could really be argued that it is a matter of justice. If we do it, it would be out of sympathy or *ex gratia*, or something of that kind.

CAPT. THE HON. H. E. SCHWARTZ: On a point of explanation, may I remind the hon. member that the hon. the Acting Commissioner for Local Government asked us to agree to the levy coming off on the 1st October as a mark of gratitude? (Laughter.)

THE HON. THE COLONIAL SECRETARY: I acknowledge that the hon. member has made a very good point! (Laughter.) Now I come to some questions perhaps not too easy.

Do I consider, in view of what has been said, that the deliberations in Standing Finance Committee will be conducted in an impartial manner? I do not know that I can say very much more than "I hope so." The hon. member himself has said that he goes into committee with a predilection against income tax, and presumes I go in with a predilection for income tax. Human nature being what it is, it is difficult for either of us to cast aside those predilections and go in with either on which there is nothing written. All I can say is that I hope we shall be able to discuss matters impartially and with minds as open as we can produce. I do not think I can go further than that.

The hon. member referred to the surplus which we hope will eventuate by the end of 1937, and he said I should take some account of a surplus that I know will be there. Well, I think the point is that I do not know, it will be there, though I sincerely believe and hope it will be there. If it is there, I think we cannot forget that it will be wanted for some of those deferred commitments that the hon. the Treasurer has mentioned.

It is not a matter of building up large surplus balances but of meeting deferred commitments, and, as I said in my opening speech the other day, if we have a deficit we have to meet that from our surplus balances; if we have a surplus, as we hope we will, that does not just go into a till and stop there for ever. There are plenty of uses for that surplus, and it is a surplus for which I cannot see any way of estimating. He himself suggested a way on the expenditure side of meeting the situation, by having recourse to special warrants. Under our Instructions, special warrants may only be issued for unforeseen expenditure. The authority given by this Council for expenditure during 1937 ~~is~~ under Colonial Regulations, the authority for the full amount that we expect to spend on foreseen services, so that it is really wrong and really dishonest to keep something up our sleeve which we know we ought to have, believe we have got to have, and then say, "Oh, well, we won't put this into the Estimates; it won't look too well; we will wait until we have got in the money and then have a special warrant."

It is against our regulations, although I do not suppose our regulations are always regarded with that complete reverence which is demanded of us on this side of Council!

As to the renewals of water works, I merely take the advice of my hon. friend the Treasurer that it is proper finance, and finance we should not be justified in deferring any more.

I hope, Sir, that I have answered most of the questions which were put to me. I quite realize I may have failed to give satisfactory answers in many cases, but one thing I would ask hon. members to believe, although I am not quite certain that I shall succeed. It is that these Estimates are framed without any political dodges, without any ulterior motive. They were framed quite honestly on the material before us and the figures we put in are figures we believe to be the right ones, or we believed at the time we put them in to be the right ones, although I quite see that in view of what has happened since they may be altered in accordance with the recommendations of the Standing Finance Committee. (Applause.)

The question was put and carried.

*Council adjourned to 10 a.m. on Wednesday.
the 18th November, 1936.*

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28th October, 1936 to 5th January, 1937.

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