

# KENYA NATIONAL ARCHIVES

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Covering Dates 21st April, to 4th June, 1954. and 14th July, 1954.

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COLONY AND PROTECTORATE OF KENYA

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# LEGISLATIVE COUNCIL DEBATES

OFFICIAL REPORT

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10th COUNCIL INAUGURATED  
JUNE, 1952

VOLUMES LX & LXI

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1954

THIRD SESSION — THIRD SITTING  
21st April, 1954, to 4th June, 1954

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THIRD SESSION — FOURTH SITTING  
14th July, 1954

# List of Members of the Legislative Council

## *President:*

HIS EXCELLENCY SIR FREDERICK CRAWFORD, K.C.M.G., O.B.E.  
*Acting Governor*

## *Vice-President and Speaker:*

HON. W. K. HORNE

## *Ministers:*

- \*ACTING CHIEF SECRETARY (THE HON. C. H. HARTWELL)
- MINISTER FOR LEGAL AFFAIRS (THE HON. J. WEYATT, Q.C.)
- MINISTER FOR FINANCE AND DEVELOPMENT (THE HON. E. A. VASEY, C.M.G.)
- MINISTER FOR AFRICAN AFFAIRS (THE HON. E. H. WINDLEY, C.M.G.)
- MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES (MAJOR THE HON. F. W. CAVENDISH-BENTINCK, C.M.G., M.C.)
- MINISTER FOR INTERNAL SECURITY AND DEFENCE (THE HON. R. G. TURNBULL, C.M.G.)
- MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING (THE HON. W. B. HAVELOCK)
- MINISTER FOR EDUCATION, LABOUR AND LANDS (THE HON. J. M. STOW, C.M.G.)
- MINISTER FOR FOREST DEVELOPMENT, GAME AND FISHERIES (THE HON. L. R. MACNOCHIE-WELWOOD)
- MINISTER FOR COMMERCE AND INDUSTRY (THE HON. A. HOPE-JONES)
- MINISTER FOR WORKS (THE HON. VAZIER I. E. NATHOO)
- MINISTER FOR COMMUNITY DEVELOPMENT (THE HON. B. A. OHANGA)
- EUROPEAN MINISTER WITHOUT PORTFOLIO (THE HON. M. BLUNDELL, M.B.E.)
- ASIAN MINISTER WITHOUT PORTFOLIO (THE HON. A. B. PATEL, C.M.G.)

## *Nominated Members:*

- THE HON. T. F. ANDERSON, O.B.E., M.D. (Director of Medical Services)
- THE HON. D. L. BLUNT, C.M.G.
- THE HON. T. C. COLCHESTER (Secretary for Health, Lands and Local Government)
- THE HON. C. H. G. COVENTRY
- THE HON. M. H. COWIE
- THE HON. G. M. EDYE
- THE HON. E. N. GRIFFITH-JONES, Q.C. (Solicitor General)
- THE HON. S. D. KARVE, O.B.E., M.B., B.S.
- THE HON. CHIEF U. MUKIMA
- THE HON. I. OKWIRY, M.B.E.
- THE HON. E. J. PETRIE (Secretary to the Treasury)
- THE HON. SIR EBOO PIRNIAH, O.B.E.
- THE HON. J. L. RIDDOCH, O.B.E.
- THE HON. G. M. RODDAN (Director of Agriculture)
- THE HON. SHEIKH MBARAK ALI HENAWY, O.B.E.
- THE HON. G. A. TYSON, C.M.G.
- THE HON. W. J. D. WADLEY (Director of Education)

\* The Hon. E. A. Vasey, C.M.G., was Acting Chief Secretary from 21st April, 1954, to 31st May, 1954.

*European Elected Members:*

GROUP CAPTAIN THE HON. L. R. BRIGGS (Mount Kenya).  
THE HON. S. V. COOKE (Coast).  
THE HON. W. E. CROSSKILL (Mau).  
LT.-COL. THE HON. S. G. GHERSIE, O.B.E. (Nairobi North).  
LT.-COL. THE HON. E. S. GROGAN, D.S.O. (Nairobi West).  
THE HON. N. F. HARRIS (Nairobi South).  
THE HON. R. C. J. LETCHER (Trans Nzoia).  
THE HON. LADY SHAW (Ukamba).  
THE HON. MRS. A. R. SHAW (Nyanza).  
THE HON. H. SLADE (Aberdare).  
THE HON. C. G. USTER, M.C. (Mombasa).

*Asian Elected Members:*

*Non-Muslim:*

*Muslim:*

*Central Electoral Area:*

*East Electoral Area:*

THE HON. C. B. MADAN.

THE HON. S. G. HASSAN, M.B.E.

THE HON. B. GATHANI (Acting).

*Western Electoral Area:*

THE HON. J. S. PATEL.

*Arab Elected Member:*

THE HON. SHEIKH MAIPOOD S. MACKAWI

*Representative Members:*

*African:*

*Arab:*

THE HON. W. W. W. AWORI.  
THE HON. M. GIKONYO.  
THE HON. J. JEREMIAH.  
THE HON. E. W. MATIU.  
THE HON. J. M. O. TAMENO.

THE HON. SHERIFF ABDULLA SALIM.

*Clerk of the Council:*

A. W. PURVIS

*Clerk Assistant:*

H. THOMAS

*Reporters:*

MRS. P. HUBBARD.  
MISS E. M. VAIL.  
MISS S. WESTCOTT.  
MISS S. E. FARDELL.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

TENTH COUNCIL

THIRD SESSION—THIRD SITTING

Wednesday, 21st April, 1954

The Council met at Ten o'clock.

(Mr. Deputy Speaker in the Chair)

PRAYERS

ADMINISTRATION OF OATH

The Oath of Allegiance was administered to the following Members:—

Mr. B. T. Gathani.

Mr. J. M. Stow, C.M.G.

Mr. R. G. Turnbull, C.M.G.

COMMUNICATION FROM THE CHAIR

SECRETARY OF STATE'S REPLY TO LOYAL ADDRESS

THE DEPUTY SPEAKER: Her Members, it will be within your recollection that on the 16th February, on the occasion of the opening of this new Chamber, a Loyal Address was moved and presented to His Excellency the Governor. Contained in that Loyal Address was an expression of undivided loyalty to Her Majesty and to the Throne.

I have been instructed to convey to hon. Members through the Secretary of State an expression from Her Majesty the Queen of her appreciation and her sincere thanks for that expression of loyalty to Members of this House.

PAPERS LAID

The following papers were laid on the Table:—

East African Statistical Department Annual Report, 1953.

East African Medical Survey, Annual Report, 1952.

East African Income Tax Department Annual Report, 1953.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT for the Acting Chief Secretary)

Report on the Incidence of Destitution among Africans in Urban Areas.

(BY THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING)

Transport Licensing Board Annual Report, 1953.

The Geology and Mineral Resources of Kenya.

(BY THE MINISTER FOR COMMERCE AND INDUSTRY)

ORAL ANSWERS TO QUESTIONS

QUESTION No. 38

Mr. H. SLADE (Aberdare) asked the Minister for Finance and Development to state:

When was building of the Police Station and European and African Inspectors' houses at South Kinari-gop commenced, and when will it be completed?

What is the estimated cost of these buildings?

What extra expense and delay have been incurred by bringing stone from Naivasha instead of cutting locally, and/or by bringing artisans and labour daily from Naivasha instead of housing them locally?



THE MINISTER FOR FINANCE AND DEVELOPMENT (on behalf of the Acting Chief Secretary): Preliminary works were started on the Njabini (South Kinangop) Police Station and living quarters in June, 1953, but full construction had to be deferred till September. It is expected that the buildings will by now be completed.

The estimated cost of these buildings is £6,374.

It is not anticipated that any material additional expense or delay will have been incurred by bringing stone or labour from Nalvasha. The original estimate was £6,360.

MR. STADE: Arising out of that answer, could not the same work have been done very much more cheaply by cutting stone locally and by employing artisans as labour locally instead of bringing them some twenty-five miles from Nalvasha every day?

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, the reasons why labour and stone were brought from Nalvasha are that the labour refused to live at Njabini owing to the activities of the *Mau Mau* organization in that area. Stone was brought from Nalvasha in order to reduce the number of labour to be brought to that site to the minimum; It also saved time. In addition such stone quarries as exist in that area were fully conscripted for production for the *Sasama* Dam.

MR. STADE: Is it not a fact that large numbers of labourers are living on the *Sasama* Dam without objection to the activities in that neighbourhood?

THE MINISTER FOR FINANCE AND DEVELOPMENT: It may be so; I can only deal with the position at the Njabini end.

MR. COOKS (Coast): Have we to understand that Government cannot undertake to protect its labour in a civilized place like Njabini?

THE MINISTER FOR FINANCE AND DEVELOPMENT: Could be, Sir.

## QUESTION No. 81

MR. M. GICHOIO (African Representative) asked the Minister for Education, Labour and Lands:—

- How many African children were admitted into primary schools in 1953 and 1954 respectively?
- How many of those were admitted into intermediate schools?
- How many were admitted into secondary schools?
- How many were admitted into Makerere during the same period?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS:—

- In 1953, 99,508 African children were admitted to primary schools. The figures for 1954 are not yet available, as statistical returns are not submitted until after the second school term in each year.
- In 1953, 8,100 African children were admitted to intermediate schools. In 1954 it is estimated that all the 10,230 places available have been filled.
- In 1953, 616 African children were admitted to secondary schools. In 1954 it is estimated that 623 have been admitted.
- In 1953, 49 Africans from Kenya were admitted to Makerere. In 1954, 51 Kenya Africans have been admitted.

## QUESTION No. 91

GROUP CAPT. L. R. BRIGGS (Mount Kenya) asked the Acting Chief Secretary to state:—

If Government will give an assurance that Members of Legislative Council will be informed when members of Her Majesty's Government are visiting their constituencies in an official capacity?

THE MINISTER FOR FINANCE AND DEVELOPMENT, on behalf of the Acting Chief Secretary: I assume that by "members of Her Majesty's Government" the hon. Member for Mount Kenya means members of Her Majesty's Government in the United Kingdom. I can assure the hon. Member that the Government will advise Members of Legislative Council of the area concerned when any such persons are to visit their constituencies in an official capacity.

GROUP CAPT. BRIGGS: Mr. Deputy Speaker, Sir, arising out of that answer,

[Group Capt. Briggs]

will the hon. Member say why I was not informed in regard to the visit of Her Majesty's Secretary of State for the Colonies during his recent visit to my constituency?

THE MINISTER FOR FINANCE AND DEVELOPMENT: With all due respect to the hon. Member, that does not arise out of this question. The hon. Member's question deals with the future and I have given an assurance on behalf of the Government that that will be done.

MR. MATHU (African Representative): Arising out of that reply, Mr. Deputy Speaker, Sir, could the hon. Member give an assurance that "Members of Legislative Council" means all Members of Legislative Council and "constituencies" means all constituencies?

THE MINISTER FOR FINANCE AND DEVELOPMENT: If my hon. friend will read the reply that I gave, it was that "I can assure the hon. Member that the Government will advise Members of Legislative Council of the area concerned".

## BILLS

## FIRST READINGS

*The Coffee Industry (Amendment) Bill*—(The Director of Agriculture)—Order for First Reading read—Read the First Time—Ordered to be read a Second Time tomorrow.

*Local Loan and Conversion Bill*—(The Minister for Finance and Development)—Order for First Reading read—Read the First Time—Ordered to be read a Second Time tomorrow.

## ADJOURNMENT

THE DEPUTY SPEAKER: Hon. Members, that concludes the Orders of the Day. Council will now adjourn until 9.30 a.m. tomorrow morning.

*Council rose at fifteen minutes past Ten o'clock a.m.*

Thursday, 22nd April, 1954

The Council met at thirty minutes past Nine o'clock.

[Mr. Deputy Speaker in the Chair]

## PRAYERS

## PAPERS LAID

The following Papers were laid on the Table:—

The Immigration (Control) (Exemption) (Amendment) Regulations, 1954.

(By THE MINISTER FOR LEGAL AFFAIRS)

Report by the Public Accounts Committee on the Colony's Accounts for 1951.

(By MR. M. BLUNDELL)

## \*ORAL NOTICE OF MOTION

MEMBERSHIP OF STANDING COMMITTEES

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:

BE IT RESOLVED that the following changes be made in the membership of the Committees set up by the Council on 21st October, 1953:—

## Sessional Committee

Hon. Lady Shaw in place of Hon. M. Blundell, M.B.E.

Hon. N. F. Harris in place of Hon. W. B. Havelock.

Hon. C. B. Madan in place of Hon. A. B. Patel, C.M.G.

Hon. S. G. Hassan, M.B.E., in place of Hon. Vazier I. E. Nathoo.

## Estimates Committee

Hon. S. G. Hassan, M.B.E., in place of Hon. Vazier I. E. Nathoo.

Hon. W. W. W. Awori in place of Hon. B. A. Ohanga.

## Public Accounts Committee

Hon. S. G. Gheris, O.B.E. (Chairman) in place of Hon. M. Blundell, M.B.E. (Chairman).

## ORAL ANSWERS TO QUESTIONS

No. 82

Mr. COOKE asked the Acting Chief Secretary to state:—

With reference to the Emergency (Amendment of Laws) Regulations, Government Notice No. 413/1954—

(a) On whose recommendation was it laid down that a Blue Identity Card should be produced before a firearms licence for 1954 could be issued?

(b) Was Executive Council consulted before the regulation to that effect was promulgated?

(c) On whose suggestion was this regulation subsequently modified?

(d) Will Government give the assurance that in future no regulation that is likely to be needlessly provocative shall be promulgated unless absolutely necessary?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:—

(a) This decision was taken by the Colony Emergency Committee on the 23rd February, on the recommendation of the Deputy Director of Operations Committee, based on the report of a Working Party set up by the Deputy Director of Operations.

(b) No, Sir. There is no statutory requirement for Emergency Regulations to be made by the Governor in Council; the practice until the War Council was set up was for the Governor to make such regulations on the advice of the Colony Emergency Committee.

(c) The regulation was subsequently amended on the advice of the War Council.

(d) Yes, Sir. I can give the assurance that Government does not make regulations which it considers provocative.

No. 83

Mr. COOKE asked the Acting Chief Secretary to state:—

1. Is it a fact that in the big engagement against the rebels at the end of February in which over 150 were reported to have been dealt with, at least

50 per cent of these were very recently joined recruits?

2. If this is so, will Government give an assurance—security considerations permitting—that in order to avoid misleading the public they will in future disclose the approximate number of "hard-core" terrorists dealt with in such engagements?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:—

1. No, Sir. I cannot be said to be a fact that at least 50 per cent of these casualties were very recently joined recruits. There is, however, no doubt that a number of the casualties were reinforcements for the Fort Hall gangs. It is not possible to say whether they were men who had no previous service with the gangs, or whether they were experienced gangsters who were on their way to join the Fort Hall command.

2. It would not normally be possible to determine how much active or passive service a dead terrorist had given to the Mau Mau movement; and no useful purpose would therefore be served by attempting to differentiate between the bodies of recruits and of hard-core terrorists.

Mr. MATIU: Arising out of that reply, is it not possible for a dead terrorist to be identified, in which case information could be got from those who knew him, whether he is hard-core or not?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Yes, Sir, I expressly said, "It would not normally be possible". If the dead terrorist could be identified either by personal identification or by the Criminal Investigation Department records of his past, by fingerprints, it can be done.

Mr. COOKE: Does Government appreciate the necessity of not being over-optimistic in their reports about engagements?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: It never does get over-optimistic.

## MOTION

SUSPENSION OF STANDING ORDERS

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, I beg to move that under Standing Order No. 163, Standing Orders Nos. 93A and 94 be suspended to the extent necessary

[The Minister for Finance and Development] to enable the Coffee Industry (Amendment) Bill and the Local Loan and Conversion Bill to be taken through their remaining stages today.

THE MINISTER FOR LEGAL AFFAIRS seconded.

*Question proposed.*

The question was put and carried.

THE COFFEE INDUSTRY (AMENDMENT) BILL

Order for Second Reading read.

THE DIRECTOR OF AGRICULTURE: Mr. Deputy Speaker, I beg to move that a Bill entitled An Ordinance to amend the Coffee Industry Ordinance be read a Second Time.

Hon. Members will see from the Memorandum of Objects and Reasons that the purpose of this amending Bill is to give legislative sanction to a unanimous resolution of the Annual Coffee Conference held in July last year. The Conference decided that it would be wise during the present time of high prices of coffee to build up a substantial financial reserve in order to secure essential services of the industry such as research, publicity and so on. In the amending Bill, it is proposed to retain the present export levy and in addition to impose what is referred to in the Bill as a planters' levy amounting to a sum not exceeding one per cent in value of the planters' payout.

In clause 2, sub-section (5) of the Bill, provision is made for the collecting of this additional cess during the years 1952/53, 1953/54 and 1954/55. Hon. Members will see that in line 28 of this section, a printer's error occurs, in that 1953 should read 1952. I will draw attention to this during the Committee Stage of the Bill.

The provision for collecting this levy during the three years is also in accordance with the resolution of the Conference.

As noted in the Memorandum of Objects and Reasons, the opportunity has also been taken to relieve the Accountant General of an unnecessary duty.

Mr. Deputy Speaker, I beg to move.

THE SECRETARY TO THE TREASURY seconded.

*Question proposed.*

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-day.

THE LOCAL LOAN AND CONVERSION BILL  
Order for Second Reading read.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move that the Local Loan and Conversion Bill be read a Second Time.

Mr. Deputy Speaker, I think every hon. Member is aware of the great need for capital with which our country is faced and the desire of the Government to seek as far as possible the raising of money from local sources. This is a matter which I shall deal with at, I think, more length in a speech that I am detailed, I understand, to make to-morrow and I therefore do not propose to delay the Council by repeating things that will be more aptly said at that particular time. The Bill provides for the raising in the Colony of a loan of what I would call new money of about £1,000,000 and it proposes to give the Government the power to convert the existing War Loan 1952/54, the redemption date of which is in June, into local Government Stock. How much of that money we shall be able to convert is a matter for experiment and, largely, hope.

The terms of the loan will, of course, as usual, be arranged by the Treasury in accordance with market rates ruling at the time of the loan and in so far as the direction of the money is concerned, hon. Members will notice that the principle in the Bill is that this money shall be directed to purposes in accordance with the resolution of this Council.

Sir, I beg to move.

Mr. TYSON (Nominated Member) seconded.

*Question proposed.*

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-day.

COMMITTEE OF THE WHOLE COUNCIL

Committee of the whole Council—Order for Committee read, Mr. Deputy Speaker left the Chair.

## IN THE COMMITTEE

[Major F. W. Cavendish-Bentinck,  
C.M.G., M.C., in the Chair]

*The Coffee Industry (Amendment) Bill*  
Clause 1 agreed to.

## Clause 2

THE DIRECTOR OF AGRICULTURE: Mr. Chairman, I beg to move that in Clause 2, sub-section (5), line 28, for "1953" be substituted "1952".

*Question proposed.*

The question was put and carried.

Clause 2, as amended, agreed to.

Clause 3 agreed to.

Title and enacting words agreed to.

The Bill, as amended, to be reported.

*The Local Loan and Conversion Bill*  
Clause 1 agreed to.

## Clause 2

THE SOLICITOR GENERAL: Mr. Chairman, I beg to move that Clause 2 be amended by inserting immediately after the definition of Accountant General, a new definition as follows:—

"Governor in Council means the Governor acting with the advice of the Council of Ministers, but not necessarily acting in such Council assembled nor necessarily in accordance with such advice."

This is a formal amendment, Mr. Chairman, and is consequential upon the recent constitutional changes—it is in draft, and there will shortly be published legislation to deal with terminology and existing legislation, and Bills to deal with that matter will be introduced when Council reassembles next month. In the meantime, however, for legislation which is passed at the present time, some definition should be inserted.

The question was put and carried.

Clause 2, as amended, agreed to.

Clauses 3 to 19 agreed to.

Title and enacting words agreed to.

The Bill, as amended, to be reported.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report back to the Council.

*Question proposed.*

The question was put and carried.

Council resumed.

[Mr. Deputy-Speaker in the Chair]

## REPORT

MAJOR CAVENDISH-BENTINCK: Hon. Members, I beg to report that a Committee of the whole Council has considered, clause by clause, the Coffee Industry (Amendment) Bill and the Local Loan and Conversion Bill and has approved the same with amendment.

THE DIRECTOR OF AGRICULTURE: I beg to move that the Coffee Industry (Amendment) Bill be now read a Third Time.

*Question proposed.*

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

## REPORT

MAJOR CAVENDISH-BENTINCK: I beg to report that a Committee of the whole Council has considered, clause by clause, the Local Loan and Conversion Bill and has approved the same with amendment.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I beg to move that the Local Loan and Conversion Bill be now read a Third Time.

*Question proposed.*

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

THE DEPUTY SPEAKER: Hon. Members, that concludes the business on the Order Paper to-day.

## FILM OF COUNCIL IN SESSION

As hon. Members, I think, are aware, there has been a request that hon. Members might see fit, if they so feel inclined, to return to the Chamber after I have left, because I believe they wish to take a photograph in connexion with some film that is being produced in this country.

To-morrow it will be to the convenience of all, I think, if Council reassembled, not at 9.30 a.m., as usual, but at 10.15 a.m., and I therefore adjourn Council until 10.15 a.m. to-morrow morning.

## ADJOURNMENT

*Council rose at fifty-five minutes past Nine o'clock a.m.*

Friday, 23rd April, 1954

The Council met at fifteen minutes past Ten o'clock.

[Mr. Deputy Speaker in the Chair]

## PRAYERS

## PAPERS LAID

The following papers were laid on the Table:—

The Draft Estimates of Revenue and Expenditure for the Colony and Protectorate of Kenya for the year 1954/55.

The Draft Development Estimates for the year 1954/55.

The Supplementary Estimates of Expenditure of the Colony and Protectorate of Kenya No. 3 of 1954.

The Development Supplementary Estimates of Expenditure No. 2 of 1954.

(By THE MINISTER FOR FINANCE AND DEVELOPMENT)

## ORAL NOTICE OF MOTION

GROUP CAPT. BRUGGS: Mr. Deputy Speaker, I beg to give notice of the following Motion:—

This Council deploras the initiation of talks with *Mau Mau* criminals and is of the opinion that no further negotiations of a similar character should be entered into and that the campaign against the *Mau Mau* rebels should be continued relentlessly until they are utterly defeated.

## MOTION

MEMBERSHIP OF STANDING COMMITTEES

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move:—

BE IT RESOLVED that the following changes be made in the membership of the Committees set up by the Council on 21st October, 1953:—

*Sessional Committee*

Hon. Lady Shaw in place of Hon.

M. Blundell, M.B.E.

Hon. N. F. Harris in place of Hon.

W. B. Havelock.

Hon. C. B. Madan in place of Hon.

A. B. Patel, C.M.G.

Hon. S. G. Hassan, M.B.E., in place

of Hon. Vazier I. E. Nathoo.

*Estimates Committee*

Hon. S. G. Hassan, M.B.E., in place of Hon. Vazier I. E. Nathoo.

Hon. W. W. W. Awari in place of Hon. B. A. Ohanga.

With your permission, Sir, and with the agreement of my hon. friends opposite, at the request of the Sessional Committee, I would add, Colonel the Hon. S. G. Gherrie in place of the Hon. M. Blundell, M.B.E.

*Public Accounts Committee*

Hon. S. G. Gherrie, O.B.E. (Chairman) in place of Hon. M. Blundell, M.B.E. (Chairman).

*Question proposed.*

The question was put and carried.

## COMMITTEE OF SUPPLY

Committee of Supply—Order for Committee read.

## MOTION

THAT MR. DEPUTY SPEAKER DO NOW LEAVE THE CHAIR

THE MINISTER FOR FINANCE AND DEVELOPMENT: (Prolonged applause.) Mr. Deputy Speaker, I beg to move that Mr. Deputy Speaker do now leave the Chair.

The Draft Estimates of Revenue and Expenditure which I am now presenting cover the period 1st July, 1954, to 30th June, 1955, and introduce the change in the fiscal year which the Council has already approved.

It has been customary at the end of the Budget debate for the Minister for Finance to acknowledge the work of the Treasury officers responsible for the production of the Draft Estimates. On this particular occasion I want to reverse that procedure and make that acknowledgment at the beginning—the introduction of this Budget. Since the latter part of 1952 the Treasury has had to be responsible for the preparation and presentation of three Budgets, three within the space of eighteen months, two within the space of the last six months and this, in addition to the tremendous burden which Emergency expenditure with its problems of control and investigation has thrust upon them. It has only been achieved by willingness to work long hours, a preparedness to sacrifice leisure time and

(The Minister for Finance and Development)

a determination to get the job done and done well. Fortunately, indeed, is the Minister who has under him the supporting structure of a group of civil servants so loyal and devoted to their duties as are the officers of the Kenya Treasury. (Hear, hear.) (Applause.) It is in recognition of what they have done that I have pleaded this acknowledgment first in the speech. I would like to express my thanks and I am sure those of this Council to the Secretary to the Treasury and all the Treasury officers for the efforts they have made in the preparation and presentation of these Draft Estimates.

Since these Estimates were drawn up the form and shape of the Government has altered and to-day we have a Council of Ministers composed of members of all races operating under our well-tried British system of collective responsibility. As one of the first two "local" men—you, Sir, were the first—who accepted the responsibility of participation in the Government of the Colony and the direction of its affairs—and on behalf, I am sure, of all those who have carried that responsibility during the past few years—I would extend a warm welcome to our new colleagues now sitting on the Government benches, assure them of our co-operation and our fervent hope that we shall be able to show Kenya and those outside Kenya who watch us with such interest that our united endeavours through collective action and responsibility will produce fruitful results for the development of this, our country.

Hon. Members will realize that the alterations and adjustments in responsibilities took place at too late a stage to be reflected in these Estimates, thus Departments will be shown as within the Portfolios of Ministers who are no longer responsible for them. Adjustments in staff as a result of the new framework of Government will have to be made and will be presented in Supplementary Estimates in the future, although no great increase in expenditure is likely to be involved.

On the two previous occasions on which I presented Estimates to the Council I have attempted to draw a picture of the economic health of the Colony. In October, in presenting my

last Budget, I placed before the Council a number of figures in this regard which cannot at such a short interval be replaced by any more up-to-date. I reviewed those major changes which had taken place and showed that our price movements have generally been in line with those of the rest of the world. Our net geographical income for 1952 reached a peak at a figure in the neighbourhood of £107,000,000. Since then there has undoubtedly been a falling away in our national income, although not indeed as great as one might have expected or indeed have feared. Nevertheless, the decline is a disappointment to all who had hoped to see us continue to progress and expand. The average price of our exports also reached its peak during that year and since then one commodity in particular, sisal, has experienced a fall in price of major proportions. The price level of our imports became more stable, but a fall corresponding to that of our export price drop was not so noticeable.

Now, in my present review I have to describe the state of our economy against a background of, for a small country like ourselves, enormous expenditure on the Emergency and a rapidly dwindling reserve. In the first half of 1954 we shall have spent some £8,500,000 for Emergency purposes—a figure which I will deal with later in some detail—against our original estimate of £2,000,000. Without the generous assistance of Her Majesty's Government our General Revenue balance would have become a deficit. In spite of these misfortunes, the economy has remained remarkably buoyant and the running sore of the Emergency, though acting as a severe drain, hindering the growth so vital to us, has inflicted less injury upon that economy than might have been supposed.

The Council has been accustomed to an examination of the economic life of Kenya in terms of the geographical income and the net product, a simple but all-embracing set of accounts which gives us the best indication of how we stand. It is regretted that through the pressure of other duties and the alteration in the fiscal year it has not been possible for the East African Statistical Department to have ready those accounts in time for this speech. But

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we can follow the trend of happenings in the more important fields and when the report on the geographical income is available, I do not think that the conclusions I shall draw from the information that is available will differ in any matter of consequence.

Agriculture, which is after all the life blood of our economy, has stood well the test of climatic and other troubles. Natural causes have operated against expansion and the movement of agricultural labour with the changes and impacts forced on us by the Emergency has been a hindering feature. All farmers, particularly those in the troubled areas, deserve our thanks for their continuing effort in the face of great danger and their maintenance of yields, despite their many and serious difficulties. (Applause.)

For the planted year 1953 the total value of our production of wheat, maize, sisal and coffee amounted to £14,500,000. Our wheat production was higher than in 1952, but lower than the level of 1950. Our maize production on non-African farms showed an increase of 21 per cent. Our sisal output remained unchanged. Our coffee production was below the yields of the previous two years, whilst our dairy industry, although suffering from drought conditions, reached an output only slightly below that of 1952.

The contribution of non-African farming to the geographical income was estimated at about £16,600,000, a fall of some 7 per cent compared with the previous year. Coffee prices continued to rise and our income from that source showed an increase and whilst we cannot always expect a bumper coffee crop, we must hope that the present figures will be maintained, if not improved, and there is reason for belief that for this year at any rate prices will remain somewhere in the region of their present level.

Thus, one can say that non-African agriculture maintained its position of importance in the geographical income, providing wages and incomes for many of our people, as well as the basic food-stuffs of life to many in the Colony and other territories as well.

And now let me turn to African agriculture which is playing an increasing part in our development and which we hope with the expenditure planned to be devoted to its betterment, both from our own funds and from the funds to be provided by Her Majesty's Government, will play an even greater part in the future. There has been some criticism in the past that not sufficient emphasis has been laid on the contribution of African agriculture, particularly of those crops produced by the peasant farmer for his own consumption. This, in the main, has been due to lack of information. In the estimate of the geographical income for 1952, the value of African subsistence agriculture was recorded as £23,400,000. This calculation is fraught with difficulties and with the danger of error in the absence of extensive surveys of acreage, production and yields; but estimates had to be made.

I am pleased to be able to tell the Council that some time ago a survey was carried out in the Nyanza and Central Provinces and part of the Southern Province in which attempts were made to measure the acreage and output of African households. The survey was on a small scale and the results were not of the standard hoped for, largely because of political difficulties and of drought conditions during the short rains. This latter happening reduced the value of the yield investigation and nullified much careful planning. The analysis of this survey has, as was to be expected, taken a great deal of time, partly because of the need to study the results carefully and devise methods for overcoming the problems caused by these difficulties. This has entailed checking with the field workers. Despite the defects, new results are an advance on the knowledge previously existing and it is now possible to provide fair estimates of the production of the main crops in the Nyanza and Central Provinces. It was noted by the field workers that in the long rains season yields were much higher than had been expected. A revision of the subsistence sector of the geographical income on the basis of these estimates has given values with a maximum difference of 50 per cent for a particular year. For 1952 subsistence consumption is believed

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to have been about £6 per head as compared with the former estimate of £4. In addition to these figures, the value of African marketed crops amounted to some £4,300,000.

Unfortunately, it has been impossible to repeat these first surveys. In the Central Province conditions are hardly propitious for a survey of this kind which entails the measuring of plots of land and detailed investigations into the agricultural practices of the farmer, in that case the Kikuyu farmer, but the staff which could and indeed would be carrying out those surveys is engaged anyway at present on the more urgent business of Emergency work.

And now to turn to our industrial sector, for while agriculture is the life blood of our economy, it may well be in industry we shall find our best means of rapid growth. I am assured that during the last year there has been an expansion in the total production of secondary industries and also a greater variety of product. During the year the value of producers' materials imported into the country fell by some £3,300,000, a fall which was in line with the general decline in the value of imports and could, to a large extent, be regarded as due to price changes. The Economic Research Division has the trade statistics under detailed examination in order to analyse the true import of the changed position.

A good indicator of economic activity is the change in power statistics. Electricity production and consumption continued their upward tendencies and demand is still increasing. The new cement works at the coast will soon be in full production. Hon. Members will be well aware that as more and more local products take the place of imported goods, we may expect to see falls in our rate of importation of consumer goods.

Those conventional necessities—such as cigarettes and beer—things on which a Minister for Finance keeps a watchful and hopeful eye, are being produced in still larger quantities. The production of cigarettes has been maintained, though a fall in consumption in certain categories of cigarettes occurred in the Nairobi area. Beer production, which declined sharply

after the Emergency began, has nearly reached its previous peak and continues to give employment to some, and I am told, enjoyment to many. (Laughter.) Our output of processed foodstuffs is expanding, something which is very encouraging in a developing country. Last year has shown indeed that industrialists have faith in Kenya's future and that we have reason to expect that the national income will continue to grow from industrial development, a growth which brings many advantages in its train.

When presenting my last Budget I stated that the output of the building industry was running at a lower rate than in 1952. In Nairobi there has been a fall away in building activity, a matter for regret, for Nairobi has always held an important position as a centre of this work. In 1951, 76 per cent of the value of all buildings completed in major townships for private ownership was sited in Nairobi and this had fallen to about 62 per cent in 1953. A study of building plans approved for the Nairobi City area showed that during the last year the value was only 77 per cent of the 1952 total. In looking at those figures we must remember that the cost per square foot had also fallen. If we analyse the figures more critically we find that the position, though an unhappy one, has certain redeeming features. The greater fall in the value of building plans approved in Nairobi was in the residential building sector, reaching a value of only 72 per cent of the 1952 figure. In the industrial sphere it would seem that the confidence of the business man was greater than that of the private house builder or possibly than that of those organizations which provide credit for house building. The value of non-residential plans approved, which include factories, godowns, workshops, etc., was 81 per cent of the 1952 total.

In the other major municipalities the value of buildings completed for private ownership was maintained. In Mombasa the number of plans approved showed an increase, while in Nakuru where £138,000 worth of buildings was completed during the year, the number of plans approved was 29 per cent higher than in 1952.

The activities of public organizations have helped to maintain activity in the building industry. In 1953 the Public

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Works Department expended some £3,800,000 on buildings of various types and on construction projects. The Railways and Harbours Administration are estimated to have spent roughly £1,000,000 in the port areas of Mombasa. The East African Power and Lighting Company in the course of its expansion programme invested a total of some £1,900,000 during the year.

From these examples, which are not intended to form grand totals, it will be seen that our capital is increasing. In all spheres investment in buildings for future production has been at a rate with which we might well feel pleased in view of existing conditions. I have not mentioned the capital expenditure financed from the Emergency Fund. This, to 31st December, 1953, is believed to have amounted to £1,300,000, an amount not all of which will be without its use at some later date. I have only given this figure now in an endeavour to emphasize the normal development which has taken place in spite of, rather than in connexion with, the Emergency.

In commerce it appears to have been a year of consolidation. The African market taken as a whole was depressed and buying was restricted. Many firms found themselves with reduced turnovers and consequently lower profits. There were some firms who were badly hit by the call-up of their staff and a number who were left holding large stocks of fairly high-priced goods. All these factors have had their effect on the level of income.

The trend of trade imports has been upward during the last few months and I hope that many of the firms will be in an improved position during the next year. It is encouraging to note that from a depressed total of £2,700,000 in February, 1953, the value of our retained imports has slowly risen month by month until in December, 1953, the value was £5,300,000.

Commerce, as have other sectors of the economy, has to some extent benefited by the input of money from the Emergency Fund. For example, on account of the Emergency, some 4,350 more police officers, either regulars or full-time reservists, have been employed and from the beginning of the Emer-

gency up to 31st December, 1953, Emergency expenditure on all pay and allowances has been about £1,400,000. Members of Her Majesty's Forces and their families have resided amongst us and their consumption and expenditure has helped the position of many types of businesses.

The financial position of the Colony, and I must emphasize the Colony—not the Government—was, I am glad to say, quite healthy. By the end of 1953 deposits with our commercial banks had fallen slightly, but there is always a seasonal movement and the general position through the year was most satisfactory. The value of loans and advances and bills discounted stood at about £20,300,000, a figure slightly lower than for the same quarter in 1952. Our balances abroad with other banks remained unchanged, an encouraging and satisfactory sign. The currency in circulation in East Africa reached yet greater heights. By June, 1953, it was some £1,170,000 higher than on the 30th June, 1952, and our estimates lead us to believe that at the end of 1953 the total was still higher. I would remind hon. Members that our currency must be backed 100 per cent by sterling and, therefore, in spite of falling values for our exports we are maintaining and increasing our currency and our reserves are rising higher. The currency, of course, covers the whole of East Africa and certain other territories, but the majority of currency circulates in Kenya, Tanganyika and Uganda. Since these economies are in many ways interdependent, currency flows and movements into East Africa or into any one territory must have their repercussions in the other territories. Our external position is, I believe, satisfactory, although we need to keep a watchful eye on the changes which take place and there is, of course, the ever present need to increase our exports wherever possible. It is with the latter in mind and with the objective of building up and maintaining a self-sufficiency of food in particular in East Africa, that the Government continues its policy of giving whatever assistance is possible to local industries and continues the provision of capital for such bodies as the Land Bank and the Pig Board and continues with the policy of making money

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available for rehabilitation loans to farmers and devotes a large proportion of its development funds to the purposes of African agriculture.

The indices of cost of living and retail prices have also maintained their upward trend. This is one of our economic indicators which many would like to see dip, but while expansion and progress are maintained it is unlikely that we shall see an early fall. The change in import prices has not yet had a great effect on these indices. Compared with December, 1952, the cost of living index at the close of 1953 was eight points higher which is the equivalent of 3 per cent. Many will depreciate this increase, but as long as we prevent, and I would emphasize we have prevented, a state of runaway inflation, this slight upward movement should give us confidence that a slump is not upon us. Indeed, our financial and price indices are clear indicators that although things could have been much better, they could also have been a great deal worse.

It is interesting to note that during the year 1953 there was very little change in the actual number of new motor vehicles registered during the year as compared with the two previous years. What reduction there was in the number of private vehicles registered was offset by an increase in official vehicles, but the change was very slight. As an instance of our buying pattern, the proportion of motor vehicles of British manufacture imported into the Colony increases annually and these now represent over two-thirds of the total number of licensed vehicles on the road. A further instance of the changing pattern of our lives is the growing popularity of the small and medium-sized car.

This brief review of the past year, containing though it does some disturbing features, is on the whole most encouraging. We laboured under difficulties, not only those caused by the Emergency; the world prices of primary products fluctuated and our economy had to re-adjust itself, but our national income did not fall disastrously. A good rate of investment was maintained, secondary production continued to develop and our basic services were trying to meet the increased demand of the last few years.

While consumption may have fallen in certain spheres, our trade had begun to pick up by the end of the year. Hard though the strain was in 1953, we took it, considering all things, well and the people of the Colony are entitled to congratulate themselves on that fact, from which they can gain a little more of that much needed confidence with which to face the undoubted strain of the near future.

In times such as those we are passing through prophecies become particularly dangerous and indeed, as history shows us, a number of prophets have lost their heads. Nevertheless, we must look forward in an endeavour to see the pattern of our future.

In the agricultural sphere there is no reason to believe that our acreage planted will decline, but rather that with the initiative of our people and the Government assistance of the past continuing, if possible, on an increased scale, our agricultural economy should become even more sound and more firmly based. Given reasonable weather this year there seems to be no reason why the national income from agriculture should not at least be stable.

In the industrial sphere many firms are embarking upon new ventures. It will be wrong to list by name some of those which are laying, or have laid, foundations recently. I have merely taken a few of the larger concerns whose new factories or extensions have either just been completed or are under construction. The figure is pleasing. It amounts to £4,500,000 and this covers only 17 major capital investment projects in the private sphere. We know there are many others and we are well aware that the municipalities and public utilities are expanding their services to keep pace with demand. Not only will these schemes bring income to many, but they show and I must try to drive this point—it is being shown—the faith of investors in this Colony, faith to invest at a time of emergency so that production flows will be greater by the time this trouble is over.

In this figure I have not mentioned the possible oil refinery development which we all hope will proceed and which would greatly change the economy of this Colony to its advantage. Nor have I mentioned some new projects still in

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the exploratory stage which may bring new industries to Kenya. My hon. friend, the Minister for Commerce and Industry, during his visit to the United States of America, interested a number of businessmen in the possibilities of Kenya and discussions are still continuing. Those concerned are examining the position carefully and thoroughly and I feel certain that a number of them will join those others who have found it profitable to carry on their production activities amongst us. We can but hope that the price of our export crops will remain as good or as at the same level as in 1953. It is unlikely that our value of exports will be greatly, if at all, in excess of the 1953 figure, whilst the value of our imports must remain high because of our development plans, both private and Government.

It is from increased agricultural production with better farming methods, from higher industrial output, a better transport system and efficient commerce that we can hope to raise the standard of living of the people of our country.

The development projects of the Transport Administration, of the Posts and Telecommunications Administration and of the Government are sufficient, I believe, to lay the foundation for such progress.

New industries are turning to this Colony and in examining the possibilities here see the wider market of East Africa as their potential. Some indeed look still further and hope for markets in the Indian Ocean, as well as with our neighbours to the north and south. The basis of such progress is peace and stability and the knowledge that the standards of the people will slowly grow as they have more money to spend and develop wider interests.

Recently a study has been carried out of a number of important firms in the Colony. From the information received many of these already well-established concerns are undertaking further capital development and enlarging their activities. Compared with 1952 his sample of firms paid a wage bill 8.7 per cent higher in 1953, and expended funds on capital development of an amount 10 per cent higher than in the previous year.

I hope to bring before you from time to time more examples of this type of development and I shall keep under review the economic conditions and needs for progress. The factories, the bricks and mortar, can only be for the well-being and benefit of our community. The building and construction industry is not an end in itself, but the means to higher standards. Our agricultural output will go either to improving the health of the people or the purchase of goods from overseas to give better living conditions. Our industry will bring work to many and broaden the basis of our economy. Our services in the forms of schools, hospitals, hotels and professional services will, we hope, continue to serve the wider market of East Africa and beyond. Our scenery and game life will, we hope, bring tourists who will not only improve our geographical income, but make us better known throughout the world.

Greater production and a higher geographical income alone will allow us to provide better social services. The amount of the expenditure which can be undertaken in these services is dependent on the activities and efforts of the community. If greater amounts have to be provided, they can be obtained best by removing this same proportion from a higher national income, rather than a higher proportion of a stable one. Our future depends on our own efforts and only those joint efforts will bring us the services we need.

But over all at present hangs the shadow of the Emergency with the wastage of money, manpower and effort. Confident as I am about the future, I cannot see before us in 1954/55 a time of increasing prosperity and abounding development. I have made my plans in the belief that our geographical income will be lower than in 1952 and possibly lower than in 1953, the effect of which may only be fully felt in the period immediately following. I am convinced, and I can assure hon. Members that I am convinced, the economy of the Colony is quite healthy and that we shall overcome the set of unfortunate circumstances which face us. I hope that when the accounts for the period before us are finally settled I shall have been found to be too pessimistic concerning the economy, but I do not believe that I shall be found to be very wide of the mark.



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It is with this knowledge, however scanty, that I have made my Budget plans. I hope that in the future we shall have more knowledge still on which to base these plans, knowledge which I will willingly impart to this Council for its guidance.

And now before I turn to the Budget proper and the development of our financial position, there are one or two points I would like to make.

There is in preparation another edition of what we call the "Budget Booklet". Unfortunately, the work of the past few weeks made it impossible for it to be ready for me to lay to-day. I hope, however, to place it in the hands of hon. Members before the Council meets again in May.

One of the most important matters which this Council will have to debate in the near future will be the Planning Committee's Report dealing with the period 1st January, 1954, to the 30th June, 1957. Hon. Members will notice that that is a period of 3½ years. I hope shortly to place it before the Council of Ministers and then before the Legislative Council. Its implementation, at whatever level of expenditure this Council decides, will, of course, be governed by the amount of capital available and by our financial position. I would like to repeat that because it is an important point. Its implementation, at whatever level of expenditure this Council decides, will, of course, be governed by the amount of capital available and by our financial position.

I cannot, of course, anticipate the recommendations of the Planning Committee, but as hon. Members will have to consider the Development Estimates and because of the great bearing that development work must have upon the future, I feel it my duty to give the Council some broad outlines of the problem and the financial demands which may be made upon us. As I have seen it, the task of the Planning Committee, and it will be now the task of the Development Committee, is primarily to plan the most effective and balanced use of the country's resources, to review from time to time the progress achieved in the execution of the plan and to recommend any adjustments of policy and any

measures that the review may indicate as necessary. To do this work effectively, it must have knowledge of the material and human resources of the country, an assurance that the finance necessary to carry the plan through is available and keep in mind always the basic need of increasing the resources and wealth of the nation.

The Planning Committee has begun to operate on these lines. As I have said, I cannot go into detail, suffice it to say that nearly £21,000,000 will be required for capital expenditure between the beginning of this year and the end of the planning period suggested, 30th June, 1957. Such a capital sum brings with it additional recurrent expenditure and in our financial planning for the future this must be taken into account. Until the Council of Ministers has considered the Report and the Government has decided, therefore, the policy it proposes to put before this Council, that is all the information I can give the Council in that respect.

I have, however, to place before the Council the Draft Estimates of Development Expenditure for 1954/55. In the General Memorandum Note hon. Members will find an explanation of the basis on which these Draft Estimates have been submitted. They are presented in the same form as those for the six months 1st January to the 30th June, 1954, and do not relate to the Planning Committee's Report, which will now be based on Ministers' Portfolios. The total provision sought which is £6,300,019 will enable expenditure to continue without interruption on existing projects. No new items have, therefore, been included and token provision only has been shown against items not of a continuing nature so that they may be retained pending the consideration by this Council of the suggested allocation. Certain projects which are included in the new Development Plan have already received the specific approval of this Council through the medium of Supplementary Estimates. The rate of provision is generally about one-third of the proposed allocation except where expenditure cannot be evenly spread over the period of the Plan.

The usual Financial Statement and Summary of the Revised Estimates of Expenditure in the current period of

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account are not included in these Draft Estimates because neither the figures nor their manner of presentation would be in line with the form of the Planning Committee's Report. If and when the Legislative Council adopts the Report, then the Estimates will be recast to enable an easy reconciliation with the Report to be effected. These recast Estimates will be laid before the Legislative Council at the same time as requests through Supplementary Estimates for any new expenditure arising from the adoption of the Report.

I referred a moment or two ago to the fact that the Planning Committee are likely to ask for some £21,000,000 for capital expenditure and the greater portion of that capital, if it is to be provided, will have to be provided from loan sources.

In addition to those requirements, I am fully conscious of the needs and demands of a number of our Local Government Authorities, needs which are unlikely to be met from the amount of money allocated to the Local Loans Authority in the new Development Plan. It has been and is the Government's policy to encourage the development of Local Government Authorities with the acceptance by the local people of the responsibility for those services which are of particular local benefit. Quite apart from the general desirability of the expansion of local responsibility, it is obviously unfair to the general taxpayer that he should be called upon to meet the cost of peculiar local services. I think I can say that the Government has been generous in its financial treatment of these developing Authorities in the way of capital grants and by the use of a diminishing grant procedure, the grant, reducing to a fixed percentage level, being towards recurrent expenditure. I am glad to be able to say that many, though not, alas, all, local bodies have responded well to this offer of responsibility and assistance. It would be a bad thing if at this stage the enthusiasm of the Local Government bodies, particularly the new ones, became subject to too great a measure of frustration because money was not available for them to carry out their first essential projects.

I am having discussions with my hon. friend, the Minister for Health, Local Government and Housing, as to what other source of capital fund could be found to enable this need to be met at least in greater part than has previously seemed possible. It has seemed to me, and I am sure my hon. friend will agree, that the Local Loans Authority might be given access to money available from local sources. Negotiations with the local banks and various local credit corporations have been and will be undertaken, in the hope that against the background of a Government guarantee they will lend sufficient money to the Local Loans Authority for that Authority to re-lend on reasonable terms to various Local Government bodies. If, of course, a Local Authority can negotiate direct with the bank without involving a Government guarantee, the Government will offer no objection to them so doing provided my hon. friend, the Minister for Health, Local Government and Housing, and myself, can be convinced of the essentiality of the project for which money is sought because we must of course keep control of the limited money available. In so far, however, as a Government guarantee is sought, I feel that the Authority, which this Legislative Council has set up and of which my hon. friend, the Minister for Health, Local Government and Housing, is Chairman, is the proper channel to be used for this purpose. It is likely, therefore, that at some time in the near future we shall be asking the Council to approve of a guarantee of quite a large sum for the purposes of the Local Loans Authority.

Another body which is in urgent need of capital to cover the expansion of its operations during the next three years is the Land and Agricultural Bank, an organization which has done a great deal to assist in agricultural development in Kenya. The provision of this capital is vital to the continuing process of the expansion of our agricultural economy and I have been seeking ways and means by which this process of local development can be helped by the use of local funds. I propose through the medium of the Local Loan and Conversion Ordinance, which passed through this Council only yesterday, to make available this

[The Minister for Finance and Development] needed £750,000 to the Land and Agricultural Bank, and I shall in due course be placing before the Council a resolution to that effect. I have had discussions with the Officer controlling the Kenya Post Office Savings Bank on this matter and he has agreed to the investment in this loan to be floated locally of the sum of £750,000 which I shall use for the purpose of relending to the Land and Agricultural Bank. Thus, local savings will be assisting in local development.

The Council is aware that the source of our borrowing has been almost entirely the London market, for entry into which we have to seek the permission of the Capital Issues Committee and the agreement of Her Majesty's Treasury which has been most helpful, at any rate in my own experience, and sympathetic to every approach we have made. There are, however, many other peoples seeking to raise funds in London and our case must be based on essential need. It is only right that I should warn the hon. Members of this Council that our Development Plan, in so far as overseas borrowing is concerned, will be subject to any limit which may be placed upon us in London. What we can do to help ourselves, therefore, we must do, and we must certainly make it possible for our own people to invest a fair proportion of their savings in our own country, so that the money is available for our own development. (Hear, hear.)

This Council yesterday took the step of passing the Local Loan and Conversion Ordinance, 1954. This will give me power to attempt to raise locally a loan of £1,000,000 new money and to attempt to persuade as many holders as possible to convert their 2½ per cent East African War Bonds, which fall due for redemption on the 1st June next, into local stock. The amount available for conversion is around £3,500,000, but we have, of course, no indication of the amount likely to be converted. I can give no indication, of course, of the terms on which the loan will be floated, but it will be the duty of the Government to relate those terms to the reality of the situation. I would, however, appeal to all Kenya holders of these War Bonds to support the operation of conversion and

particularly would I address that appeal to the banks and the large credit organizations, for it is important that we in Kenya should do what we can to help ourselves in the provision of capital for the work of development in the Colony which, in time, will increase our wealth. (Hear, hear.)

In my Budget speech of the 29th October, 1953, I said:—

"It seems to me that there are certain things necessary in order to ensure what the local investor must seek, negotiability and the possibility of realization without too great a loss, both meaning a probable exit from his investment should there be need. To some extent I think this could be helped by the setting up of an Equalization Fund to cover each loan. The money in that Equalization Fund would be used by the Treasury or whatever agents the Treasury appointed to deal in the stock, buying and selling according to the position at the time, thereby helping to keep the market steady. By this means one would have Government funds available to ensure support for the loan and a reasonable amount of negotiability for the investor. The Fund would need careful handling but I think it might prove an experiment and a risk well worth undertaking."

Perhaps I should more properly have referred to this as a Support Fund. I propose to operate such a Fund in regard to the moneys raised under the Local Loan and Conversion Ordinance to ensure that the small and medium investor will, in the case of need, be able to realize his stock fairly readily and without the risk of great capital sacrifice, the idea of the operation of the Fund being to ensure negotiability and a steady market. I have said that I think it is an experiment and a risk worth taking. I propose shortly to ask this Council to place a sum of £50,000 to the use of this Fund as a precautionary cover against any loss which might be incurred. If of course a profit should arise, the Colony would benefit. The accounts of the Fund will, of course, come before the Legislative Council in the usual way.

In that same speech I referred to the need for a live local money market and the part that a local Stock Exchange

[The Minister for Finance and Development] could play in this work. I recounted some of the negotiations which I have had in this matter. As I said then, I had had, and have since had, support and encouragement from London in this matter. My meeting with the local stock-brokers and other parties interested took place in August of last year, but so far I am able to report very little progress. I have, on behalf of Government, offered to introduce legislation in support of the founders of a local Stock Exchange. I have offered indeed to pay the secretarial expenses in part or in full during the first few years of the existence of a Stock Exchange. I have pointed out that I would ask for no vestige of Government control, for, in my opinion, and I am sure hon. Members would agree with me, the responsibility for ensuring professional integrity and for controlling and directing the activities of brokers must rest upon the profession itself, backed and reinforced by public opinion. I would think it most undesirable that Government should direct or control in any way those activities, but I am prepared to offer and have offered the greatest possible measure of assistance. There is, I believe, a good measure of public advantage to be gained from the setting up of such a body. I intend to suggest, after consultation with my hon. friend, the Minister for Commerce and Industry, the setting up of a committee to advise on the need for a local Stock Exchange and to recommend any steps necessary to achieve that object, if it is considered desirable. (Hear, hear.) (Applause.)

I have spoken about the part which savings can play in the provision of capital. Some time ago I spoke about a hope of providing savings certificates as a channel of investment for the small saver. I have had many discussions on this matter, both with the Postmaster General and other people here, as well as in London. I have come to the conclusion that the best way to make progress would be to ask an expert from the National Savings Organization in the United Kingdom to come out to Kenya for a short time and advise us as to how best to put such a scheme in operation. I would hope that he would be able to look at the problem from an East

African point of view, devising a method whereby any money invested was placed to the credit of the Government in whose territory the investment took place. I am having discussions with my colleagues in Uganda and Tanganyika; for I believe that joint investigation is the best line on which to work. Even at the present time, the Posts and Telecommunications Administration have in the country an expert in Savings Bank methods and organization, who, by increased publicity and additional services and facilities, is endeavouring to make the Savings Bank itself more attractive to the small saver, so that this existing channel of saving will, we hope, provide further possibilities for attractive local investment.

Two more points before I turn to an analysis of our financial and budgetary position.

I am aware that East African War Bonds have proved a very convenient method of short-term investment for people and firms with heavy income tax liabilities. In consultation with the Finance Member of the High Commission, we have been considering the possibility of introducing a system of Tax Reserve Certificates. Investigation is going on into the methods adopted in other countries in this respect and, if it proves practicable, I shall propose the introduction of a system of Tax Reserve Certificates in Kenya.

The Council will be aware that it is intended to lay a White Paper on the proposals for the institution of the Consolidated Fund System recommended by the Director of Audit and the former Secretary to the Treasury in their report on the Control of Public Finance. In my opinion, the constitutional changes which have just taken place, involving as they do a further advance into the system of ministerial responsibility, with a consequent reorganization of the supporting structure of the Civil Service and the need to maintain inviolate the traditions and strength of that Service, make it even more desirable that we should proceed to the Consolidated Fund System as soon as possible. Accordingly, I hope that it will be possible to lay a White Paper covering the proposals of the Government designed to introduce the Consolidated Fund System on the 1st January, 1955. In the meantime, much of



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the basic work necessary for the introduction of that system has been carried out. Accounting is now entirely on a departmental basis and it is hoped that it will be possible to give a trial run to the Consolidated Fund System in some Departments during the half year starting on the 1st July next.

When, in my Budget speech in October of last year, I reviewed the financial operations of the year 1953, I estimated that the gross revenue would amount to £20,692,262 and that the gross expenditure would amount to £22,900,000, leaving a shortfall on the year's working of £2,207,738. The actual receipt of revenue for the year was £21,351,865, whilst the actual expenditure for that period amounted to £22,853,430. My forecast of revenue was an under-estimate of £659,603, the main reasons for this being an improvement in Customs and Excise returns and a continued high level of income tax collections.

Although the excess of actual receipts from Customs and Excise over my revised estimate was only £80,212, the change in the trend of Customs collection was quite marked. Some of the increased level might have been attributable to heavy withdrawals from Customs in October of certain articles which some people, mistakenly on that occasion, appear to have had some idea might be affected by the Budget. (Laughter.) But the improved level continued for the rest of the year. After eight months at a level of collection well below that registered for the corresponding months of 1952, the level of collection in the last three months of 1953 was considerably in excess of the corresponding level in 1952.

In so far as income tax was concerned, the collection in excess of the Revised Estimate amounted to £150,129. In the words of the Annual Report for the year 1953 of the East African Income Tax Department:—

"As collections always cover a number of different years of income and the tax yield depends on unknown profits, the difficulty of framing any close estimate of revenue must always be considerable, but steps have recently been taken which will, it is hoped, make more accurate budget estimating

possible. A number of taxpayers were asked to indicate the profit they anticipated in 1953 and these figures, when related to trends of profits over the past few years in the various trade groups, should provide data from which the volume of tax can be gauged."

I would say thank you to those firms who responded to the information to give these indications because this is of great help to the Treasury and, indeed, some time in the future, of great help to themselves.

There is another statement in that report which will be of interest to hon. Members:—

"In Kenya approximately half of the tax assessed during the year was for the year of income 1952, one-third for the year of income 1951, and the balance for earlier years. Only approximately 13 per cent of collection was represented by tax on the year of income 1952."

The Revised Estimate of gross expenditure for the year 1953, which I gave in my October speech, was £22,900,000. The actual gross expenditure was £22,853,000. I gave an outline of the larger amounts which it was thought would be spent in excess of the originally approved provision, pointing out that those figures did not take into account Emergency Fund expenditure. The actual pattern emerged somewhat different from the one then visualized, and I think the differences should be placed on record. Here are the figures:—

	Revised Estimate Excess	Actual Excess
Emergency Administration	2,500,000	3,000,000
Police	50,000	45,130
Prisons	420,000	406,446
Information Services	170,000	127,297
Guarantees	65,000	48,812
Farmers		
Medical	41,000	27,635
Civil Aviation	75,000	25,245
East African Airways	165,000	70,693
Miscellaneous Services	39,000	66,960
Education Department	200,000	338,020
	40,000	57,384

\*Underprint.

Hon. Members will notice that although the total expenditure was

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reasonably accurate in the forecast, there was a considerable difference in the detail. I think I might use the words which Mr. Butler, Britain's Chancellor of the Exchequer, used about his revenue forecast when making his Budget speech recently:—

"This is in total exactly the figure I forecast although a suitable sense of modesty compels me to admit that it is not composed exactly as I thought it would be." (Laughter.)

The impact of the 1953 financial operations on our General Revenue balance was a deficit of £1,501,565, against which we could offset an appreciation in the value of investments held of £148,980. Thus, our balance, which at the beginning of 1953, was £8,961,773, was reduced by £1,352,585 to £7,609,188 on the 31st December of the same year. It is with a wistful feeling that I point out to the Council that had it not been for the Emergency, there would have been a very handsome increase in the General Revenue balance.

Now I must turn to the period through which we are passing which was covered by the Draft Estimates laid on the 29th October last for the six months, 1st January to 30th June, 1954. Those Estimates showed an expected Revenue of—£10,526,274—about £10,300,000—to meet an expected Expenditure of £12,481,105. This would have left us with a General Revenue balance by the end of June of £4,799,204.

The Revised Estimates are as follows—Revenue £11,630,000—Expenditure £19,400,000, leaving an estimated deficit on the half year's working of £7,770,000. So, by the end of June, our General Revenue balance will be exhausted and indeed overdrawn to the extent of £160,812. It had been assumed on the figures then available that a contribution of £2,000,000 to the Emergency Fund would be sufficient for the purpose of Estimates, although it was recognized that a Supplementary Estimate would probably have to be presented. The figure of £2,000,000 has proved to be completely out of line with reality for reasons which I shall give in a moment. Whilst I expect an increase of some £400,000 in expenditure on ordinary

Departmental Services, I have had demands for Emergency expenditure which have meant that I have had to obtain, or am about to seek, further provision for the Emergency Fund to the extent of £6,500,000. This means that the Emergency Fund expenditure on Emergency purposes will be no less than £8,500,000 during the first half-year of 1954.

I think it would be useful if, at this stage, I reviewed the history and trends of Emergency expenditure for, though it means detaining the Council a little longer, I believe hon. Members will find it of service in their consideration of our financial position and future.

The Emergency Expenditure Fund was instituted at the end of 1952 through a contribution from General Revenue of £750,000. The expenditure actually incurred in 1952 was £271,277, leaving a balance of £478,723 to be carried forward to 1953.

Emergency expenditure actually incurred in 1953 totalled £4,352,010. During the year a contribution from General Revenue was made of £3,000,000, which meant that after taking into account the balance carried forward from 1952, the Fund was overspent by the end of 1953 by some £873,287. This over-expenditure was attributable to a sharp increase in the rate of expenditure in the last quarter of the year, consequent upon the developing tempo of our Emergency effort. It reflects, for example, the arrival and deployment of a large number of additional police officers recruited from overseas, as part of the expansion of the Police Force. As I have said, in the first half of this year £2,000,000 was contributed to the Fund. In addition, a further sum of £1,500,000 was voted by Council for this purpose in Supplementary Estimates of Expenditure, No. 1 of 1954, to enable us to meet charges made by the Military towards costs incurred by them up to the 31st December, 1953. At a later stage in this sitting, Council will be asked to vote a further £5,000,000 to the Fund, which will make a total of £8,500,000 during the present financial period. The £5,000,000 requested is presented in Supplementary Estimates of Expenditure No. 3 of 1954.

Let me analyse some of the expenditure covered by this formidable figure.

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Authorizations to incur Emergency expenditure for the first six months of 1954 totalled on the 15th of this month about £3,126,000. In addition, sums totalling £1,876,000 had been paid to the War Office and Air Ministry, either against specific claims received or on account of claims to be later received, for costs incurred from the beginning of the Emergency up to the 31st December, 1953. To these figures must be added the 1953 over-expenditure of about £873,000, making a total of £5,875,000, either spent or authorized to be spent during the current half-year. One must, however, have regard to other expenditure which is likely to come up for payment before the end of the present financial period. We anticipate, for instance, additional War Office claims for the period ending the 31st March amounting to some £500,000, additional Air Ministry claims to the 31st March amounting to nearly £600,000, additional Police Force commitments £576,000 and Miscellaneous expenditure, which includes heavy bills for the creation of Special Camps, will call for over £1,000,000.

I referred to authorizations which have been given to incur expenditure during this six months, totalling £3,126,000. An analysis of those authorizations will, I think, interest Members, showing as it does the pattern Expenditure is taking over and above our ordinary Estimates and being, as it must, a relief to future commitments.

The Provincial Administration, which includes the General Staff of the Administration, has been authorized to spend about £434,000 during the half-year, which I shall refer to during this analysis as follows—Administration—General Staff £79,000—Central Province £164,000—Rift Valley Province £130,000—Nairobi Extra-Provincial District £26,000 and Miscellaneous £23,000. The General Staff Expenditure reflects the salaries and expenses of some 100 officers of the Kikuyu, Embu and Meru Guard, and Non-Recurrent Expenditure for the arming and equipping of the Guard. The Central Province is, of course, the scene of the greatest activity in the conflict, and this is reflected in its high rate of Emergency expenditure. As

a comparison—the Estimate for the Central Province, as included in the 1954/55 Budget, is £102,209, but the Provincial Administration in that Province is incurring Emergency expenditure over and above this at the rate of about £244,000 Recurrent.

In the Rift Valley Province activity has been very largely of a different kind. To the Provincial Administration there has fallen the task of screening the many thousands of Kikuyu, Embu and Meru in the Province, and this has meant the provision of Screening Officers and Teams, as well as Transit Camps and Works Camps, such as the large camp at Makutano. While the provision for this Province in the 1954/55 Estimates is £65,185, the Provincial Administration is spending on Emergency work at an annual recurrent rate of about £240,000 in excess of that amount.

Hon. Members know that a short time ago the Government introduced into the Nairobi African areas a System of Closer Administration, something which will take time before it brings full benefit, but something which is already showing signs of good effect. The cost of these measures is about £32,000 a year.

The African Information Services have been much expanded and a fair measure of that expansion is shown in the ordinary Estimates. Over and above that, however, the African Information Services will be spending some £24,000 during the current period on additional officers and staff and equipment, the latter accounting for some £12,000.

The African Land Development Board has been authorized to spend in the current period some £128,000 on the construction and staffing of Works Camps. This represents the Emergency element in various development schemes now being started in the African Areas, covering such items as the cost of building guarded camps, expenditure which would not have been incurred by the A.L.D.E.V. Board in normal time and which, therefore, is considered to be a fair charge to the Emergency Expenditure Fund and not to Development Funds.

About £90,000 has been paid out as ex-gratia compensation to persons of all races who have suffered severe financial loss directly attributable to subversive activities, and here perhaps I may

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express my thanks to the Compensation Committee for the way it has carried out its, at times, unpleasant task of deciding what can be paid and what indeed people must be asked to bear themselves, rather than expect the general taxpayer to reinstate them in the position they were in before the Emergency caused them hardship.

The Forest Department has been authorized to spend during the current period about £30,000 on its Emergency commitments, in particular for the employment of additional Forest Guards.

It has been necessary for the Judicial Department to engage additional Judges and Magistrates to speed up the process of justice. Their salaries and expenses during the present period, that is the six months January to June, 1954, will amount to about £32,000.

The cost of the Kenya Regiment during the first half of 1954 will be about £258,000, of which about £158,000 is for the payment of salaries and allowances. This figure does not, of course, take into account the cost of N.A.A.F.I. privileges extended to the members of this Force.

Included in the sum of £3,126,000 is an amount of £935,000 for the Police Department. This does not, however, include the following commitments which will come in course of payment during the current period—Police Emergency expenditure for the months of May and June, 1954, £366,000—outstanding debits in respect of the equipping and arming of the increased Police Force agreed to in 1953, £100,000—additional Police Transport, £85,000 and Miscellaneous, £25,000, totalling £576,000. This means that Police Emergency expenditure for this six months will amount to about £1,511,000, made up as follows—Personal Emoluments, £712,000—Travelling Expenses, £278,000—Other Charges, £124,000 and Capital expenditure, £397,000.

The present monthly rate of Police Emergency expenditure is about £185,000 Recurrent and £66,000 Non-Recurrent, a total of £251,000 per month. I would draw the attention of hon. Members to page 76A of the 1954/55 Draft Estimates

where, in the final paragraph of the Memorandum Note, it is stated—

"In the first half of 1954 the Police were authorized to spend £1,123,000 as a charge to the Emergency Expenditure Fund which represents an annual rate of expenditure of about £2,246,000. This, added to the Police Estimate of £1,999,176, gives a total estimated expenditure for this service of about £4,245,000 for the financial year 1954/55."

£4,250,000.

That was, in fact, the position when the Police Estimate was prepared during the first quarter of 1954. If, however, regard is had to the present monthly rate of Police Emergency expenditure, it is no longer strictly correct because the monthly rate to-day represents an annual Emergency expenditure of about £3,000,000. However, as hon. Members will have noticed in some of the figures given above, Capital expenditure, particularly on such things as vehicles, has been very high, and to that extent the monthly rate is unrealistic. The figure given in the Memorandum Note, therefore, must, I think, be qualified by reading into it the words, "recurrent expenditure".

On this point, however, and I would emphasize that I make this remark not in particular reference to the Police, there is constant pressure for more and more Capital expenditure which, even after eighteen months of Emergency, is by no means a dwindling demand.

The Prisons Department will be authorized to spend during the period we are discussing about £538,000 from the Emergency Expenditure Fund. This will be built up as follows—Personal Emoluments, £97,000—Other Charges (for example, clothing and feeding of prisoners), £294,000 and Capital expenditure (for example, Prison Camps), £147,000.

I would ask hon. Members to look at page 85A of the Draft Estimates, to the first paragraph of the Memorandum Note which states:—

"The Estimate for the Prisons Department totals £662,965, as against an annual rate of £611,570 for the first half of 1954. The daily average prison population at the time of the preparation of the present

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Estimates (March, 1954) is 33,000. As for the first half of 1954, however, the Prisons Department Estimate is based on the pre-Emergency daily average prison population of 12,000, in respect of which the estimated cost of maintaining a prisoner is £47 per annum. Financial provision for the balance of 21,000 prisoners will be made from the Emergency Expenditure Fund at an estimated cost of £882,000, which is £42 per prisoner per annum. Assuming, therefore, a daily average prison population of 33,000 the full cost of the Prisons Department for the financial year 1954-55 will be £1,545,000."

On the 15th April, the prison population had risen to some 34,000 and as a result of the increased pressure of the security forces, that figure is now mounting very rapidly. It will, therefore, be obvious to hon. Members that any large increase in the number of persons detained will mean that I shall have to ask for more money to meet that heavy cost.

The Public Works Department has so far been authorized to spend about £755,000 for Emergency work during the current period and will certainly have to undertake within this six months other commitments to the extent of a further £400,000, nearly all of which will be on Capital account. So far works have been undertaken as follows—  
Military Emergency Works Services £184,000—Prisons Emergency Works £156,000—Agricultural Buildings in Administrative Sub-Stations £17,000 and Miscellaneous £16,000. These figures do not take into account Emergency works carried out by the Public Works Department for the Administration, Police and many other Departments, nor do they include the full picture of work done for the Prisons Department. This is because, except in the case of Military Emergency Works Services and Special Prisons Emergency Works, for example, Special Camps, the cost of Emergency Works is charged to the Department concerned and not to the Public Works Department.

And now I turn to Military and Royal Air Force Emergency expenditure. It is difficult to estimate the current rate of

Emergency expenditure for these Fighting Services, for not only are the claims submitted in arrears, but they often do not cover the complete expenditure, even for the period with which they deal. As they are submitted in arrears, they often bear little relation to the changing and current increasing Military and Air Force effort.

I believe hon. Members are aware of the principle which has been adopted in the assessment of Kenya's liability in regard to the cost of the Military and Air Force Services, but perhaps I should again repeat it.

It is that Kenya shall pay any "extra cost" incurred over and above that which would be met normally by Her Majesty's Government, if the Forces were stationed in the United Kingdom on a peace time basis.

As I have already stated, we have so far paid to the Services a sum of £1,876,000, of which £1,750,000 has been paid to the War Office for "extra costs" and the balance has been paid to the Air Ministry for certain specific services, such as Special Transport Flights. We hope, but we cannot, of course, be sure, that the recent payment of £1,500,000 to the War Office will meet all Military claims up to the end of 1953. We were asked for a further payment of £500,000 in respect of the period 1st January to 31st March, 1954, and this sum is included in the £5,000,000 to be asked for by Supplementary Estimate. I must point out, however, that no provision has been made in this respect for the months April to June, 1954, and it seems likely that a further £500,000 at least will be required eventually to meet claims for those months. The claims, however, will not come in course of payment during the current period and so no provision has been made for them during that period.

We have made enquiries about the current rate of direct Military Emergency expenditure which would have to be met on this basis, but have been able to obtain only a tentative estimate that it is between £150,000 and £200,000 per month. We are, therefore, working on a figure of £175,000 which is an assumed annual rate of £2,100,000.

With regard to Royal Air Force expenditure, we have so far received no

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detailed claims. We have, however, been asked to make an advance payment of £597,000 to the Air Ministry "on account of extra costs for the Royal Air Force assistance to the Civil Power in Kenya during the period October, 1952 to March, 1954," and that sum also is included in the £5,000,000 asked for by Supplementary Estimate. These figures, of course, do not include the charges for the Jet aircraft at present being used to attack the terrorists.

Although the provisional claim for £597,000 was for the period October, 1952, to March, 1954, the average monthly rate cannot be arrived at by a process of simple division, for the Royal Air Force effort was a restricted one until the arrival of the Harvards about a year ago. It is probable, therefore, that most of the sum has been spent during the last twelve months and that we are facing an average monthly rate of Air Force expenditure of about £50,000. I am given to understand that this rate may well be doubled as a result of the decision to use the Vampire Jet Fighters. As with the Military, so with the Royal Air Force, no provision has been made in the Supplementary Estimate for its expenditure for the second quarter of 1954, in the knowledge that claims in respect of these months will not be presented during the current period.

In so far as the Miscellaneous item of over £1,000,000 is concerned, I can say little, except that it is the cost of operations being planned or being commenced. This is largely Capital expenditure, but I must warn the Council that it is likely to bring in its train a very heavy increase in our recurrent rate.

It has proved most difficult either to predict or to estimate Emergency expenditure trends. I have at various times endeavoured to give the Council some indication of the monthly rates based on all the data available at the time and on the information supplied us, but as a result of changing and increasing demands for the intensification of operations, these have sometimes proved to be wide of the mark. The rate of Emergency expenditure has risen steeply and still continues to rise as the pressure on

the terrorists increases in intensity. Some figures in this respect of expenditure during actual months will illustrate how swiftly the increase takes place. In the month of March, 1953, Emergency expenditure was as follows—Civil, £150,000; Military and Royal Air Force, £100,000; total, £250,000; in November, 1953, Civil, £282,000; Military and Royal Air Force, £150,000; total, £432,000; in February, 1954, Civil, £468,000; Military and Royal Air Force, £175,000; total, £643,000; and two months later in April, 1954, Civil, £628,000; Military and Royal Air Force, £225,000; total, £853,000. A change in the monthly rate within two months of £200,000 a month or nearly 25 per cent. And, as I have told hon. Members, with the operations planned and proceeding, the rate may go still higher. New commitments may arise, existing ones may lead us into unforeseen expenditure, whilst over some commitments we have no direct control.

Accepting, as I have done, personal responsibility to this Council for expenditure from the Emergency Fund, to prevent the delay that would otherwise have occurred in getting expenditure approved by this Council, I have urged two things continually upon everyone concerned, firstly, that the effectiveness of the operation should be balanced against the expenditure involved; in view of the great financial strain to which our resources were being subjected, and, secondly, that every officer and every citizen should regard it as his duty, and indeed primary interest, to prevent waste.

One more point before I leave the question of the Emergency Fund and its expenditure. We have engaged a number of officers on contract terms. We have agreed to certain permanent expansion, particularly in the Police, and recognized possible permanent commitments in the Prisons Department and the Provincial Administration. The cost of these officers is being borne by the Emergency Fund, but when it is possible to dispense with the services of all Emergency staff engaged on temporary month-to-month terms as the active side of Emergency operations lessens, there may still be a commitment of some £2,000,000 per annum which would have to be carried, part for a limited period, but the greater part permanently or for some many years, by the Colony's normal votes.

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Now to the Revised Estimates for the period January to June, 1954, which I had given as Revenue £11,630,000, Expenditure £19,400,000. In general, it is impracticable to make a detailed revision of the figures given for the current period because complete records for two months only are available and our previous records of half-years' Revenue and Expenditure would not be strictly comparable with the current period because they would be part only of an accounting period and many adjustments would be needed. In so far as the Revised Estimate of Revenue for the current period is concerned, there is reason for belief that there will be an excess of some £1,100,000 over the original Estimate. I have increased the Estimate of Receipts from Income Tax from £2,500,000 to £3,500,000 and have anticipated a slight rise in the Receipts under the Head Customs and Excise previously estimated at £3,622,000. No important changes in the other Heads of Revenue can be foreseen at present.

The Receipts from Income Tax have remained buoyant. To some extent this may be attributed to the improving arrangements for the assessment and collection of income tax. It also appears that the increase in the number of assessments for the years for which collection has taken place has, at any rate for the present, more than offset the reduction in collections which might have been expected to arise from the evidence which was available to me in regard to the lowering of Company Income levels as between the years 1951 and 1952. It is the incomes for 1952 on which the second instalments of tax are being paid during the current period, I would remind hon. Members of the quotations I made from the Report of the East African Income Tax Department for 1953, particularly that part which referred to the years of income covered by assessments and to the information that only 13 per cent of collection was represented by tax on the year of income 1952. I shall refer to this again when dealing with the Revenue Estimates for 1954/55.

There is little I need say about the Customs and Excise Receipts. I have

referred to the pattern of this Head in 1953. A study of the past gives us very little in the nature of a definite pattern, though there seems to be a common trend for Receipts under this Head to fall off towards and during the middle of the year. We believe, however, that an increase over the original Estimates will be achieved.

The only other variation of importance is the regrettable fall in the Receipts of the Forest Department. In 1952 and 1953 actual Receipts were £308,678 and £238,139 respectively. The original Estimate for the current period was at the annual rate of £252,600, which has now been reduced to an estimated annual rate of £240,000. The fall in this Head of Revenue is one of the losses we have suffered as a result of the Emergency.

On the Expenditure side of this six months' period, apart from the provision for Emergency expenditure, I have had to allow for an increase of £400,000 over the original Estimates. As I have already said, it is difficult, much more difficult than usual, to make realistic revision of the Expenditure for the current half-year. However, from the information gleaned from departments, it appears that the following will be the larger excesses over the approved Estimates—Police £80,000; Miscellaneous Services, shown under Head 4-4, £55,000; Loans from Revenue £52,000; Guarantees to Farmers £37,500; and Local Government Contributions £68,000.

At the end of these calculations, as I have informed the Council, I am faced with an estimated deficit on the current half-year period of £7,770,000, the consequent disappearance of our General Revenue balance as a credit balance and its replacement in the Financial Statement of a deficit figure of £160,812.

The Council knows that as a result of discussions with Her Majesty's Government last year, an announcement was made on the 9th December last year that Her Majesty's Government would be prepared to make a grant of £4,000,000 towards the cost of the Emergency and to make available, in addition, an interest free loan of £2,000,000. As a result of the present position, I have decided, in addition to grateful acceptance of the £4,000,000 grant, to apply for the use of the £2,000,000 loan at the earliest possible

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moment. Although this money may not become available to us for two or three months after the beginning of our fiscal year, knowing that it will be available to us, I have placed it in the Financial Statement as a credit towards our General Revenue balance. I am asking Her Majesty's Government that, if possible, a portion of the grant should be made available before the end of the current period. The words, however, "receivable before 30.6.54" are unlikely to apply to the whole of the £6,000,000. When that £6,000,000 has been received, the General Revenue balance will again be in credit to an estimated amount of £5,839,188.

And it is in that position that the Colony and this, its Legislative Council, face the fiscal year 1954/1955, which begins on 1st July next.

The Draft Estimates for 1954/55 show an estimated Expenditure of £29,755,078. That figure includes the provision of £8,000,000 to meet the cost of the Emergency during that year.

As hon. Members will realize from the history I have given them of expenditure from the Emergency Fund, that figure of £8,000,000 will cover at the present rate a period only of about nine months and, if the rate of expenditure increases, an even shorter period. It is to be hoped that with an improving position, the rate of expenditure on the Emergency can be reduced, but, if this is not so, then a complete review of the position will need to be undertaken in a few months' time, subject to one saving factor to which I shall refer later.

In discussing a budget, which includes one such abnormal item, it is difficult to deal with the variations in the budgetary position caused by what would normally be called major factors, without feeling that these are dwarfed into comparative insignificance by that one item of £8,000,000. I shall, however, proceed to deal with what I will call the normal side of Budget Expenditure in order to give this Council a picture of the general and ordinary pattern. Without that one item, our Expenditure would have been levelled off at £21,755,078.

That Expenditure has been estimated as a continuation of the "standstill" policy which has been relaxed only in

those cases where it has been necessary to allow for certain increases in Departmental Staffs which have to meet an ever-increasing volume of work. It has been necessary to make provision for the expansion of Services at existing levels to meet the increased demand for such Services as, for example, Education.

The Expenditure Estimates for 1954/55 are below the 1953 level of actual Expenditure, but that year included certain major items which are not being repeated, such as Contributions to Development totalling £466,866 and a Contribution of £250,000 to the Civil Contingencies Fund.

The Estimate of Expenditure for the coming year is just under £800,000 more than double the provision for the current period of six months. Most Heads show small increases, but the major increases occur under the following items—Public Debt £227,474; Education £186,293; Police £219,478; and Military £417,805. The first three items are, to some extent, self explanatory.

In so far as the increase in the Contribution to the War Department is concerned, we were informed in 1953 that the total cost of the normal Internal Security Forces had risen by about two-thirds since 1950 when our Military Contribution was fixed at £400,000. The main reasons for this were increased personnel costs and the higher costs of supplies. The increase was carried for some time by Her Majesty's Government, but the East African Governments were, in consequence, asked by Her Majesty's Government to review their contributions and a conference was held in February this year. It became clear in those discussions that the territorial contributions would have to be increased more than proportionately to satisfy the generally accepted principle that territorial governments should meet the full cost of their own Internal Security Forces. In the event, despite substantial increases in the contributions of all the territories, no long-term solution could be reached, partly because the ultimate shape of the Post Emergency Forces is not yet clear. Another conference, therefore, will have to be held later in the year to deal with 1955/56 and subsequent years. The Kenya Government agreed, however, to pay £800,000 in 1954/55. At the conclusion of the conference, there was still a considerable amount to be found to meet the cost.

[The Minister for Finance and Development]

Kenya offered to pay another £10,000, if that would enable a final settlement to be reached. This offer was well received by the representatives of Her Majesty's Government and we hope that, in so far as Kenya is concerned, we shall hear no more about further increases during the 1954/55 financial year.

Another question dealt with at the conference was that of the housing of the Forces, much of which was built in temporary materials during the war, is now unsatisfactory, in some cases falling down, and means heavy maintenance expenditure being incurred. The ultimate cost of putting the accommodation on to a satisfactory basis will be of the order of £11,000,000. It is hoped to be able to achieve this objective within the next ten years and Kenya's share of this programme will be not less than £3,000,000. Here, again, no final solution was possible and the matter, mainly one of the difficulty of providing finance, will be discussed at the conference I have referred to, but, to enable a start to be made on the rehousing of our own Kenya Forces, we are proposing to spend £200,000 more on Military Capital Works in 1954/55. We are also providing a further £71,160 for Maintenance of Military Works under the Public Works Recurrent Vote as our proportionate contribution to the cost of maintaining "pooled" Military Works for which the East African Governments and the War Office are jointly responsible. This provision had previously been part of the Capital Works' Allocation, but is more appropriately included under a Recurrent Vote. There will be no reduction in the Development Estimates, so that the whole of the £100,000 which we contribute towards the Cost of Works which we share with Her Majesty's Government and the other territories involved, may be used for new construction. Most of the £11,000,000 programme will be for buildings in Kenya and we are already preparing to bring our Public Works Department's staff up to a level at which it can tackle £1,100,000 worth of military buildings in a year.

At this point it has usually been my practice to give figures which show the pattern of our Expenditure. I shall do this again because, although the figures

may be variable when certain aspects of Emergency expenditure are taken into account, the pattern is a good indication of the policy of the Government as expressed in Expenditure.

The percentages in 1952, excluding the Contribution to the Emergency Fund, based on actual Expenditure were as follows:—

	Per cent
Administration .. .. .	7.9
Maintenance of Law and Order .. .. .	11.9
Collection of Revenue and Control of Finance .. .. .	2.95
Public Debt .. .. .	4.2
Pensions and Gratuities .. .. .	5.3
Defence .. .. .	5.45
Development of Resources—	
Agriculture and Animal Husbandry .. .. .	10.8
Forestry .. .. .	1.3
Lands and Mines .. .. .	2.2
Waterworks .. .. .	1.1
Transport .. .. .	5.2
Labour .. .. .	0.9
Miscellaneous .. .. .	3.0
Grouped as Social Services—	
Education .. .. .	12.0
Health .. .. .	8.7
Social Welfare .. .. .	0.6
Miscellaneous .. .. .	1.5
Public Works (unallocable) (which includes such things as Government housing, Government offices, etc.) .. .. .	8.2
Other Expenditure (unallocable) .. .. .	7.4

In 1953, again, excluding Emergency expenditure, the pattern based on Revised Expenditure was—

	Per cent
Administration .. .. .	6.8
Maintenance of Law and Order .. .. .	15.7
Collection of Revenue and Control of Finance .. .. .	3.4
Public Debt .. .. .	5.4
Pensions and Gratuities .. .. .	4.7
Defence .. .. .	4.55
Development of Resources—	
Agriculture and Animal Husbandry .. .. .	9.5
Forestry .. .. .	1.3
Lands and Mines .. .. .	4.5
Waterworks .. .. .	0.3
Transport .. .. .	8.2
Labour .. .. .	0.9
Miscellaneous .. .. .	3.3
Grouped as Social Services—	
Education .. .. .	12.9
Health .. .. .	8.2
Social Welfare .. .. .	1.1
Miscellaneous .. .. .	1.05
Public Works (unallocable) (which includes such things as Government housing, Government offices, etc.) .. .. .	4.5
Other Expenditure (unallocable) .. .. .	6.9

[The Minister for Finance and Development]

The 1954/55 Estimates, excluding, of course, the Emergency Fund Contribution, give the following percentages:—

	Per cent
Administration .. .. .	7.2
Maintenance of Law and Order .. .. .	15.0
Collection of Revenue and Control of Finance .. .. .	3.7
Public Debt .. .. .	6.9
Pensions and Gratuities .. .. .	4.3
Defence .. .. .	6.7
Development of Resources—	
Agriculture and Animal Husbandry .. .. .	9.8
Forestry .. .. .	1.7
Lands and Mines .. .. .	1.42
Waterworks .. .. .	1.5
Transport .. .. .	5.5
Labour .. .. .	1.0
Miscellaneous .. .. .	2.25
Grouped as Social Services—	
Education .. .. .	15.0
Health .. .. .	7.9
Social Welfare .. .. .	0.6
Miscellaneous .. .. .	0.6
Public Works (unallocable) (which includes such things as Government housing, Government offices, etc.) .. .. .	4.25
Other Expenditure (unallocable) .. .. .	6.0

From this hon. Members will see that we are trying to maintain the pattern of progress of the Development of our Resources and of our Social Services, in so far as our normal expenditure is concerned. I must say, however, as I said six months ago, that one cannot ignore the impact of Emergency expenditure. If that were allocated, as it should be, to the groups of Administration, Law and Order, and Defence, the pattern assumes a shape distasteful to those of us who desire the progress of our people—one which tells a story of wasted money, of wasted effort, of misery and suffering, caused by the wicked men who, misleading so many people, are doing such dreadful harm to Kenya's hopes of advancement.

Six months ago I referred too to the changing pattern of our National Revenue with the movement between Direct Taxation and indirect Taxation Revenue Receipts. I said then that, if the collection of Revenue for the current period worked out as proposed, the proportion would have been as 44 direct is to 56 indirect. The Revised Revenue Estimates for the first half-year of 1954, with the changes brought about through increased collection of Income Tax, now show the ratio as

49 direct is to 51 indirect. In the 1954-55 Draft Estimates now before the Council, if the collection of Revenue works out as is proposed, the proportion will be direct 42 to indirect 58.

I have given the proposed Expenditure total as £29,755,078. I must point out to hon. Members that this figure does not include any expenditure which might arise from three very important reports which have still to be considered by the Government and by the Legislative Council. There is the Report of the Carpenter Committee on African Wages and Conditions of Employment, with its financial implications as far as Government is concerned of a further increase in the minimum wage early in 1955. There is the Report of the Police Commission which, although this Council has agreed to it in so far as alterations in salary scales are concerned, still has many other recommendations which, if adopted, will bring about additional expenditure. Finally, there is the Report of the Salaries Commission which we expect to receive within the next two to three months. This Report, on which many hopes have been built, may well involve us in expenditure of between £800,000 and £900,000 in a full year. The Draft Estimates take no account of this for obvious reasons.

To meet the Expenditure of £29,755,078—what Revenue is available? I estimate that Revenue, if existing rates are maintained, would amount to £19,912,534 and that includes export duties on cotton, hides and skins, wattle bark, etc., representing some £210,000 which has so far been directed solely to Capital purposes.

In estimating Revenue I have had to pay some attention to the indications of a lowering of incomes from the peak in 1951. I have referred to the increased number of assessments of income tax for the past years, but have pointed out that there is of necessity a time lag between years of income and tax collection. There are other indications which I must take into account. In his Report on his Department for the year 1953, which the Commissioner for Inland Revenue has submitted for my consideration, the Commissioner has mentioned several points which may be regarded at least as

[The Minister for Finance and Development]  
straws in the wind. On the subject of personal tax, he has this to say:—

"The growth in the number of taxpayers to which reference has been made in earlier reports has not continued during 1953. The number of European taxpayers actually fell by approximately 1,500, while the increase in the number of Asian and Arab taxpayers was smaller than in recent years."

When dealing with the question of hospital fees, he remarks:—

"Great difficulty has been experienced in collecting fees, and in spite of over 18,000 reminders issued during the year outstanding at the year end had risen considerably. Authority to write off approximately £3,800 of uncollectable fees was obtained, but further sums will probably prove irrecoverable and will have to be abandoned."

And yet again when dealing with school fees, the Commissioner says:—

"As in other branches of revenue, collection of fees proved increasingly difficult and the arrears due at the end of 1953 were considerably higher than a year earlier. Although remissions or reduction of fees were authorized by the European School Fees Committee in approximately 200 fewer cases than in 1952 the fees remitted rose by approximately £17,000 to £44,875."

I cannot possibly ignore those indications, but, nevertheless, the Principal Collectors of Revenue, the Commissioner of Income Tax and the Commissioner of Customs, have shown considerable confidence in their Estimates, and as a result of discussions and consultations I have placed the estimated Revenue from Income Tax and Customs at a figure slightly less than that of the 1953 level.

The Estimate at existing rates of £19,912,554 for 1954/55 is £1,439,311 less than the actual Receipts for 1953. For the information of hon. Members, the details and comparisons of the more rates and compared with 1953 are as follows: Income Tax in 1953 produced £3,950,129—for the coming year I have estimated £5,200,000. In 1953 Import Duties realized £5,990,022—for 1954/55

I have estimated £5,599,000. Excise in 1953 realized £1,269,850. Here, there is an exception to the general depressing of the 1954/55 Estimate as against previous years. Excise returns have been very favourable and, although the level may be regarded as optimistic, nevertheless, I feel it is justifiable. In 1953 the Sale of Government Property realized £510,823, Miscellaneous Receipts £263,990 and Land Sales £127,759. In the 1954/55 Estimates the Receipts are placed at £158,700, £125,750 and £66,000, respectively, for these are items which under existing circumstances must be treated with due caution.

With an estimated Expenditure of £29,755,078 and an estimated Revenue at existing rates of £19,912,554, I am left with a deficit on the year's working of £9,842,524. Even if I throw into the scale the whole of the adjusted Revenue balance, taking into account the £6,000,000 assistance from Her Majesty's Government, I am left with a deficit of £4,004,336, and it is to that amount that I have had to, and that this Council must now, pay regard.

I have reminded hon. Members already that inside the estimated Revenue figure I have quoted, there is an amount of Export Duty, of £210,000, which has in the past been solely directed to Capital purposes. In the light of existing circumstances, I feel that, at any rate for the time being, this money must be directed into the General Revenue of the Colony and I have, therefore, deleted from the Expenditure Estimates the item, Special Contribution to Development Funds, £210,000, which would normally appear therein.

The measures of increased taxation I propose are as follows:—

"On liqueurs, cordials and mixed potable spirits, exceeding 3 per cent of proof spirit", an increase in Customs Duty per imperial gallon from Sh. 66 to Sh. 84; "on other potable spirits exceeding 3 per cent of proof spirit, e.g. brandy, whisky, rum, gin, geneva and rectified spirit, n.e.e.", an increase from Sh. 105 per proof gallon to Sh. 125; and "on ale, beer, cider, perry and stout, all kinds, of a strength exceeding 3 per cent of proof spirit", an increase in Customs Duty from Sh. 7/50 per imperial gallon to Sh. 9 per imperial gallon. Other Customs Duty increases I propose in this

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particular class are—"on wines—vermouth", an increase from Sh. 9/90 per imperial gallon to Sh. 12; "on other still wines imported in bottles", an increase from 55 per cent *ad valorem* or Sh. 9/90 per imperial gallon, whichever is the greater, to 66½ per cent or Sh. 12; "imported in casks or other containers of five gallons or over", an increase from 55 per cent *ad valorem* or Sh. 6/60 per imperial gallon, whichever is the greater, to 66½ per cent or Sh. 8; "on sparkling wines—champagne", an increase from Sh. 27/50 per imperial gallon or 55 per cent *ad valorem* to Sh. 33/30 or 66½ per cent; "on sparkling wines—other", an increase from Sh. 19/25 per imperial gallon or 55 per cent *ad valorem* to Sh. 23/40 or 66½ per cent. This means that the increase in Customs Duty on brandy, whisky, rum and gin is about 19 per cent, on liqueurs 27 per cent, on wines 21 per cent and on imported beer 20 per cent. I estimate that this will bring additional revenue to the amount of £181,000.

I have also turned my attention to matches, believing this to be one of the items on which taxation can be increased without causing hardship. I propose, therefore, to raise the duty to the following extent—"matches—in boxes of not more than 100 matches", from Sh. 3/30 per gross of boxes to Sh. 8/25; "in boxes containing more than 100 and not more than 200 matches", from Sh. 6/60 per gross of boxes to Sh. 16/50; "and for every additional 100 matches or part of 100, in excess of 200 per box", from Sh. 3/30 per gross of 100 matches to Sh. 8/25; "tear-off matches, in strips, discs or booklets", from 27½ cents per thousand matches to 69 cents. I estimate that this should bring in additional revenue amounting to £65,000. The increase in the existing duty will mean that a box of matches, on which duty amounting to just under 2.3 cents was paid, will now bear a duty of 5.75 cents.

I propose to increase the Customs and Excise Duty on sugar from 2 cents to 5 cents per pound. This will apply to both imported sugar through Customs Duty and locally produced sugar through Excise. The total impost, including Consumption Tax, will now be 6 cents, as against the old impost of 3 cents

which covered 2 cents duty and 1 cent tax. I estimate that this will produce in revenue a total of £192,000.

The total I expect, therefore, to receive from Customs and Excise increases is £438,000, and I would remind hon. Members I am looking for some £4,000,000.

In looking round for other sources of indirect taxation which could, in my opinion, be levied at the present time without doing vital damage to the economy in general and the particular industry concerned, I investigated the position of the coffee industry. I propose to levy an Export Tax at the rate of 12½ per cent on all coffee exported from Kenya. The machinery for the collection of this tax has been designed, after consultation with the coffee trade, to ensure a minimum disruption of the existing coffee sales and export arrangements. I have been advised that it would simplify the collection of the tax, if all coffee were to be brought under the control of the Coffee Marketing Board. The Coffee Marketing Ordinance does, in fact, empower the board to bring all coffee under its control for the purposes of the sale, but, at present, the board controls the sale of coffee, but not of *buni* or cherry. At this stage I should mention that the word "coffee", for the purposes of this Export Tax, covers coffee in whatever form it may be exported, whether as a bean, roasted or otherwise, a cherry or in the form of *buni*.

The Export Tax Ordinance provides for the levying of taxes by reference to f.o.b. values, but, in the case of coffee, the export value which is to be subject to tax will be deemed to be the gross value obtained from sale by auctions undertaken by the Coffee Marketing Board. It is fully realized that such values are slightly less than f.o.b. values on which tax would normally be levied, but it is thought that the rate at which the tax is being levied takes into account that slightly reduced value.

Certain coffees sold at auctions will be required for local consumption and it is proposed that the necessary drawback of the Export Tax on coffees used for local consumption will be made on certified statements in regard to consumption which will be supplied by the Coffee Marketing Board.

I estimate that this will produce additional revenue amounting to



[The Minister for Finance and Development] I recognize, of course, that the imposition of this special tax will affect other taxes normally paid by members of the industry, but that fact has been noted and adjustments made in the other Revenue Heads affected.

These additions to indirect taxation will give me £1,188,000 towards the £4,000,000 deficit with which I am concerned. Their effect on the general cost of living was something which I had to keep in mind and I am informed that they will cause an increase in the Cost of Living Index of 1.25 points and in the Wage Adjustment Index of .65 points.

I now turn to direct taxation. It has been my object to spread as widely, and as fairly as possible, the additional burden of taxation, having regard to the capacity to pay of the people concerned. I have felt it important that every citizen of our country must pay something towards the increased expenditure with which we are now faced. It was natural, under these circumstances, that I should turn my attention to personal tax. Personal tax is at present levied at the rate of Sh. 20, Sh. 40 and Sh. 60, according to the level of income of the taxpayer. Those rates will be doubled and a new rate of tax at Sh. 200 will be introduced for people whose income exceeds £200 per annum. A woman, whose personal income does not exceed £120 per annum, is at present exempted from the tax, but it is proposed that in the future such persons should be liable for payment of the tax. The removal of this exemption does not mean that a married woman, living with her husband, will be subject to personal tax. The changes in this tax rate will be effective from the 1st January, 1955. I estimate that this measure will produce additional revenue amounting to £300,000.

I now turn to income tax and, here, I feel that I am giving the Council no surprise, for almost every newspaper in the country has predicted an increase in this particular tax.

A surcharge at the rate of 75 cents will be charged over and above the rates levied under the Income Tax Rates and Allowances Ordinance, 1952, on each £1 of chargeable income in excess of £800. Surcharge on total incomes above £9,000 will be paid at the appro-

priate rate for the income of £9,000; that means that there is a maximum rate of surcharge. It will be seen that I have designed the surcharge to prevent it pressing too heavily on the lower income groups and, at the same time, have endeavoured to level it off at the income sector where I believe the burden of surtax is heavy at the moment and where further addition might prove a discouraging factor to development; to the re-employment in development of any surplus income and might prove a deterrent to investment in this country. This surcharge will be levied on incomes arising in the year 1953, that is to say, it will be payable by instalments in October, 1954, and March, 1955. I propose to consider allowing some set off of the increased amount of personal tax, paid by an income tax payer, against the surcharge on income tax, but as the proposed increase in personal tax relates to the year 1955, no set off will be called for in respect of the surcharge on income tax payable in the year 1954 on 1953 incomes. I estimate that this measure will bring in additional Revenue amounting to £250,000.

I now turn to the other large field of direct taxation left to me, the field of African poll tax. Here, again, I have followed the principle that it is essential that every citizen should, through additional contribution to the revenue, have some realization of the Colony's increasing expenditure and, in particular, of the burden inflicted upon us by the cost of the Emergency. I propose, therefore, that the basic rate of African poll tax will be increased by Sh. 2 from Sh. 17 to Sh. 19. Corresponding changes will be made in those African poll taxes which are normally not levied at the basic rate. The changes will be effective from the 1st January, 1955, that is, the rate of tax for the year 1955 will be increased by Sh. 2. The Special Tax levied on the members of the Kikuyu, Embu and Meru tribes will be increased from Sh. 20 to Sh. 22, also with effect from the 1st January, 1955, so that the additional tax demanded from members of the Kikuyu, Embu and Meru tribes will total Sh. 4 as against Sh. 2 in other areas.

After allowing for remissions and exemptions, particularly in the case of

[The Minister for Finance and Development] the Special Tax in so far as loyal Kikuyu are concerned, I estimate that this measure will bring in additional revenue amounting to £120,000.

I would ask Mr. Deputy Speaker that, in accordance with our usual practice, this speech be taken as Notice of Motions to be placed before the Ways and Means Committee dealing with the revenue measures I have proposed.

The total estimated to be realized, through these measures of direct taxation, is £670,000 and the combined total of direct and indirect taxation increase is £1,858,000. This, when added to the Estimate of Revenue Receipts at existing rates, will still leave me with a deficit on the year of £7,984,524, and when the adjusted General Revenue balance is taken into account, the deficit will be £2,145,336.

But there, for the moment, I propose that we should rest and I am going to suggest no further increases in taxation at present.

Sometimes, people abroad say of us that we are not taxing ourselves as heavily as we might do. I have, of course, no firm estimate of what the National Income of Kenya will be in the year 1954. I can only base any opinion I may give on a close study of the geographical income of past years, on the factors now affecting our trade and on an assessment of the effects of the Emergency, so that the opinion I now express may prove to be wrong, but I think it unlikely that it will be very far out when accurate figures are available. Our geographical income has always contained a large element of African subsistence agriculture, and there has, from time to time, been argument in this Council as to how far that item should figure in any assessment of the level at which we are taxed. I believe that, even with a reasonably optimistic estimate of our National Income for 1954, it will be found that our new level of taxation means that from 22 per cent to 25 per cent of the National Income (including African subsistence agriculture) is taken in taxation and without that item, I think the figure will be found to be between 25 per cent and 30 per cent, a level which leaves very

little margin for increase in a developing country. For that reason I am loth to suggest any further additional burden being imposed unless the financial situation deteriorates.

I shall continue to keep a watchful eye on the position, to press for the closest scrutiny of expenditure and remind all the people concerned to begin what *The Times* once called "Saving Candle-ends". In that particular leading article, *The Times* said,

"It is primarily by insisting on even the smallest economies that the Treasury can create the right frame of mind in the spending departments. Savings of £40,000 here or £50,000 there may seem to be negligible when compared with a total expenditure of thousands of millions, but when the Treasury insists on economies of that order the departments are left in no doubt that it means business."

And it concluded:

"The saving of candle-ends is the essential first step in economy."  
That is true here too.

It may be that the deficit can be covered by a diversion of some of our loan finance from Development to that specific purpose. It may be that I shall find myself compelled to introduce an interim Budget later in the year, asking for further taxation, but, if that is so, it will mean that a request will be made to my colleagues in the Government at the same time for drastic cuts in Departmental Expenditure, even though that may mean a reduction in the Services we have struggled so hard to build up.

I spoke a little earlier of a saving factor. Hon. Members will remember that in December of 1953 Her Majesty's Government announced that they would grant assistance, based on Estimates then made, of a £4,000,000 grant and a £2,000,000 interest free loan to help the Kenya Government to maintain a reasonable level of liquid resources and continue to meet their obligations at least until the end of the United Kingdom financial year, 1954/55. That was done in recognition of the fact that, although the people of Kenya would wish to take such steps to increase their Revenues as they reasonably could without disrupting their economy or unduly deterring that inflow of capital which is

[The Minister for Finance and Development] so badly needed, they would not be able unaided to continue to bear the burden of Emergency expenditure and at the same time to press ahead with essential social and economic development. Her Majesty's Government recognized that precise forecasting was difficult and the Secretary of State for the Colonies said:—

"Should the present rate of Emergency expenditure continue throughout the period, it is possible that more may be required thereafter. In that event Her Majesty's Government will be prepared to review the position in good time."

As I have stated in this speech, the rate of Emergency expenditure has not only continued throughout the period, but has greatly increased since that time with the stepping up of operations against the terrorists.

I have presented to the Council measures of increased taxation, but unless interterritorial agreement can be achieved on additional customs increases, there is not a great margin of taxation left which can be imposed without great injury to the process of development essential to make us and keep us self-supporting in future. As it is, the financial position will have to be kept under constant review and it may be that before long a reduction in services, particularly in the social service group, will have to be faced.

Her Majesty's Government has promised to review the position and I have taken steps to apprise them of our present situation. I propose soon again to visit the United Kingdom and approach Her Majesty's Government on the question of further financial assistance. I am confident that Kenya's case will be considered in the same sympathetic manner as it was on the previous occasion when I visited London, and that Her Majesty's Government will again give us support—support sufficient to justify us planning for the future—support to the best of their ability in this our time of trial and need.

That, then, is the story of the Budget of 1954/55. By the end of that period the Emergency may have cost us over £20,000,000. The surplus balance of

nearly £9,000,000 with which we began 1953 will, despite assistance by Her Majesty's Government—despite the additional taxation of our own people, have been swept away by the torrent of Emergency expenditure—and with it have gone, for the time being at least, many of our cherished hopes and schemes.

Indeed a tragic tale!

But it is not all the story—not by any means.

The majority of our people—African, Arab, Asian and European, have stood firm in the support of law and order. The trouble remains confined to a limited part of our country. Agriculture has held its own—industry has indeed expanded. Our wealth is little impaired—our economy still strong. Our services, economic and social, have been maintained and in some cases expanded. We have the promised support of Her Majesty's Government—we have the initiative, energy, drive and determination of all those to whom Kenya is home and country—and a growing group of people uniting to place the welfare of Kenya first and foremost in thought and action.

It is indeed a time of trial—but out of this time, with God's help—a nation will grow. (Prolonged applause.)

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

MR. HARRIS (Nairobi South): Mr. Deputy Speaker, Sir, I beg to move that this debate do now stand adjourned.

DR. HASSAN seconded.

Question proposed.

The question was put and carried.

#### ADJOURNMENT

THE DEPUTY SPEAKER: HON. MEMBERS, it is customary to provide time in which hon. Members can discuss the Motion of the Minister of Finance. Therefore, I adjourn Council until Tuesday, 18th May, at 10 a.m.

Council rose at fifty-five minutes past Twelve o'clock.

Monday, 17th May, 1954

The Council met at forty-five minutes past two o'clock.

[Mr. Deputy Speaker in the Chair]

#### PRAYERS

#### MOTION

#### SUSPENSION OF STANDING ORDERS

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move:—

That under Standing Order 168, Standing Orders 91 (a), 93A and 94 be suspended to the extent necessary to enable the Interpretation and General Clauses (Amendment) Bill (Bill No. 32) and the Council of Ministers (Consequential Provisions) Bill (Bill No. 33) to be taken through all their stages to-day.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE seconded.

Question proposed.

The question was put and carried.

#### BILLS

#### FIRST AND SECOND READINGS

The Council of Ministers (Consequential Provisions) Bill.—(The Minister for Legal Affairs)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-day.

The Interpretation and General Clauses (Amendment) Bill.—(The Minister for Legal Affairs)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-day.

#### THE COUNCIL OF MINISTERS (CONSEQUENTIAL PROVISIONS) BILL

Order for Second Reading read.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Deputy Speaker, I beg to move that a Bill entitled The Council of Ministers (Consequential Provisions) Bill be now read a Second Time.

Sir, the main purpose of this Bill, which is a short and simple measure, is to amend the Ordinances and subsidiary legislation of the Colony in order to bring them into conformity with the changes which have recently been made to the Constitution of this Colony by Her Majesty's Government in the United Kingdom.

A secondary purpose of this Bill, in a sense, a subsidiary purpose, is to validate the acts of certain officers of Government which have been performed during the interim period between the amending of the Constitution and the passing of this Bill.

Now, Sir, those being the objects of the Bill, perhaps I can most clearly and briefly explain how the Bill seeks to achieve them by reminding hon. Members—if indeed it is necessary to remind them—that an event of some importance occurred on the 15th April last, when the Constitution of this Colony was amended. On that date the creature of our Constitution, which had been known for many years as "an ex-officio Member of the Executive Council" or more commonly known—I hesitate to say more popularly known—as a Member of Government, ceased to exist. (Hear, hear.) (Laughter.) I need not, I think pause to consider whether the disappearance of the ex-officio Members of Executive Council was a matter for regret or for congratulation. I rather think that my newly found colleagues sitting with me on the front bench here will feel about the disappearance of the previous Members of Government rather as one might feel about the metaphysician of whom it was said—as you will remember—when he held that he did not exist, that in any case he would not be missed. But be that as it may, Sir, although the Members of the Executive Council have disappeared, nevertheless there still are numerous references to Members of Executive Council and Members of Government scattered throughout our Statute Book and the subsidiary legislation, and the first object and purpose of this Bill is to delete those references which now have become redundant and obsolete. At the same time, as everyone recognizes, the new Ministers will assume the statutory functions hitherto performed by those Members, and consequently there will be inserted, by this Bill, the word "Minister" wherever a gap occurs in consequence of the deletion of the word "Member". There will be similar corrections made in regard to other phrases which I may call, for want of a better description, cognate phrases; phrases such as "Governor in Council", for which one will read in future in the



[The Minister for Legal Affairs] Ordinances and subsidiary legislation of the Colony the words "Governor in Council of Ministers", and for the words "Executive Council"—"Council of Ministers" and so forth. In other words, Sir, this Bill merely makes provision for the consequential amendments that must follow as a result of the changes which have already been made in our Constitution.

The secondary purpose of the Bill, to which I have already referred, is to validate the acts of certain officers of Government which have been performed during this interim period between the changing of the Constitution and the passing of this Bill. Some of those acts were performed by my old colleagues, the Members of Executive Council, even after they ceased to exist. Others have been performed by the new Ministers before their predecessors had been properly interred. But all those acts, Sir, I have no hesitation in saying, were performed with the best intentions, and if any errors were permitted then they were errors which are attributable to excessive zeal. Therefore, Sir, I feel confident that I may claim the indulgence of the Council to condone those errors and, indeed, to approve in retrospect what has been done during that interim period and to declare, in the words of the Bill, "that all those acts shall be deemed to be and deemed always to have been valid and of full force and effect".

For those reasons, Sir, I commend this Bill to the Council for a Second Reading.

THE MINISTER FOR FINANCE AND DEVELOPMENT seconded.

Question proposed.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the Whole Council to-day.

THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL  
Order for Second Reading read.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Deputy Speaker, I beg to move that a Bill entitled The Interpretation and General Clauses (Amendment) Bill be now read a Second Time.

The chief purpose of this Bill is to provide new statutory definitions which are now required as a result of the enactment of the new Constitution and also to delete certain definitions which are no longer needed and have become redundant. For example, references to "Members" are no longer required and consequently the definition of Member which appears in the Interpretation Ordinance is deleted by this Bill.

Similar deletions are made in respect of other phrases and new definitions are inserted in the Definition Clause of the Interpretation Ordinance to deal with the definition of Minister, Council of Ministers, and Governor in Council of Ministers.

At the same time, Mr. Deputy Speaker, when drafting this Bill for the consideration of the Council, the opportunity has been taken to insert other amendments to the Interpretation Ordinance, which have no direct or, indeed, any connexion with the constitutional changes, but they are changes which, nevertheless, experience has shown are desirable in order to facilitate the working of Government machinery. Clause 4 is one such amendment. It gives power to the Governor or any other person who is authorized to appoint a person to a post or to set up an authority or other body as a complementary measure, to revoke such an appointment or to revoke such authority or to dissolve it if the circumstances should so require. There is a sub-clause to that clause which in practice should prove very useful, since it authorizes a Minister in charge of a particular matter to make a temporary appointment to an authority or board or other body of persons if there should be a temporary vacancy arising owing to illness or absence overseas or similar cause. Such an appointment must be restricted to a person properly qualified under the Ordinance under which the Minister will act. That is an amendment which will save a good deal of time and trouble in the future.

Clause 5 also makes a miscellaneous amendment by excluding from the definition of "warrantis", orders made by the Governor under section 9 of the Immigration Ordinance, that is to say orders for deportation or directions regarding the custody of a person pending deportation. I may say that this

[The Minister for Legal Affairs] amendment to the law does not involve any change in practice. The practice has been for some time for these matters to be delegated to an appropriate officer, but to remove any possibility of doubt or argument as to the propriety of the Governor delegating such statutory powers, this amendment is included in this Bill. The sort of case with which it will deal will be where a person unlawfully enters the Colony and is discovered and prosecuted and sentenced to imprisonment. Obviously after serving his sentence he must be deported and since he has been convicted for unlawful entry, the Deportation Order is, in a sense, a formality. It is not necessary, in those circumstances, that the Governor himself should be concerned or troubled with such a formal matter, and the purpose of this Bill is to enable him to delegate formal paper work of that kind to an appropriate officer. The effect of it will be to speed up the administration of the law in relation to deportation, and that will be in the interests of all concerned including, also, the individual who is the subject of the Order.

Other clauses in this Bill, Sir, are of quite an incidental character and call for no particular comment on my part. Accordingly I propose that this Bill should now be read a Second Time.

THE MINISTER FOR COMMUNITY DEVELOPMENT seconded.

Question proposed.

MR. MATHU: Mr. Deputy Speaker, Sir, may I ask the Minister for Legal Affairs two questions? The first is whether the Bill he has read now, asking us to approve for the second time, includes the appointments of the Parliamentary Secretaries which have been agreed on under Mr. Lyttelton's plans, and, if so, what is he going to do about those appointments and their gazetting?

The second question, Sir, is on the point in the Bill which raises the question of replacements, Sir, of officers who have been appointed already in the Government service. My hon. friend did say that whenever there is that replacement, certain things will be done under the Bill and I do think that we would like to know more about that.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Deputy Speaker, if I may deal quite shortly with the two questions raised by my hon. friend Mr. Mathu, I would point out that neither this Bill, nor the previous Bill, has anything whatever to do with the appointment of Parliamentary Secretaries. The appointment of Parliamentary Secretaries is a matter which falls to be dealt with under the Royal Instructions and is not a matter falling within any of the enactments of this Legislature. As I have already explained, these Bills merely deal with consequential matters arising out of the changes made by the constitutional instruments amending our Constitution and it is not in the least relevant to raise on the discussion of these Bills, any question relating to the appointment of Parliamentary Secretaries.

As regards the second point which he raised, I fear that he has not fully appreciated the import of the amending clause which deals not with the replacement of Government servants but the replacement of persons who are appointed to authorities or bodies authorized by an Ordinance. Those replacements, either on a temporary basis or a permanent basis, will be in the control of the Minister who is responsible for the matter in question.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the Whole Council to-day.

COMMITTEE OF THE WHOLE COUNCIL

Committee of the Whole Council—Order for Committee read. Mr. Deputy Speaker left the Chair.

IN THE COMMITTEE

[Mr. E. N. Griffith-Jones, Q.C., in the Chair.]

THE COUNCIL OF MINISTERS (CONSEQUENTIAL PROVISIONS) BILL  
Clauses 1 to 8 agreed to.

Title and enacting words agreed to.  
Bill to be reported.

THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL  
Clauses 1 to 6 agreed to.  
Title and enacting words agreed to.  
Bill to be reported.

**THE MINISTER FOR LEGAL AFFAIRS:** I beg to move that the Committee do report back to the Council.

*Question proposed.*

The question was put and carried.

*Council resumed.*

[Mr. Deputy Speaker in the Chair.]

### REPORT

**MR. GRIFFITH-JONES:** Hon. Members, I beg to report that a Committee of the whole Council has considered, clause by clause, the Council of Ministers (Consequential Provisions) Bill and has approved the same without amendment.

**THE COUNCIL OF MINISTERS (CONSEQUENTIAL PROVISIONS) BILL**

**THE MINISTER FOR LEGAL AFFAIRS:** I beg to move that the Council of Ministers (Consequential Provisions) Bill be now read a Third Time.

*Question proposed.*

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

### REPORT

**MR. GRIFITH-JONES:** Hon. Members, I beg to report that a Committee of the whole Council has considered, clause by clause, the Interpretation and General Clauses (Amendment) Bill and has approved the same without amendment.

**THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL**

**THE MINISTER FOR LEGAL AFFAIRS:** I beg to move that the Interpretation and General Clauses (Amendment) Bill be now read a Third Time.

*Question proposed.*

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

### ADJOURNMENT

**THE DEPUTY SPEAKER:** Hon. Members, that concludes the business on the Order Paper. Council will adjourn until 10 a.m. to-morrow morning.

*Council rose at fifteen minutes past Three o'clock p.m.*

**Tuesday, 18th May, 1954**

The Council met at Ten o'clock.

[Mr. Deputy Speaker in the Chair]

### PRAYERS

### PAPERS LAID

The following papers were laid on the Table:—

East African Tsetse and Trypanosomiasis Research and Reclamation Organization Annual Report, 1953.

East African Agricultural and Forestry Research Organization Annual Report, 1953.

Directorate of Civil Aviation Annual Report, 1953.

Lake Victoria Fisheries Service Annual Report, 1953.

East African Malaria Unit Annual Report, 1953.

Royal East African Navy Annual Report, 1953.

East African Meteorological Department Annual Report, 1953.

(BY THE ACTING CHIEF SECRETARY)

Report of the Cost of Living Committee.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT)

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** With regard to that, Sir, I will take the Report laid for the purposes of publication, the Government has not yet considered the Report.

African Affairs Department Annual Report, 1952.

(BY THE MINISTER FOR AFRICAN AFFAIRS)

The Employment (Casual Labour) Rules, 1954.

(BY THE MINISTER FOR EDUCATION, LABOUR AND LANDS)

### ORAL ANSWERS TO QUESTIONS

#### QUESTION No. 83

**MR. COOKE** asked the Acting Chief Secretary to state:—

With reference to Press Office Handout No. 377—Operation "China"—will Government state if they possess evidence that public

[Mr. Cooke] ... statements and letters disapproving of the use of "China" hindered the so-called peace negotiations? And if so will they disclose that evidence, security considerations permitting?

**THE MINISTER FOR AFRICAN AFFAIRS:** The answer to the first part of the question is "Yes, Sir". Information obtained from various sources, which included correspondence, some of which was captured, and other information received from intermediaries in contact with terrorists, disclosed that views published in various papers and conflicting with the Government's surrender policy have been interpreted by terrorists as liable to influence that policy and therefore were a contributory factor to the terrorists' suspicion of a trap.

**MR. COOKE:** In view of the consequent disappointment on General China's exodus from public life, does Government still hold that opinion? (Explain, explain.)

#### QUESTION No. 89

**MR. SLADE** asked the Minister for Works to state:—

(1) Is there any delay in planning or construction in school buildings due to shortage of architects or quantity surveyors in the Public Works Department?

(2) If so, will Government consider employing private architects and quantity surveyors for such purposes?

**THE MINISTER FOR WORKS:** There has been some delay in planning and constructing school buildings owing to the preoccupation of Public Works Department staff with the Emergency and the Government is considering the employment of private architects and quantity surveyors where necessary.

**MR. HARRIS:** Arising out of that reply, will the consideration be a fairly speedy one, Sir?

**THE MINISTER FOR WORKS:** Yes, Sir. (Laughter.)

**MR. SLADE:** Mr. Deputy Speaker, have any actual steps been taken towards employing private architects or quantity surveyors?

**THE MINISTER FOR WORKS:** Mr. Deputy Speaker, Sir, we have been

obtaining some information as regards terms and conditions in which these architects and surveyors could be employed so that all these loose ends could be tied up before this work is given out. (Hear, hear.)

#### QUESTION No. 92

**GROUP CAPTAIN BRIGGS** asked the Acting Deputy Chief Secretary to state:—

(1) Whether it is a fact that instructions were issued to the Police in the Mount Kenya Constituency for them to ascertain the reactions of farmers to the report of the Parliamentary Delegation?

(2) If the answer to (1) is in the affirmative, whether it is the intention of Government to employ the Police in future, on political activities of this nature?

**THE ACTING DEPUTY CHIEF SECRETARY:** (1) It is one of the normal functions of the Police, and particularly of the Special Branch, to inform themselves concerning the reactions of the general public to matters of major interest.

(2) Following routine procedure, the Special Branch called for reports on the reaction of all sections of the public to the Parliamentary Delegation's Report. Farmers in the Mount Kenya constituency, or elsewhere, were not singled out for special attention.

(3) I can assure you, Sir, that it is not the policy of the Government to employ the uniformed Police on specifically political activities.

**MR. SLADE:** Arising out of that answer, Mr. Deputy Speaker, are not the Police busy enough without spending their time on this kind of investigation in the Emergency? (Hear, hear.)

**THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:** The Uniform Branch and the Special Branch are exceedingly busy, Sir. It is the duty of the Special Branch to obtain information. In this case rather an inexperienced officer adopted rather too direct methods. (Laughter.)

#### QUESTIONS Nos. 85 and 97

**MR. COOKE** asked the Minister for African Affairs to state:—Did the terrorist "Tanganyika" surrender under

[Mr. Cooke] the "green branch" arrangement or was he captured?

Does the Government intend to put him on trial and, if so, when?

MR. SLADE asked the Minister for African Affairs to state:—Was the self-styled "General Tanganyika" captured, or did he surrender entirely of his own accord?

Will he be tried on a capital charge? If so, when?

THE MINISTER FOR AFRICAN AFFAIRS: With your permission, Mr. Speaker, I will answer questions 85 and 97 together.

The terrorist "Tanganyika" did not surrender under the "green branch" arrangements. He notified the authorities at Nyeri by letter of his intention of leaving the forest for the purpose of making contact with the authorities to discuss the proposals then under consideration to induce the general surrender of the Mount Kenya terrorists. On his way in, and having arrived in the vicinity of Maguti Location, Nyeri District, he was apprehended by the security forces.

He was later permitted to return to the forest with the terrorist leader, Kabela, who had also come in to discuss surrender proposals, so that both of them could discuss the surrender proposals with the terrorists in the forest.

Neither of them have returned and it is thought that they were prevented by the anti-surrender elements among the terrorists. It is not known whether "Tanganyika" is alive or dead. The question of his trial, therefore, does not arise at the present time.

MR. COOKE: Is it not a fact that the terrorist came to draw a revolver when he was arrested?

LT.-COL. GILBERT (Nairobi North): Arising out of that reply, Sir, was not "Tanganyika" actually apprehended in a hut and in possession of arms or ammunition?

THE MINISTER FOR AFRICAN AFFAIRS: Yes, Sir, to the best of my knowledge.

MR. COOKE: Is it a fact that this captured man was allowed his freedom later on and he took the opportunity to escape?

MR. SLADE: Is it not a fact that the circumstances of his arrest were completely inconsistent with any apparent intention to surrender?

THE MINISTER FOR AFRICAN AFFAIRS: Well, I think that is a question of the interpretation that the hon. Member may wish to put on it, Sir. I have endeavoured to outline as best I can what actually happened.

MR. COOKE: Is not the interpretation that any reasonable man would put on it?

THE MINISTER FOR AFRICAN AFFAIRS: It is a question of interpretation of reason, Sir.

### COMMITTEE OF SUPPLY

Debate resumed.

Order for Committee read.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, with your permission, Sir, and the permission of the Council, I would like to make a statement before the debate is resumed.

In my Budget Speech, I advised hon. Members that although we had so far received no detailed claims of Royal Air Force expenditure in the Emergency, we had been asked to make an advance payment of £597,000 to the Air Ministry on account (and here I quote from an advice received from London) "of extra costs of the Royal Air Force assistance to the Civil Power in Kenya during the period October, 1952, to March, 1954." I pointed out to hon. Members that this claim did not include the extra costs of the jet aircraft which were now being used for operations, and went on to say that, having regard to the fact that the Royal Air Force effort was a restricted one until the arrival of the Harvards about a year ago, it was probable that most of the claim had been incurred in the last twelve months; and therefore that we were facing an average monthly rate of Air Force expenditure of about £50,000. I told hon. Members that I had been given to understand that this rate might well be double as a result of the use of Vampire aircraft.

What I told hon. Members in my Budget Speech were the facts as I knew them on the 23rd April, 1954. On

[The Minister for Finance and Development]

the 10th May, however, the Treasury received from the Air Force in Kenya further particulars of Royal Air Force Emergency expenditure, and it was at once clear that the earlier information was incomplete, and that the facts that I had placed before Council on this subject were themselves an incorrect statement of the position.

The Treasury has now been advised that a claim will shortly be presented to the Kenya Government for £578,000, being the extra costs incurred by the Royal Air Force in the period 21st October, 1952, to 30th September, 1953. Hon. Members will note that, although the claim is some £20,000 less than the figure which I gave in my Budget speech, the period of the claim has also been reduced by six months. The Treasury has been further advised that Royal Air Force expenditure incurred during the last quarter of 1953 is estimated at £310,000, and that the rate of expenditure in the first quarter of 1954 is estimated as £125,000 per month, or £375,000 for the quarter. In other words, whereas—on the information then available to me—I had estimated that Royal Air Force Emergency expenditure up to the end of March, 1954, would total about £597,000, in fact it is now likely to amount to £1,263,000.

Hon. Members will be interested, no doubt, to have the following further information on this subject: It is likely that up to the end of the present financial period the estimated cost of the Royal Air Force since the beginning of the Emergency will total about £1,760,000, and that from June onwards the monthly rate of Royal Air Force expenditure will be about £145,000, exclusive of the cost of Vampires; this is an annual rate of expenditure of £1,740,000.

I have considered it necessary to make this statement before the Budget debate is resumed, in order that hon. Members may be under no misapprehension as to the position consequent upon the facts which I placed before them in my Budget speech.

MR. USHER (Mombasa): On a point of order, Mr. Deputy Speaker, have you, Sir, a communication to make to this

Council before the debate is resumed as to the reason why the flag on Parliamentary building is half mast.

THE DEPUTY SPEAKER: I had no communication to make to the Council, but I have now. The fact is that the rope being comparatively new tends to stretch and contract according to the humidity of the climate. It is at the moment wet and stretched, it is gradually drying and contracting. (Laughter.) (Applause.)

LT.-COL. GROGAN (Nairobi West): Is it a sisal rope?

MR. HARRIS: Mr. Deputy Speaker, Sir, in accordance with Standing Order 134, I have to ask for permission to exceed thirty minutes. In asking for this extension, Sir, I can assure hon. Members that I do not intend to compete with the Minister's feat of some two and a half hours, although I would like to congratulate him on the lucid manner in which he placed before the Council the problem of the Colony's finances.

I do wonder, Sir, in future years whether it would not be possible to have a break between what one might term the assessment of the Colony's financial position and the actual alterations in the financial structure of the Colony. Many Members found it impossible to assimilate the full implication of the proposed new taxation, after concentrating on a most absorbing appreciation of the situation, lasting for more than two hours.

This being the first time that we have met for other than formal business since the Council was reconstituted, I hope you will allow me to make reference to this fact, although it might be considered rather wide of the terms of the present Motion.

We are now committed to a form of Government which associates Unofficials of all races with the Colonial Civil Service, and I would like to take this opportunity of congratulating those Members who are now dignified with the title of Minister or Under-Secretary and who, only a few short weeks ago, were part of the Opposition. Not only has the Government a new look—albeit a somewhat cramped new look—but the more expansive Opposition has a breadth of outlook which I hope will be a new and potent influence in the Council.

I can assure Her Majesty's Government in Kenya that I believe, no matter

[Mr. Harris] what differences we may have on this side, on questions of detail, the vast majority are determined to give the new constitution a fair wind, and are equally determined to see that we mould responsible policy emanating from the other side of the Council.

Members will notice that I particularly mentioned our determination to see that the policy moulded was responsible. I should like to make quite clear the position of those of my colleagues for whom I can speak. Whilst wishing to give every encouragement to the new Government, we do not in any way feel that we have an obligation to follow Government policy blindly. For too long this country has thrived on repetitive and automatic opposition, but whilst changing this outlook, it does not mean that we shall fail to level the most trenchant criticism wherever we consider that such a course is justified.

In so far as the present Motion is concerned, hon. Members on this side will each have an opportunity of putting his or her particular point of view, and therefore I wish to deal with general principles rather than the details of the Estimates.

Now, to deal with the Minister's statement, it is natural that Members, and particularly Members on this side of the Council, dislike any Budget which foreshadows an increase in taxation. It is a truism to say that all taxation is bad, but it becomes even worse when the necessity for increased taxation is caused by the kind of tragic circumstances which have ravaged our country for nearly two years.

An almost equally depressing aspect of this Budget is that, even had we enjoyed normal conditions during the last eighteen months, increases in taxation would have been necessary if we are to maintain the progress which we have set as our policy. If Members will turn to the Expenditure Summary on pages 13 and 14 of the Estimates, they will see that the total expenditure for 1954 to 1955 is estimated at £29,470,000 and that actual expenditure in 1953 was of the order of £22,573,000. In each of these figures there is an Emergency expenditure factor; of £8,000,000 in the first case and £3,000,000 in the second; so that in

fact the net non-Emergency figures for expenditure are 1954 to 1955, £21,470,000 and 1953, £19,573,000, or an increase of £1,897,000.

Further, because there is actually a reduction in 1954 to 1955 in the net non-recurrent expenditure, the actual increase in recurrent expenditure becomes £3,175,000 excess in 1954 to 1955 over 1953. It is this figure which is undoubtedly the most depressing feature of our present financial situation. If we were lucky enough to finish the Emergency overnight with a sudden wave of a magic wand, we would still have to face an increase on the 1953 expenditure of over £3,000,000 recurrent for all time henceforth. We shall have to face it—that is, unless we can do something about it. What can we do?

The Minister, in his speech, quite rightly said that there is little margin left for development in a country which is paying between 25 per cent and 30 per cent of its national income in taxation. Development in a young country is the first essential—we either develop or die. In this Colony, committed to a system of development by private capital and private endeavour, we must allow the investor to retain sufficient of his profit to make such development possible. I think it will be agreed, therefore, that income tax, company tax, and all other direct taxes on profit have reached the stage where any further increases would spell commercial and agricultural inertia, and eventually extinction.

On indirect taxation the Minister has said: "I have presented to the Council measures of increased taxation, but unless interterritorial agreement can be achieved on additional customs increases, there is not a great margin of taxation left which can be imposed without great injury to the process of development, essential to make us and keep us self-supporting in future". At present that avenue, too, would appear to be closed. What is left? With import duties and taxes on income or profit stretched to the limit, whither can we turn? We are not in a position where the contemplation of small contributions is of much use. We need new fields of taxation associated with a most stringent economy campaign. Who, or what, can be the subject of taxation without the economy of the

[Mr. Harris] country being irrevocably crippled? How can we spend our limited resources so as to encourage the greatest expansion in wealth to finance our services?

Let me deal first with the new fields of taxation. The Minister, in his speech, gave long tables of comparative expenditure on various Heads over the previous three years. A comparison of the percentage of contributions to revenue is also illuminating. In 1950 income tax contributed 11.72 per cent of the total gross revenue. It is now estimated to produce 25.03 per cent. In 1950 African poll tax contributed 6.03 per cent of total gross revenue, and it is now estimated to bring in only 5.94 per cent.

No one can deny that more and more Africans are joining that group which can make a greater contribution to the common services enjoyed by all races, and particularly by the Africans themselves. The fallacy of the present system of poll tax is that it falls on rich and poor alike. Twenty shillings a year to a man living a peasant existence on subsistence agriculture is a great deal of money, but to those who have now accepted the advantages and responsibilities of living within a system of the wage economy, or who are actuated by the profit motive, twenty shillings is another matter.

I understand that a considerable number of Africans have recently received the attentions of the income tax authorities, and I would like it to be widely realized that more and more Africans are now making their contributions to the Exchequer on the same basis as members of other races. This factor is not generally realized and, in the interests of the Africans themselves, should be given publicity. Those Africans who are now paying income tax should console themselves with the thought that this acceptance of the liability for contributing their share to the financing of the country is yet another step on the road to full citizenship with its consequential responsibilities. One of the income tax-paying Africans said to me the other day: "Between the income tax-paying African and the peasant there is a wide field where taxation could be raised in greater or lesser degree according to each individual's wealth". May I commend to the Minister that he should

seek out the report of the Committee on African graduated taxation, which reported on the possibilities of an African graduated tax in 1951, and see whether there is not one of the answers to finding an unexplored field of taxation with a potential yield that would make its collection well worth while.

I now come to expenditure. The Minister has mentioned that, for obvious reasons, he has made no provision for the consequences arising from any implementation of the Report of the Salaries Commission or of those portions of the Carpenter Report on African Wages and the Police Report, which have yet to be considered by Council. There will be opportunities to debate these when they are brought forward by the Government, but they all project the possibility of increases in expenditure. Under new systems of Treasury control, introduced by the Minister in the last year or two, a closer check is now being kept on spending departments. The Estimates Committee, when it gets into its stride, should be able to pinpoint extravagances in particular departments, but are these measures enough? In the complex world in which we live there are many who are expert and specialists in advising on efficiency with economy. One wonders how a firm of constructional engineers, geared to make profits in a competitive sphere, would organize the Public Works Department? Would it not be worth while to invite such a firm to make recommendations on organization? One wonders how the Minister himself, if given a free hand, would organize the Secretariat. It is quite probable that we would agree that we can better engage his talents elsewhere, but there are others who could be made available who have the Minister's background of having to budget on their own money rather than on other people's.

The Minister's natural reply to any demand for a reduction in existing expenditure will be to ask where the cuts should be suggested. He will ask rhetorically "Would you cut on Police, on Prisons, on Administration, on Education?" and so on through the whole gamut of Government activity. Unexpectedly, I believe that the right answer is "Yes", because in every department there is room for economy.

[Mr. Harris]

Because the cost is reduced, it is not automatic that the service is decreased. All of us can think of examples where, through sickness or overseas leave or even Emergency duty, certain departments have had to be deprived of members of their staff, with noticeable increase, in some cases, of efficiency—really true efficiency. The vast majority of members of the Civil Service are doing a fine job of work. In the Emergency many are working for fantastic hours at tremendous pressure but, just as there is little margin left for many to pay more in taxation, so there is no margin left to pay those who are unproductive, inefficient or redundant. It has been suggested that the time has come when a kind of Geddes Committee should be set up to investigate Government expenditure, and I would commit this suggestion to the Government and, should they think it unnecessary, at least let them consider the possibility of employing experts, department by department, to ensure the absolute maximum in efficiency and economy.

What I have just advocated is an overhaul of general administrative expenses but, in view of the uncertain future, we must also closely scrutinize our policy towards the various services to make sure that however desirable a policy may be, it is within our resources to afford it. The wisdom of spending every cent which is available from now on, must be carefully scrutinized, and on each project the question must be asked "To what extent will this expenditure enhance, either in the long-term or in the immediate future, our national income?" In this respect I would refer the Minister to the Committee which has been sitting for some time to make recommendations on the encouragement of local primary and secondary industries. I am a member of that Committee and accept my full share of the responsibility in the delay in presenting a final report, but already sufficient evidence has been gathered to know of certain industries which, in some cases at additional cost to the Colony, would be well worth while to encourage and build up. It is essential that some of these industries should have assistance in their early stages to enable them to become established as economic industrial units.

I suggest that the recommendations of the Committee, which should be produced shortly, should have the most sympathetic consideration, as these are the activities which in the years to come will make their contribution to the social services which must come as a result of, and not as a forerunner, of development.

I wish to endorse the quotation from the London *Times* given by the Minister in his speech when he reminded all the people concerned that the saving of candle-ends is the essential first step in economy. Quite apart from ordinary expenditure which I have dealt with earlier, we have to face the appalling spectacle of some £1,000,000 a month being spent because of our inability to instil a sense of discipline in the Kikuyu tribe. This expenditure, which represents over £33,000 a day, or more than £1,300 an hour, most of its very essence contain many, many candle-ends. Since I started to speak another £500 or £600 has been ticking away in Emergency expenditure! It is difficult to criticize expenditure by those who are fighting for the very existence of the country. It is right and proper that they should have the best possible equipment, the best possible living conditions and the best possible personal conditions, but even so, it is essential that there should be the strictest scrutiny of all Emergency expenditure. I had intended to make the point here that I considered this strict scrutiny should be applied to the Royal Air Force expenditure. The statement which the Minister has made to-day underlines this necessity. It would seem that Air Force expenditure is something over £1,000,000 more than we imagined, and it must be a matter for serious consideration whether this is money well spent. There is a limit to the effect of bombing, and the highest claim which I have heard for bombing in Kenya is that it makes life in the forests uncomfortable. This would seem to imply that the value is psychological rather than practical. I wonder whether Harvards, Lincolns and now Vampires are all necessary to achieve this psychological effect. If I ran the risk of aerial attack, and the object of that attack was not so much to destroy me but rather to frighten me out of my habitat, I do not feel that the make of aircraft or the type

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of missile would be of very great importance to me and I would suggest that the Royal Air Force effort could be just as effectively maintained with a great decrease in the number of aircraft in service. If, on the other hand, Kenya is considered by the Air Ministry to be a suitable field for training air crews in operational conditions, then I would suggest that a more equitable share of the expense might be borne by that Ministry.

Perhaps the Minister will tell us, in replying, how Vampire costs, for instance, would compare with a battalion of troops borrowed from another African territory. Perhaps he would go further and tell us how many troops could be raised in the rest of Africa for £1,740,000 per year, which I think he mentioned this morning.

There is a tendency at all times of war or crisis to consider money as of secondary importance, but I must remind those responsible for Emergency expenditure that, firstly, this is not a rich country and we cannot afford to ignore the cost and, secondly, like all modern wars, our own Emergency has both a physical and an economic aspect. It would avail us little if, having defeated *Mau Mau*, we were placed in a position where development and a decent standard of living were impossible.

In this respect I would like to reiterate the gratitude already recorded in the Council for the assistance granted us by the people of Britain and to re-echo the belief expressed by the Minister when he stated his confidence that our case would be considered in future in the same sympathetic manner as was evident on his previous visit to London.

On matters of detail, I would only mention two points: firstly, I am very glad to see that a gentle hint given by the Minister in his Budget speech to stockbrokers has had a decided effect. They have at last decided to form an East African Stock Exchange. I would only add that any assistance any Member on this side of Council—I think I can speak also on behalf of the Chambers of Commerce—any assistance they can give to the Stock Exchange in its juvenile stage, they will certainly give.

Now, Sir, having suggested ways of increasing revenue and decreasing expenditure, I have to make an appeal to the Minister to make two concessions which I believe will cost him very little, but will eliminate two undue hardships. Firstly, the personal income tax allowance on single persons is not, as in Britain, a fixed sum, but starting at £200 is reducible by a quarter for every £200 of taxable income. In other words, at £400 total income, the allowance is £150, at £600 the allowance is £100 and so on, until at £1,000 the personal allowance disappears altogether.

This unusual procedure was introduced in 1940 as a war measure and in the Budget speech of that year, the then Member for Finance said he would hope to dispose of this unorthodox system of allowances as soon as the war-time emergency was over. I feel, Sir, that now, in 1954, it would be a very good opportunity to redeem this pledge.

Secondly, amateur associations formed for the encouragement of sport, are today liable to income tax. These associations are non-profit-making and use all surplus funds for stimulating that sport which they are formed to promote. It would seem that in a country where climatic conditions are not conducive to taking violent exercise, every encouragement should be given to organized sport of all kinds and I would appeal to the Minister to consider making this small concession, the cost of which would be negligible in proportion to the benefit derived. I am glad to see that my hon. friend the Minister for Commerce and Industry appears to support this plea. But now, of course, he is in a position to realize the importance of sport to those who work in offices and factories all day.

As this procedure has already been adopted in Southern Rhodesia, there can be no question of creating an African precedent.

I would like to take up a few minutes of the time of the Council, Sir, in considering the general principles of our contribution to the High Commission Services. When the Colonial Office Paper 210 was finally adopted some six years ago, many of us thought that here was the conception of a worthwhile ideal, but with the passing of the years the edge of inspiration seems to have been

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and blunted and the High Commission, and its attendant Assembly, appears to have lapsed into a state of academic and cloistered quietude.

Within a matter of months this Council must make up its mind on its attitude to the High Commission. Many of us still believe in the ideal which was inherent in Paper 210 and in recent weeks there have been changes in many of the departments and activities and, in fact, the Administrator himself. I would not, obviously, wish what I may say to be taken as a criticism of the new officers in the High Commission, but I do feel that even they cannot be satisfied with the way things are going. In a very short time we must determine, as a legislature, where we intend to contribute to the High Commission Services in the same way as we have in the past, whether the original conception has proved abortive and whether we would be better to dispense with this superstructure or whether we can, by suitable changes, recapture some of the inspiration behind the original idea and turn the organization—as it should be turned—into something which will benefit not only East Africa but the whole of the British influence in the Continent. May I suggest that it is not too early now to focus attention on this problem and to commend to Government that a representative committee of all groups in the Council should be set up to make recommendations as to the steps which we should adopt for ensuring that what is essentially a single, economic and commercial unit should be integrated as such.

Of the new taxes I have said little. I only ask that the Minister will give an undertaking that as he has used the Emergency as a reason for imposing new taxes, he will agree that they should all be annotated as Emergency expenditure—I would make the point there that they should be annotated and not merely recorded in HANSARD as happened in the case of the single allowance in income tax.

Then, Sir, we might perhaps reconsider the whole situation when Kenya is out of the wood and when we all have time to sit down quietly to study our income and expenditure account and mutually agree on the best way of providing the services we all believe are

necessary and the best way of raising the money to pay for them.

In the meantime I can only express my surprise that the Minister has decided to levy a flat rate of tax on the auction price of coffee, and has not seen fit to adopt the same principle as was adopted by his predecessor in the case of sisal, namely that there should be "floor prices" only above which is the tax leviable. This method, in fact, ensures that that factor in the selling price which is accounted for by the cost of production is exempt from the duty. It seems to me that this would be not only a very much fairer method of raising the required revenue, but would be more satisfactory to all concerned, particularly in the event of coffee taking a downward dive as happened in the case of sisal some eighteen months ago. May I recommend this suggestion to the Minister for his consideration? In doing so I must reiterate the claim on behalf of my colleagues that we still heartily disagree with the principle of export taxes.

Now I have spoken considerably of the past and much of the present, but it is to the future that we must look. I have just suggested that when our present tribulation is over we should have a fiscal and financial stock-taking and mutually agree a course for the long-term future. To this plea may I add my appreciation of the financial future of our country and my faith in it. In the depth of the Emergency, in what I hope was the lowest ebb of the tide of confidence in Kenya, the Minister for Commerce and Industry left for a visit to the United States of America. There he found an interest in Kenya never before apparent; in fact, it might be said that even *Mau Mau* has been one of those ill winds that have done us some measure of good. To-day I understand that, among other things, a car-assembly factory is taking shape in Mombasa as a direct result of the Minister's faith and the faith of overseas manufacturers in the future of Kenya. This is but one piece of evidence in the chain of events which demonstrates that so long as we have confidence in ourselves, others will share it. The recent events in this country, from *Mau Mau* to the Lyttelton Proposals, have put us on the map. Not so often are we thought of as being a province of South Africa. Not so often are

[Mr. Harris] we addressed us "Nairobi via Johannesburg" and in this there is much good.

Already there is a new spirit of optimism apparent. Since the immediate repercussions to the Lyttelton Proposal died down, there have been many examples evident of a willingness on the part of leaders of the various races to institute an era of co-operation rather than the old approach of gauging all things against a sectional background. In the Emergency itself, Operation Anvil has at last made it clear to all, particularly the loyal Kikuyu and members of the other tribes, that Government is recovering the initiative slowly and at last intends to govern.

Finally, Sir, I affirm my faith in the future of Kenya and if depression comes to the rest of the world, I still believe that with the Emergency finally overcome, we shall enjoy such a boom in this country that capital will afford it a privilege to participate in our development. (Applause.) Sir, I beg to support the Motion.

Mr. BACHUAL GATHANI (Central Electoral Area): Mr. Deputy Speaker, Sir, the Budget speech which the Minister for Finance made in this Council last month is the longest in the history of this Council. It would therefore be a discourtesy on my behalf if I did not give any justice to that long speech. I therefore claim a right to speak for more than half an hour.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Might I, Sir, make a suggestion to the hon. Member that if he is to speak for more than half an hour, in order to ease the task of the HANSARD reporters, he could come down to the main Table.

Mr. BACHUAL GATHANI: Mr. Deputy Speaker, I would like to join in the congratulations which the previous speaker gave to the hon. Minister for Finance. I would also like to join the Minister himself in congratulating the Treasury officers whom, I believe, behind the scenes, have contributed more towards the preparation of this Budget and who generally receive less in appreciation. I would also like to extend my congratulations to the new Ministers who crossed the Floor a few days ago. I hope that this racial Government, the first experi-

ment in the right direction, will prove successful and that the multi-racial Government will work for the interests of all.

The task of commenting upon a Budget prepared to meet Emergency expenditure and the unusual circumstances with which the country is faced now is not so easy, particularly in the case of inexperienced men like myself, standing for the first time before this Council to open these comments. This task is, Sir, considerably difficult when you have to criticize a Budget prepared by an hon. Minister whose records in the field of commerce, industry, local government and politics—one who has moved from one department to another—have left their mark everywhere. I know, Sir, this task is one which is particularly difficult to undertake and to please is more than to love and to be wise is not given to men and he has therefore my sympathy in this task. However, although this was the case with his critics in office, he has said while sitting on this side of the Council, he used to criticize each year the Budgets presented by his critics. If I, therefore, did the same thing which he has done for so many years, I hope he would not mind. I would, Sir, try to point out certain defects in the present Budget, because these defects, although they are introduced by the Minister for Finance, and regarding which they may not be any responsibility of the new Ministers who crossed the Floor a few days ago, they would be carrying around their heels these mill-stones all the year round and to them I would particularly like to reconsider certain aspects of the Budget so that the majority of the public of Kenya may have confidence in the multi-racial Government.

I know, Sir, that the hon. Minister for Finance is in a very happy position of having a majority on the Government side and he is, therefore, in a position to introduce anything and get it passed through this Council. He should not, however, forget that criticisms in the world are always taken by a minority. The first object of the multi-racial Government is an old wine in a new bottle. The pattern is the same, it has the characteristics of the past; fairly regular increase on the expenditure side is visible throughout, although the country is now faced with extraordinary



(Mr. Gathani) circumstances, this pattern is still the same. I particularly feel that on account of these circumstances, some change should have been made in the Budget so as to inspire confidence in the public.

I would like, Sir, to deal with general aspects of the Budget in the beginning and while doing so my object would be to point out certain serious defects and if the hon. Minister for Finance agrees with any of them, I would then ask him to honour his promise made to this Council of requesting his colleagues to cut their costs. As a matter of fact, according to him, there is room for cuts in the present expenditure—otherwise he would not have interpolated that while presenting his Budget Speech. I am only asking him what he proposes doing later on to do now, and this position is, in my opinion, quite possible, because he himself has hinted at it. I sincerely hope that the false sense of prestige would not overcome them and that they would make a realistic approach to the Budget and bear in mind the unusual circumstances in which the country is placed just now. I would strongly request the old Ministers and new Ministers to give the multi-racial Government a good start so that it may live long in the interests of peace and prosperity for all.

The Budget, Sir, has been eclipsed predominantly by the expenditure vote amounting to £8,000,000 which has this morning been further increased on account of an unexpected bill that the Minister for Finance received from the Air Ministry. While we are very grateful to the aid that we have been given by Great Britain and we are equally grateful for the financial aid that has been given us and to the servicemen who are serving the cause so well, I hope the Minister for Finance will take the necessary action to see that the whole of the Emergency vote has been spent wisely and economically. As is suggested, the time now is to save. I can assure him that there are many wasted candle-ends in a vote like that to an extent of £8,000,000 or more. There is room to stop wastage in many other directions by avoiding plans and policies which are not fruitful. We could certainly make a substantial economy.

While speaking, Sir, on the Emergency, I would also like to draw the attention

of this Council to a statement made some months ago by Sir George Erskine, the Commander-in-Chief. He asked the country to take into consideration the fact that the Emergency is not entirely due to non-political reasons. I think an Emergency of this kind, in my opinion, can be dealt with by intensifying psychological warfare as well. We are fighting with primitive peoples, some of whom are misguided and misinformed. In my opinion, Sir, psychological warfare would bear more fruit than any other warfare in which we would employ ourselves.

Now, Sir, regarding the expenditure on the Emergency it appears that even after eighteen months we are not yet even in a position to have a correct estimation of our commitments. Even this morning we were surprised to learn from the hon. Minister for Finance that another bill from the Air Ministry has come. I wish he could give to the Council as correct a picture as possible of our commitments in respect of the Emergency so that we know how much we have to contribute and where we can find the extra money. There is no doubt that in order to meet the Emergency the country will have to face the extra bill. I do not think there is anyone in the country who is at the moment of the opinion that the Government should not have extra money, but the demand from the general public—and a justified demand—is for economizing as far as possible.

**THE DEPUTY SPEAKER:** The time for the usual suspension of business has arrived. Before I suspend business I think hon. Members would be interested to know that at precisely 10.44 the Sergeant-at-Arms reported to me that the flag had completed its progress up the pole.

In suspending business, I am varying the procedure followed in the past. There appears to be no necessity for a ceremonial exit and entry from and into the Chamber by the Speaker or Member presiding; I therefore propose to leave by the door behind the Speaker's chair and to re-enter by that door. The division bell will be rung one minute before I enter.

*Council adjourned at Eleven o'clock a.m. and resumed at fifteen minutes past Eleven o'clock.*

**THE DEPUTY SPEAKER:** Would the hon. Member kindly speak nearer the microphone at the end of the table so that his voice is caught by the microphones?

**MR. GATHANI:** Mr. Deputy Speaker, Sir, speaking on the Emergency Vote, I would particularly draw the attention of the hon. Minister for Finance to allowances paid to the Kenya Police Reserve officers on full-time or part-time duties. I have heard some criticism from members of the public that in certain cases travelling allowances are much more than the actual pay. I sincerely hope, Sir, that when the Minister for Finance goes to Britain for further aid, his mission will be crowned with success—as was the case in the past—and I think in negotiating with the Treasury officers there and other people, we could not find a better ambassador than the hon. Minister for Finance. I hope people in Britain will take into consideration the special period of stress and strain through which this country is just now passing and while deciding about the aid, financially and otherwise, that we are in need of, consideration would be given to our contributions to Great Britain in increasing her national wealth by becoming in the last fifty years a very good customer and also our supplying of raw materials and food for her people.

Now, Sir, speaking on the general revenue, I would like to point out that the trend in every respect is upwards. In 1946 from £7,992,000 we reached the figure of £21,351,865. The reason for such an upward trend is due to several reasons; due to the Korean war, prices of manufactured goods are considerably higher than they were after the Korean war and as a result on our imports we were paying to the Commissioner for customs duties at a rate much higher than we did before. The trend in the upward prices overseas was due to several reasons, commercial aid had inflated prices of several raw materials and manufactured goods all over the Continent. Stock piling was another reason and the armament programme a third one. After the war, in several countries of the world rehabilitation and Government programmes were undertaken and consequently the civil requirements in consumer goods were not supplied or were not available to the extent

that they were required everywhere. In undeveloped countries there was therefore a hunger, an appetite for consumer goods everywhere and as a result immediately after the war the demand for consumer goods was considerably more than it could be in a normal period. The position that had arisen on account of that, Sir, was that our imports from overseas during the last 67 years were on a scale much bigger than our normal requirements. This position contributed considerably to the revenue derived by this Colony from customs duty which is the largest source; at present, of our revenue. One of the reasons which has also contributed to higher revenue from customs duty was the inflow of new capital which has taken place during the last 67 years and this inflow of capital, Sir, was not always in cash, but in some cases it was also in kind. In the countries overseas where there were restrictions on the export of capital, those who came to this country had to bring that by importing goods from those countries and as a result there had been higher contribution in the form of our custom revenues. These factors, Sir, and others are no more in existence and I therefore think that in the coming years from the largest sources of our revenue the customs duty will in future, be on a scale less than it had been in the past. I hope the Minister for Finance is aware of this eventuality and if that is the case, he would frame his Budget in future in a more realistic way. One of the factors, Sir, on account of which the revenue from the customs would be less in future, is due to the fact that the prices of manufactured goods all over the world are on a downward trend and our imports, therefore, would be less in quantity although they may be the same in quality. I think, Sir, the time has now come to have redistribution of our customs duty with a view to spreading it more on non-essentials and less on essentials and also to reduce the incidence of indirect taxation as much as possible.

Now, Sir, I would come to our second largest source of revenue. The income tax. This source also, Sir, has during the last few years shown a yield much higher than any Financial Secretary or Member or Minister estimated in the past; either this was done objectively or it was impossible to assess the yield from this

[Mr. Gathani] source correctly, but it is a matter about which there is some concern in the public mind. I may, Sir, later on give figures showing the yield during the last seven years from this second largest source of revenue. Just now I would simply say that this yield is much more than you ever expected and was due to one fact and a predominant fact, namely, that there had been a considerable number of cases in which persons had not been assessed and out of these arrears during the last three years the Income Tax Department have recovered quite a large income, but these cases have also now been assessed and I think in future the yield would not be on the same scale as we have noticed, particularly during the last two years, unless the Minister for Finance has something still up his sleeve and which he has not disclosed to this Council. (Laughter.)

Now, Sir, as far as the fiscal year is concerned, I personally think that in 1954 incomes of trade, industry and agriculture, from whence we derive a major portion of our income tax, would be considerably less. This I can say from my own personal experience and from the intimate knowledge that I have of commerce and industry. We know, Sir, that in this year, in some cases, it is even difficult to make two ends meet. The fact, Sir, is that during this year from our largest source of revenue the yield would be on a scale much less than we ever expected during the last two or three years, and this is one of the things which the Government, while preparing Budgets in future, would take into consideration. As a matter of fact, Sir, in February last year I had warned the Government, when speaking on 13th September at the Federation of the Indian Chamber of Commerce and Industry in Eastern Africa; I pointed out, Sir, in my Presidential Address, that various disturbing features had entered our up-to-now healthy Colony, but it appears that no notice of this warning given by me, and also given by those connected with commerce and industry, has been taken.

The result is to-day, Sir, that we have no surplus balance, but we are faced with a deficiency of more than £2,000,000, and added to this we have further bills that we may be called upon to pay as a result

of the Emergency and several other matters, about which no consideration has been given, and to which the hon. Minister for Finance himself has referred in his Budget speech.

I would, Sir, try to give a few examples. As far as company statistics for the year 1952 are concerned, nominal capital of new companies was £3,000,000 in 1952, Sir. In 1953 this was reduced to £2,451,000. As far as the building and construction industry is concerned, Sir, building figures were given by the Minister himself in his Interim Budget, which he presented about six months ago, and in his Budget of this fiscal year. But I would only, Sir, point out one thing—that as far as Nairobi is concerned, in 1952 the value of new development was in the region of £3,000,000 and this, in 1953, had come down to £2,000,000. The fact that building activity is not on the same scale that it was during the last year and before—this would, Sir, bring unemployment and unemployment means less revenue to the Exchequer. While speaking, Sir, on this building industry, I would also like to draw the attention of the Minister for Commerce and Industry who has just now entered this hall—(Laughter)—regarding the measure that this Council passed some time ago about decontrol of business premises. I think, Sir, we should remember that in my presidential address I had warned the Government a long time ago that this was a measure which Government should not have taken. There were many other controls which were, and are still, unpopular with the public, but instead the Government started with a control which was most essential for some time to continue. Today, Sir, on account of factors which I just now disclosed, the trend in the commercial and industrial world is on an upward scale, and taking this into consideration I hope the multi-racial Government would also not hit very hard at the middle income group which would be very largely affected if this measure is implemented as originally decided at the end of this year.

Taking into consideration, Sir, the case of Nairobi alone, any Member of this House can walk through the commercial streets of Nairobi, and point out how many business premises are vacant which could be available to those who would be asked at the end of this year to vacate

[Mr. Gathani] the premises. I think, Sir, the position is more or less the same in Mombasa and other principal centres of Kenya.

I would, Sir, suggest that on account of the Emergency, when we have, Sir, a lot of other cherished hopes, in order to do justice particularly to this middle income group, we should extend the period of decontrolling business premises for a period of one year after the end of the Emergency. In my opinion, Sir, this would help considerably commerce and industry and particularly the smaller income groups.

I know there is a case on behalf of some landlords as well, who, since 1939, are getting the same rents as they were getting—

MR. DEPUTY SPEAKER: Order, order, I think the hon. Member is departing from even the wide principle of relevancy which applies in a debate of this nature. The question whether or not the rents of commercial premises are decontrolled at the end of this year or at some subsequent date has, as I see it, little or no bearing on the fiscal policy of the Government.

MR. MADAN (Central Electoral Area): On a point of order, Sir, as in previous debates may not this hon. Member raise any point or any problem facing the community in the Colony in a Budget speech?

MR. DEPUTY SPEAKER: The field of debate on the Budget is of very wide scope, but it cannot be said to import any and every topic even though it has no bearing on the fiscal policy of the Government.

MR. MADAN: Again, Sir, I say with deep humility, the hon. Member for Finance has himself referred in his Budget speech to the decrease—I think he called it—in the building programmes and especially in Nairobi, and I submit this, with respect, Sir, that one of the consequences of that is the problem which the tenants are faced with, and again, in turn, whether that makes it necessary to continue with the rent control or not. In the past, my impression has been, Sir, that hon. Members have been allowed almost complete latitude in making their Budget speeches and bringing to the notice of the Government any and every problem which faces the country.

I do submit, Sir, that the restriction that you are trying to impose is, if I may say so—and again with respect—not warranted.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, Sir, there is not a distinction between a reference to a problem where, I believe, very great latitude has been allowed, and pursuing it in very great detail, which, with respect, is what I believe my hon. friend opposite may inadvertently have done?

MR. USHER: Mr. Deputy Speaker, Sir, may I say, with great respect, that it is quite possible, if not probable, that the Department of Commerce and Industry will not be reached in this Budget debate at all, and that there may not be therefore an opportunity for hon. Members to air their views about this subject.

MR. COOKE: Mr. Deputy Speaker, Sir, with all respect, would it not be the custom of this Council to allow the hon. Member in his maiden speech a little more latitude than you would permit myself?

MR. DEPUTY SPEAKER: The hon. Member has certainly had more latitude.

MR. SLADE: Mr. Deputy Speaker, in support of the hon. Mr. Madan, I would submit that although you cannot allow unlimited scope for discussion in a Budget debate, there should be sufficient latitude to discuss any matter relevant to the economy of the country as a whole. The hon. Minister for Finance spent a large part of his speech on discussing general economy and indeed no fiscal policy can be adequately considered or discussed without reference to the background of general economy on which it is based. The matter raised by the hon. Mr. Gathani, though not strictly relevant to fiscal policy, is most certainly relevant to the economy of the Colony.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, I do submit that although there is a great deal in what was said by the hon. Member for Aberdare, surely, Sir, the point made by my hon. friend the Minister for Commerce and Industry is the relevant one. While one can make general references as to the effect of certain measures upon the economy of



[The Minister for Finance and Development]

the country, this is not the debate in which all policies should be debated in detail. The avenue for a deed, for a policy or a debate on rent control under which the details can be touched on adequately, is when the heads which are governed by my hon. friend the Minister for Commerce and Industry are reached, and indeed if those are not reached within the time allowed to the Council, it is after all the choice of the hon. Members opposite which governs the order and priority, for Government accepts their priority as heads of the debate which should be dealt with under the Committee of Supply without question or alteration.

**MR. DEPUTY SPEAKER:** I think the views of hon. Members on this point have been very useful and I think that the guiding principle has been well stated by the Minister for Commerce and Industry. A reference to any matter affecting the economy of the country, or the fiscal policy of the Government, or even in a more general field, will be permitted, but I would ask hon. Members not to attempt to develop detailed arguments on matters which really do not impinge directly on the fiscal policy of the Government.

**MR. MADAN:** With respect, Sir—

**THE DEPUTY SPEAKER:** I have given my ruling. I will call on the Member to resume his speech.

**MR. BACHUAL GATHANI:** Mr. Deputy Speaker, Sir, I am sorry for this subject which has created so much disturbance in this Council; it was never intended by me, but it has nevertheless shown one thing, and that is that on this question of decontrol of business premises, the Council is very seriously perturbed.

Now, Sir, I would only say a few more words, and then I would leave that subject and, if necessary, at a later date I would certainly give notice to this Council of moving a special Motion. I was referring, Sir, to decontrol of business premises at some length because in my mind this subject is going to affect the economy of the country to a considerable extent. The bearing on the fiscal policy of the Government and on the economy of the country as a whole, would be so

much on account of the decision one way or the other; that some consideration in this Council should have been given to this part of the Debate. However, Sir, I will go by your ruling and will turn to another subject.

Now, Sir, while mentioning the effect of so many disturbing features on our economy, I would like now to show this Council some figures in connexion with our crop production.

Wheat, Sir, in 1950, was 126,000 tons against the figure in 1952 of 113,000 tons. Maize in 1950 was 100,000 tons and in the 1952 year was 82.9. Coffee and sisal have also dropped in quantity during this period. I would, Sir, bring to the notice of this Council, the speech from the Throne made by His Excellency, the Governor of Tanganyika on the occasion of presenting the Budget where he particularly mentioned that there must be a drop in the prices of commodities.

The situation, in my opinion, is more or less the same in this country and this position would also affect considerably the economy of this country.

About the current expenditure, I would, Sir, like to quote some figures from the statistical bulletin, No. 22 of December, 1953. In 1947, Sir, the expense of administration was £446,000. In 1953, this was over £1,000,000. Maintenance of law and order cost this country in 1947 £743,000. In 1953, this was nearly £3,000,000. Revenue collection and financial control in 1947 cost £288,000, and in 1953 this cost over £650,000. Defence cost £156,000 in 1947, and in 1953 estimates have shown that it cost £775,000.

There are, Sir, many items in this current expenditure during the period 1947 and 1953 whose relation is more or less the same as pointed out to me in connexion with a few imported items.

The source, Sir, as I mentioned earlier, is that the hereditary characteristic of the Government is that of increasing our expenditure year after year without taking into consideration the changed circumstances of the country, and the rises in expenditure have taken place with unfailing regularity.

The cost of living index, Sir, shows that in 1947 it was £172,000. In 1953 this rose to £247,000. This also discloses that lower income groups would not be in a

[Mr. Gathani]

position to contribute the same to the revenue of the Colony on account of this phenomenal rise and there would be, Sir, more effect on account of the increase in personal tax, about which I will say more later on.

Now, Sir, coming to the figure of our imports in 1952, it was over £59,000,000. In 1953, this was £52,000,000. The fall in the value of our exports, Sir, is also considerable. From £26,000,000 in 1952 it dropped to £19,000,000 in 1953. I think there is a possibility of a further fall in the value of our exports due to various reasons. There is a world surplus of certain commodities as was disclosed the other day in a very nice article that appeared in one of the local papers. I think, Sir, due to better agriculture and on account of more areas being brought under cultivation and various other reasons, we should during the next two or three years, at least, see the production of several commodities—on a world basis—on a higher scale than has been the case hitherto, and this surplus of certain commodities in the world would certainly affect our prices of commodities here.

From sisal, Sir, we expected that we should have a certain return, but immediately the Minister for Finance cut that item, the prices dropped to an extent much more than we ever expected. (Laughter.) I hope that will not be the misfortune of another commodity.

Now, Sir, the non-African farming contribution to geographical income is also down to 7 per cent; that was the case in the previous year. Wheat production is lower than in 1950; coffee production is below the level of the two previous years. Industry output is below that of 1952. The inflow of capital is also not on the same scale and there are indications that on account of the Emergency there may be a drastic cut in that as well.

I think, Sir, people, even locally, are losing confidence in the economy of this country. I would refer this Council to a speech made by the Chairman of the Nairobi County Council. If that is the position, Sir, as far as local people are concerned it is difficult to imagine what would be the repercussions overseas. Confidence, Sir, in a small country takes a long time for establishment, and once

such confidence is lost it takes at least ten years to re-establish it.

There is also a drop, Sir, in our national income although the figure has not yet been mentioned by the Minister for Finance in his Budget speech.

Now, Sir, coming to agriculture, I feel that the position there is also not satisfactory. As I mentioned earlier, there is a drop in the quantity of certain of our commodities. While, Sir, speaking on agriculture, I would like to mention that this is the life blood of our economy at present and we have not made all the efforts to increase our revenue from that source to the extent that we should have done in the past. I would, Sir, give you some figures which I have taken from survey reports.

The total area of agricultural land in the Highlands alone is over 7,000,000 acres out of which the cultivated land is only 1,000,000 acres. It is possible, Sir, that some areas may be uncultivable; others may be good for grazing and on some there may be forests, but the fact still remains that as much as 1,000,000 acres are still in the Highlands which have not been cultivated. If this land, Sir, has not been cultivated during the period when we were getting the highest prices for our commodities, I wonder if the time has nearly come in the future, or in the near future, to cultivate all that land which could bring more crops and, as a result, increase our national wealth, bring more employment and bring more revenue to the Government. I think, Sir, we have depended too much on a lopsided economy of agriculture. The time has come when we should develop other revenues and bring all that land under cultivation. I would suggest, Sir, that someone from the Government-side should now be bold enough to stand up and say that there should be a tax on uncultivated land. I think, Sir, it is a crime to keep such a large area uncultivated. I know, Sir, there have been certain difficulties and there have been certain factors which were very adverse but there are not so many difficulties as to leave such a large portion of our land uncultivated.

I would now come to the new tax raised by the Minister for Finance regarding export tax on coffee. I would,

[Mr. Gathani:] Sir, say that this is unjust; also this tax affects the coffee growers. The non-coffee growers, in order to do justice must say that this tax could not be warranted on any grounds and as the coffee producers said the other day, "This tax is unjust and mean."

I do not know what words I would use for the increase in African Poll Tax and Personal Tax. Regarding these two taxes, Sir, I would read a sentence from the Memorandum submitted in 1947 to the Taxation Inquiry Committee by the Association of the Chambers of Commerce and Industry in Eastern Africa. I know there are certain representatives of this august body in this Council and I hope they will, when they get an opportunity, tell me what has happened in the meantime to change this basic principle. This is what was said in the Memorandum, Sir, "Dealing with ordinary taxation as distinct from fees and payments for special services, the principles of taxation . . . should be consistently applied. For this reason the Committee recommends that immediate steps be taken for the early abolition of personal and poll taxes."

Now, Sir, according to draft estimates from personal tax, the hon. Minister for Finance wishes to raise a sum of as much as £300,000 and from poll tax a £120,000, making altogether a formidable figure of £420,000 from the lowest income groups in the country, and from the highest income groups in the country, he only wishes to raise £250,000.

I think, Sir, this measure would not inspire confidence in the lower income groups, who are in a large majority in the country, in the multi-racial Government.

I have here, Sir, certain figures which I would like to quote, in order to appreciate the incidence of this measure on the lower income groups.

Before I do that, Sir, I would bring to the notice of this Council something from past history. In 1947, a Bill was introduced in this Council called the Personal Tax Amendment Bill. At that time, those with an income of £60 and Government, those with an income over £60 and below £120 would pay Sh. 30. This Bill wanted to raise the Sh. 15 to

Sh. 20—an increase of only Sh. 5—and raise Sh. 30 to Sh. 40—an increase of only Sh. 10.

"At that time, during the debate in this Council, one gentleman from the 'Unofficial side' for whose views I have a very high respect, said this: 'There should be no greater burden imposed on the lower income group than is already placed upon them. I do not know how difficult it is in a place like Nairobi for those people with families to maintain a standard of living to which they have been driven and urged by ourselves'. Very wise, Sir, and very progressive ideas, and these words were uttered by the hon. E. A. Vasey, from the Unofficial side, and these words I commend to the hon. Minister for Finance. (Laughter.)"

One of the Unofficial Members from this side of Council described this increase as "nothing but cruelty; absolutely wrong; not a civilized tax, not a fair tax". These words were those of the Unofficial Member who some time ago crossed the Floor, who out of the six new Ministers, is the most experienced and the most senior—the hon. A. E. Patel, Minister without Portfolio.

I do not know whether this measure had the support of all the Ministers of the Council; I do not think they could ever support this measure. However, under this new system of collective responsibility, they would have, as I said earlier, carried around their necks this millstone. That is why I urge upon them to reconsider this new measure of increasing the Personal and the Poll Tax. However, on account of a false sense of prestige, about which they themselves criticized so bitterly, they could not do anything, I am putting certain other considerations for their sympathetic consideration.

I suggest, Sir, that the hon. Minister for Finance, who has at least a soft corner for married women—(Prolonged laughter)—would in the same soft corner accommodate the single women and the widows! (Laughter.) ("He would have a busy time!") At least, Sir, their case is not so good as that of the married women. Married women, at least, have someone else to look after them. I would certainly urge the hon. Minister for Finance to exclude single women and

[Mr. Gathani:] Sir, say that this is unjust; also this tax affects the coffee growers. The non-coffee growers, in order to do justice must say that this tax could not be warranted on any grounds and as the coffee producers said the other day, "This tax is unjust and mean."

I also request the hon. Minister for Finance to consider scaling down this tax of Sh. 200 which he wants to impose on all having incomes of £200 or more. I suggest that between £200 and £300 income, the tax should be only Sh. 100; £301 and below £400, Sh. 125; £401 and below £500, Sh. 150; £501 and below £600, Sh. 175, and over £600 it should be Sh. 200.

Now take the case of a man with a wife and four children, with a dependant—and this is the position in the majority of cases, as far as the lower income groups are concerned.

According to our present rate of income tax, a man with a wife and four children would be exempted from income tax if he had an income somewhere in the region of £800. Now that gentleman would pay Sh. 200 per annum and a man with a wife and four children, with one dependant, only having an income of £200 would also pay Sh. 200. I do not want to repeat that this thing, in my opinion, is most unjust. If this alternative suggestion which I have made to the hon. Minister for Finance does not appeal to him, then I would request him that in the total imports and exports of this country he should place a surcharge of only one-half per cent. That would bring in a revenue even more than what he wishes to take from the lower income groups by increasing the Personal and Poll Tax. I know there would be some difficulties in implementing that measure, on account of objections, which may be raised by Uganda, and Tanganyika, but this surcharge which I am suggesting of only one-half per cent is not a factor with which we may find them in agreement. Even if you reduced this to one-quarter per cent, it would bring in an amount little less than the amount that the hon. Minister for Finance wishes to extract from these lower income groups.

While dealing with the expenditure side, I think a legitimate question that one would be faced with from the hon.

Minister for Finance would be to show him ways and means of raising revenue. I would suggest to him, Sir, certain things for his consideration. As far as our currency deposits in the United Kingdom are concerned, I understand that in 1953 the circulation of currency in East Africa was in the region of £48,000,000 and, if my information is correct, we have to give a cover of 100 per cent against this currency in circulation. I do not know whether all our deposits bring in any return. I am sure when the hon. Minister for Finance next visits the United Kingdom, if he would discuss this matter with the Treasury officers there to see if any relief could be obtained from such a huge sum—I am sure he would try to do so.

Now, Sir, in several countries there is a practice that the insurance companies, banks, building societies and other such bodies should deposit with the Government a proportion of their net incomes or turnover. On such deposits a very small rate of interest is paid because the amount is held by the Government as security or protection for the investors.

I know some of our banks here are big enough to be asked by this Government to leave a certain portion of their net incomes as a deposit because their financial position is so good that such a measure may not perhaps be warranted but in our own interests and due to the fact that this country will expand, there will be more banks, insurance companies and building societies, which would not be so financially strong. In order to protect the interests of investors, I think if he decides now about building such a reserve of such deposits, it would be of some benefit to the country. We would at least have some amount which we could utilize towards several of our development schemes and other programmes.

Now, Sir, in 1952 the total premium income of all insurance was over £3,000,000 and the investments in the country were only a little over £1,000,000. This shows that out of this figure, we could at least have a portion which we can utilize for the interests of the taxpayers.

As far as the banks are concerned, Sir, these deposits in 1953 were to the value of over £43,000,000 and advances made by

[Mr. Gathani] the banks were in the region of over £20,000,000. Here again it shows that over £21,000,000 belonging to the inhabitants of this country has been used for the benefit of others, and I would request the hon. Minister for Finance to see the head offices of the banks in London for becoming more generous in their advances to commerce and industry and agriculture, because in a developing country—unless money is available easily and at lower rates of interest, development could not take place at the same pace. I would, Sir, point out that while, in England, the rate of interest on bills and other securities is only 4 per cent, in Kenya this rate is as much as 6 per cent as the minimum rate and as much as 7½ per cent in the case of other borrowers. Now the difference, if we take the two minimum rates of England and Kenya, is something like 50 per cent, which in my opinion is really too much, and with that rate of interest I do not think a developing country like ours could develop at a speed which we all desire.

I think investments in East Africa are more secure than investments elsewhere, because the fluctuation here in the fortunes of many is not so immediate and the securities offered in this country are better, being in the form of mostly immovable properties.

I think a reference was made by the hon. Minister for Finance, in one of his Budget speeches, about the decline in the amount of advances made by the banks here—he should certainly take up this matter when he next visits the United Kingdom.

Now, Sir, before we ask the general public to contribute on account of the Emergency, and I think that request is fair, and just, it is equally just and fair on the part of the public to ask Government to reduce its own expenditure as well. You cannot induce other people to take a certain step which you yourself are reluctant to take, and on an expenditure of £19,000,000—even if Government does economize to the extent of 5 per cent—we will have a savings of £2,000,000 roughly each year which, during the first year, would write off our deficiency, and in the next year—if we are not faced with Emergency expenditure on the same level

—there will be a surplus. Five per cent economy in any undertaking of such a big scale is not so difficult—if there is a will there is a way. What the Minister for Finance has himself suggested requesting his colleagues later on—he can make that request now.

Now, Sir, when I ask for a reduction in Government expenditure, I would certainly not suggest, as some people have suggested, that there should be a reduction in social services which would be a most unprofitable step. Our social services are only in the form of education and medical services and these also are not on the scale that we all desire. To reduce that scale, even, would be asking for trouble, in my opinion.

There are other suggestions, Sir, of taxing the public to the hilt. I think that is also, in my opinion, not a wise step. We are already taxed to the extent our economy can bear. But in spite of that the public would not mind if such a move first comes from the Government itself, but there are several other avenues from which we can increase our revenue and the biggest, Sir, is more production, and more production, Sir, would mean everything.

Now, Sir, another request that I would make to the Government is to have a survey of our fiscal position because, on account of changed circumstances, I think this is now overdue. We had one in 1936, another later on by Sir Wilfrid Wood, and the recent one in 1947 popularly known as the Plumen Committee. I think, Sir, the circumstances which existed at the time when the last two surveys were made, are no more in existence, and consequently we should, with benefit, make a decision to have a further survey.

I, Sir, would express my gratitude to the Council for giving me a patient hearing. I know, Sir, I have taken a longer time than I should normally have taken, and I may not, Sir, have obeyed the tradition of making a speech as non-controversial as possible, but in a Budget speech it is difficult to be non-controversial. There are taxes which some people like but others dislike; there are several matters which are not commonly popular amongst all of us, and if I have done anything in order to create any controversy, I would give an apology to

[Mr. Gathani] hon. Members. Thank you, Sir. (Applause.)

**SPEAKER MAHFUOD S. MACKAWI** (Arab Elected Member): Mr. Deputy Speaker, Sir, I must congratulate the hon. Minister for Finance for presenting to the Council, in a clear way, a very fair Budget and he has done a great service to the Colony. But, Sir, I would like to raise one or two points for the Council to consider.

My first point is regarding personal tax. The people in the lower income groups are finding it difficult to pay the present rates of personal tax of Sh. 20, Sh. 40 and Sh. 60, and it will certainly be very hard for them to pay the double rates.

Now, Sir, I suggest that the hon. Minister for Finance should consider reducing the increase on personal tax to 25 per cent and also that the new rate of Sh. 200 be payable by those earning over £400 per annum and not £200 per annum.

Now, Sir, the loss in revenue from this source should be levied on the local breweries and also to increase the income tax surcharge of 75 cents per pound to a shilling per pound. Sir, the rich must pay for the poor.

My second point is—in my view, Sir, most Africans are very poor and I do not see how they can afford to pay the new increased rates. I think, Sir, their case should be reconsidered.

Sir, I beg to support.

**DR. HASSAN** (East Electoral Area): Mr. Deputy Speaker, Sir, I think I will follow the first speakers and first of all I would congratulate the Minister for Finance for so ably presenting the Budget for the next year and his staff need all the praises for giving this Council the true picture of our finances. What we have seen, Sir—the Budget has given us a picture that we are going to lose, to show a deficit of about £8,000,000 and that £8,000,000 will be swallowing all of our grants and loans from the Home Government as well as all the surplus that we had before the Emergency started. It is no doubt that it presents a picture that the Finance Minister was called upon—at least he felt that it was necessary—to raise revenue by direct

and indirect taxation to at least meet a part of that deficit.

I will first deal with the personal tax. This is one of the direct taxations which he suggested to raise £300,000. Taxes, as we all know, Sir, direct and indirect, are levied on the people on the basis of the capacity of the person to pay. When income tax was introduced in this country we expected that personal tax one day would be reduced or done away with, but raising this tax beyond all proportion to the lower income group is one of the taxes which is likely to cause great hardship. It appears that the Minister for Finance was dealt a hand of poker and first he doubled it and included the women into it; then he redoubled it and brought the lower income group with it; then he redoubled it and caught the people over £200. Sir, I do not like to criticize him for this tax, but I would like to ask him whether he considered certain other avenues where he could raise this amount.

If we take the customs duties which are levied on liquor, matches and sugar, I fail to see why cigarettes and tobacco were not included in it. Tax on agricultural products is bad in principle, but Kenya has nothing to produce revenue with but agriculture, and as a temporary measure to tide over a difficult period, tax on coffee was not very, very unreasonable. But why pick up this one item for export duty, we have other products from Kenya also having very much increased prices in overseas markets like pyrethrum for instance, also sisal has gone down in price but still it is fetching a price in overseas markets very much higher than what it was fetching before the war and however small a tax may be, even one per cent should have been maintained on the export tax on sisal.

#### ADJOURNMENT

THE DEPUTY SPEAKER: It is time for the interruption of business. Council will stand adjourned until 9.30 a.m. tomorrow morning.

Council rose at thirty minutes past Twelve o'clock.

Wednesday, 19th May, 1954

The Council met at thirty minutes past Nine o'clock.

[Mr. Deputy Speaker in the Chair]

### PRAYERS

LT. COL. GIBBS: On a point of order, Sir, are Members allowed to carry guns in this Council?

THE DEPUTY SPEAKER: I think it was decided earlier on that guns should be left in the armoury. If any Member is armed, I would ask him to withdraw and leave his gun in the armoury.

EUROPEAN MINISTER WITHOUT PORTFOLIO: On a point of order, Mr. Deputy Speaker, when I had the honour to sit on the opposite side of the Council, it was arranged that we could carry arms in this Council. Only members of the public should be asked to hand them in to the armoury.

THE DEPUTY SPEAKER: I do not remember that arrangement myself. I think, personally, it is undesirable that Members should sit in this assembly armed with firearms and I repeat my request to the hon. Member to withdraw and leave his gun in the armoury.

MR. STAFF: As I am armed and I would like to ask a question, may I stay in the Council?

THE DEPUTY SPEAKER: If the hon. Member will accept the answer.

EUROPEAN MINISTER WITHOUT PORTFOLIO: Tell the hon. Member to disarm himself.

MR. COOKE: I can give the assurance that the hon. Member is in no danger from this side of the Council at present (laughter).

### PAPER LAID

The following Paper was laid on the Table:—

East African Industrial Research Board Eleventh Annual Report, 1953.

(THE MINISTER FOR FINANCE AND DEVELOPMENT)

ORAL ANSWERS TO QUESTIONS  
QUESTION No. 80

MR. J. JEREMAH asked the hon. Minister for African Affairs:—

(a) Whether he is aware of the dissatisfaction caused to some Africans in Mombasa by being called upon to pay full African District Council's rate of Sh. 5 for 1952, and Sh. 6 for 1953, in the Kilifi District after they had paid their Poll Tax of Sh. 23 in the Mombasa Municipality?

(b) If the answer is in the affirmative, would he please take action to refund to the aggrieved persons the money paid in excess of the justifiable tax?

(c) If he would take the necessary steps to see that such action is avoided in the future?

THE MINISTER FOR AFRICAN AFFAIRS:

(a) Yes, Sir. My attention has been called to the fact that some Africans in Mombasa are dissatisfied with being called upon to pay the full Kilifi District rate after they have already paid their Municipal poll tax in Mombasa.

The Giriama African District Council, however, is legally within its rights in imposing its full rate, although the general practice, which has the support of the Government, is for African District Councils to collect only the difference between the amount of their own rate and the portion contributed in the Municipal poll tax.

(b) I have asked the Minister for Local Government, Health and Housing to take up with the Provincial Commissioner and the Giriama African District Council the question of coming into line with the normal procedure.

(c) This will also be a matter for the Minister for Local Government to discuss with the Provincial Commissioner and the African District Council.

MR. MATHU: Mr. Deputy Speaker, arising from the reply to (b), does the Minister imply that he will ask the Minister concerned to refund or to look into the matter?

THE MINISTER FOR AFRICAN AFFAIRS: To look into the matter, Sir.

MR. COOKE: Is the hon. gentleman aware of the importance of not upsetting Africans at the present moment by needless acts of this kind?

THE MINISTER FOR AFRICAN AFFAIRS: Yes, Sir.

QUESTION No. 94

GROUP CAPTAIN L. R. BRIGGS asked the hon. Acting Chief Secretary to state: What is the number of surrenders to date arising from the "China" surrender proposals?

THE MINISTER FOR AFRICAN AFFAIRS: There has been no surrenders to date arising from the Government's efforts to effect a mass surrender of terrorists in the area of the Mt. Kenya forest.

GROUP CAPTAIN BRIGGS: Arising out of that reply, is the Minister in his reply referring to the Mt. Kenya constituency or only to the Mt. Kenya forest?

THE MINISTER FOR AFRICAN AFFAIRS: Mt. Kenya constituency.

GROUP CAPTAIN BRIGGS: Would the Minister please state the position in regard to General Tanganyika and General Kalega, whether they did not come within the scope of the negotiations I refer to?

THE MINISTER FOR AFRICAN AFFAIRS: The position with regard to the so-called Generals that the hon. Member refers to was that they came in as representatives to discuss surrender, but not to surrender.

QUESTION No. 96

GROUP CAPTAIN L. R. BRIGGS asked the hon. Minister for Finance and Development if it is correct that the Government of India and Pakistan restrict the amount of earnings which Kenya subjects are permitted to take or send out of those countries. If this is correct, will Government consider similar restrictions in regard to the transfer of funds from Kenya to those countries in order to conserve the resources of this Colony?

THE MINISTER FOR FINANCE AND DEVELOPMENT: The Government understands it is correct that the Governments of India and Pakistan restrict the amount of earnings which Kenya subjects are permitted to take or send to Kenya out of those countries.

These restrictions form part of the Exchange Control Regulations issued by the Governments of India and Pakistan and have general application to transfers from those countries to other coun-

tries and are not limited only to transfers to Kenya. The Government sees no reason to consider imposing similar restrictions in regard to the transfer of funds from Kenya.

MR. J. S. PATEL (Western Electoral Area): Arising out of the answer, I would request my hon. friend on this side of Council not to raise questions.

THE DEPUTY SPEAKER: Is the hon. Member speaking to a point of order, or is he putting a supplementary question? If it is open to him to put a supplementary question but not to question the questioner.

GROUP CAPT. BRIGGS: Arising out of that reply, would the Minister state reasons for not making reciprocal arrangements in this case in regard to ending restrictions to aid the conserving of resources of this country.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Yes, Sir. If the hon. Member listened to what I said, he would have noticed that these restrictions are not directed against Kenya generally, but are directed against all countries external to India and Pakistan. If we were to take action of that kind we would have to take action generally, but in the opinion of Government, restrictions of that nature would create conditions detrimental to the increase of capital resources which Kenya—a rapidly developing country—must encourage. But apart from the undesirability of imposing such restrictions, the means of enforcing them could not be ensured unless the (United Kingdom and all other scheduled territories of the sterling area agreed to restrict transfers of money from Kenya to India and Pakistan through their territories. There is, therefore, no reason to start enforcing restrictions which are unenforceable.

GROUP CAPT. BRIGGS: Arising out of that reply, has the Minister any information as to the amount involved in these transactions; as to what the real saving would be to this Colony if some restrictions of this sort were imposed?

THE MINISTER FOR FINANCE AND DEVELOPMENT: No, Sir. No doubt I can get that information, but I must repeat that unilateral action of that kind inside the sterling area group would be impracticable and unenforceable.

**THE MINISTER FOR WORKS:** Arising out of that question, may I ask the Minister to state, when giving information about India and Pakistan, he should give it about all countries.

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** Certainly, Sir. I trust, however, this Council will recognize the undesirability, as my hon. friend, Mr. J. S. Patel, was pointing out when he was called to order, the undesirability of raising questions of this particular type.

**MR. SLADE:** Would the hon. Minister state why it is not possible for the United Kingdom and members of the sterling group to take reciprocal action towards countries that take action against them on the ground that, if this action benefits those countries, reciprocal action should benefit sterling countries to the like extent? The country affected by the reciprocal country could take corresponding benefit with justification.

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** I am afraid, Sir, I cannot answer for the reasons why the United Kingdom and the major territories, on whom the defence of sterling depends, do not take action of this kind. I can only presume that they have considered it and regard the line that they are taking as being of greater benefit to the sterling area as a whole.

**MR. SLADE:** Would the hon. Member make sure they have considered it and be prepared to make a statement to this Council at a later date as to their reasons for thinking that it would not benefit the sterling areas as a whole to take such reciprocal action?

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** I can give no such assurance. I am quite prepared to raise the matter but I can certainly give no such assurance that the United Kingdom is prepared to provide the reasons why they refuse to take action.

**MR. GATHANI:** Arising out of that last answer, is it not a fact that India and Pakistan are being creditors as far as the United Kingdom is concerned, and therefore that question of a request to the United Kingdom does not arise?

**MR. COOKE:** Would the hon. gentleman inform the Council who constituted him the arbiter of the desirability or the

undesirability of the conduct of hon. Members of this Council?

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** Sir, I would like to explain to the Member for the Coast that just as he is entitled to express his opinion, so, sitting on the Government benches does not restrict us from expressing our opinion also.

**GROUP CAPT. BRIGGS:** Mr. Deputy Speaker, Sir, on a point of order is it in order for a Minister to impute motives of racial reasons for asking a question in the nature which I asked, which I can assure you had no racial background whatsoever.

**MR. MADAN:** On a point of order, Sir, is not the racial motive quite apparent in the question itself?

**THE DEPUTY SPEAKER:** There is no Standing Order preventing the asking of questions which have a racial implication. I had not understood the hon. Minister who replied to make any implication against the hon. Member who asked the question but to deal with the substance and necessary implications of the question.

#### QUESTION No. 98

**MR. SLADE** asked the Deputy Chief Secretary to state:—

- (a) What was the nature and duration of the truce declared for the purpose of recent surrenders negotiations?
- (b) How many surrenders resulted during that period of truce?
- (c) How many incidents were there during that period of truce of—
  - (i) schools destroyed?
  - (ii) bridges destroyed?
  - (iii) other major acts of sabotage?
  - (iv) known oath ceremonies?
  - (v) murder?
- (d) How many fresh recruits are the rebel gangs estimated to have gathered during that period?

**THE MINISTER FOR AFRICAN AFFAIRS:**—

(a) Details of the nature and duration of the truce declared during the surrender negotiations have already been published in the Press. The Security Forces gave as an undertaking that there would be no

[The Minister for African Affairs] bombing or patrolling within the forests, i.e. beyond demarcated forest reserve boundaries. It was, however, made clear that if gang activity occurred, in the reserve or in the mile strip and the gang withdrew into the forest, then the Security Forces would pursue operations into the forest against the gang. The period of this arrangement was from 31st March to 10th April, 1954.

(b) One surrender occurred during this period.

(c) During the period of the truce 8 schools were burned down, 6 bridges destroyed, 7 shops were burned, 16 known oath ceremonies took place and 1 European child and 26 loyal civilians were murdered. These incidents which took place over widely-scattered areas should not in any way be judged with the period of the truce but are typical of the state of unrest in the reserves. For example, during the 10 days prior to the 31st March there were 5 major acts of sabotage, 11 known oath ceremonies and no less than 30 cases of murder.

(d) It is not possible to estimate the number of recruits which the rebel gangs gathered during this period.

**MR. SLADE:** Arising out of that answer—paragraph (a) of the question, Mr. Deputy Speaker—was there no relaxation of the activities of the Security Forces outside the forest reserves?

**THE MINISTER FOR AFRICAN AFFAIRS:** No, Sir.

**MR. SLADE:** Mr. Deputy Speaker, arising out of the answer in general, does Government now recognize the whole of this undertaking was a grave mistake? (Hear, hear.)

**THE MINISTER FOR AFRICAN AFFAIRS:** No, Sir, certainly not.

**MR. COOKE:** Arising out of the answer of the hon. Member, of the number of schools, I have here a Press handout, just issued by the Press Office, in which they state that 43 schools were destroyed in the Embu district in the first three months. It hardly seems to coincide with the hon. gentleman's figures.

**THE MINISTER FOR AFRICAN AFFAIRS:** I think, Sir, the question and reply refer to a stated period; I think his period covers a much longer one.

#### QUESTION No. 102

**MR. USHER** asked the Minister for Education, Labour and Lands to explain why six months after the enactment of the Land Acquisition Ordinance, no collector has been appointed to complete the acquisition?

**THE MINISTER FOR EDUCATION, LABOUR AND LANDS:** The reason why a collector has not yet been appointed to take order for the acquisition of the land described in the First Schedule to the Land Acquisition (Mombasa Oil Refinery) Ordinance, 1953, is that the negotiations between the Government and the Anglo-Saxon Petroleum Company relating to the drafting of an agreement to lease have been more protracted than was anticipated. The stage has, however, now been reached where a final draft of the agreement has been forwarded to London for consideration by the Company and since this has been approved, a collector will be appointed. (Applause.)

#### QUESTION No. 103

**MR. USHER** asked the Acting Chief Secretary to give an undertaking that, in accordance with House of Commons' procedure, Replies to Questions set down for Oral Reply, will normally be given by the Minister concerned in two days.

**THE ACTING CHIEF SECRETARY:** The hon. Member refers to House of Commons' procedure.

The House of Commons Manual of Procedure provides that "questions received at the table office on Mondays and Tuesday before half-past two p.m. and on Friday before 11 a.m. may, if specifically requested by the Members, be put down for oral answer on the following Wednesday, Thursday and Monday respectively".

As an illustration of what happens, it is interesting to take a day at random. Monday the 8th March this year. On that day notices were given of 112 questions and, although 29 of these were put down for reply on the 10th March, only 19 were on the Order Paper for that day and of these only eight were, in fact, taken. In fact, of the 112 questions of which notice was given, some were not down to be answered for more than a month afterwards.

It is correct to say that a question raising a matter of particular importance

[The Acting Chief Secretary] or urgency is dealt with in the House of Commons within two days, but normally questions have to be referred to Departments which often receive as much as three weeks' notice before an answer is given.

In so far as Kenya is concerned, I regret that it is impossible to give the undertaking that the hon. Member has asked for. We have not at our disposal a sufficiency of staff to ensure that questions can be dealt with in the time suggested by the hon. Member. Other circumstances, such as the pressure of work in the Emergency and getting information from more distant parts of the Colony, may influence the time which must elapse before an answer can be given. All that I can do is to give an undertaking that Ministers of the Government, realizing the importance of getting questions answered, will continue to make every effort to see that this is done as soon as possible.

MR. USHER: Arising out of that answer, would the Minister not agree that a question put by myself in December of last year, with all the innocence and inoffensiveness at my command, should have been answered before now? (Laughter.)

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I think the hon. Member is referring to a question and I think this question strikes a bell, if I may say so, of the chimes in the clock tower. Well, Sir, I would respectfully point out to the hon. Member that that is not within the competence of any Minister to answer until the House Committee, which consists of Members of both sides of Council, has made its decision on that matter, and until the House Committee has given its decision, it is impossible to answer the question. He must, therefore, realize it is beyond the control of the Government and really in the control of Members of both sides of the Council. However, I can give him cheer by telling him that I think there is a meeting of the House Committee to-morrow at which I have specifically asked that the matter should be dealt with in order that I can answer his question.

LT.-COL. GIBRASPIS: Arising out of that answer, does it mean then that the

House Committee have not met since 1st December? (Laughter.)

THE MINISTER FOR FINANCE AND DEVELOPMENT: It does not. Sir, it merely means as far as I can see that the House Committee, consisting, as it does, of busy men, have not turned their attention to this particular problem.

MR. HARRIS: On a point of order, Sir, could you give an interpretation of Standing Order 28? It would seem to me that if the hon. Member for Mombasa's question is not answered by the end of this meeting, the Council has some sanction against the Minister who has, in fact, broken a Standing Order.

THE DEPUTY SPEAKER: I am not really very certain if I understand this point of order, but Standing Order 28 reads that: "If any Question is unanswered when a meeting of the Council is terminated, such Question shall be answered at the next meeting" in the same session; or, if the Member asking the Question so desires, a written answer shall be sent to him and such answer shall, if the Member so requests, be printed in the Official Report of the Council Debates."

The Question in question was not answered during the meeting in which it was asked; it therefore stands over to the following meeting unless the Member who asked it requires that a written answer be sent to him; presumably by the Minister responsible. I am not aware that the Member has so asked and, as the hon. Minister has just pointed out, it is very difficult in this case to determine who is the Minister responsible.

#### SUSPENSION OF STANDING ORDERS

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move that business on Thursday, the 20th May, 1954, shall not be interrupted under Standing Order 10 at 12.30 p.m. but shall be suspended at that time and resumed at 4 p.m., and that the time for the interruption of business under Standing Order 10 shall be postponed until 6.30 p.m.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE seconded.

Question proposed.

The question was put and carried.

### COMMITTEE OF SUPPLY

(Debate resumed.)

DR. HASSAN: Mr. Deputy Speaker, Sir, I was pointing out for the consideration of the hon. Minister for Finance and Development certain avenues where sources of revenue could be effected. Certain commodities locally produced in this country have risen in price several hundred per cent. For instance, wheat. Wheat is a product which is now established in this country, and enough is produced for the requirements of all the people here; and I would suggest that a tax of one shilling per bag would not be out of the way, and would cause no hardship to anybody—to the people buying the product, to the producers, to the middlemen or to the millers. This tax will not increase the price per pound by more than about half a cent per pound. That leaves a liberal margin of profit to be allowed for this commodity for all who are handling this product.

The second is maize. Maize has had considerable assistance and protection in this country, and profit derived from this product has been used in the past for putting up stores, conditioning plant and maintaining the heavy cost of the Maize Control, and one shilling per bag on this commodity, to be borne by the producer, the Maize Control and the miller out of the liberal margin of profit which is allowed to them—and it should not be borne by the consumer. Taxes of this nature will bring about a substantial amount towards the revenue which will be used for reducing the tax which has been raised directly from the people.

Another item is livestock. It is very difficult to put a tax on livestock because collection of it will create considerable expense in practice, but part of the stock which is controlled can easily be taxed for purposes of helping towards the revenue of this country. I mean the stock which is sold by the stock-owners to the Meat Commission. The Meat Commission has the monopoly to buy all this stock, and two per cent on the purchase price of the stock to be borne by the Meat Commission and butchers—it will not be more than about two cents per pound on the meat, although it should not be necessary that the consumer should share this cost. A cent by the Meat Commission and a cent by the

butcher will help us to find a substantial amount to assist the present position that we are facing. I do not think the Meat Commission will feel the effect of it because lately I find that considerable quantities of meat are being exported for feeding Communist Russia, and they are making quite a bit of money out of it.

Regarding sugar, I have been informed, Sir, that this country is very short of sugar supplies, because we do not get our quota from Uganda, and I have been informed that if the import of sugar is allowed to the merchant by free permits from producing countries, it can be landed here cheaply. It will help considerably to swell up our Customs duties and, at the same time, it will help and assist to reduce the tax which is imposed on the locally produced sugar.

There is another item, piecegoods. Low-priced piecegoods are imported into this country very liberally—in some cases may be free of import duties, which was done in this country when we had a surplus at our disposal and our revenue was on the increase, but to-day we are facing a position that it will not be out of order to put a small duty on the lower-priced piecegoods imported into this country.

Local beer. This item is now referred to as a local produce which is now established in this country. No doubt its sales have been reduced considerably lately—but I do not think local beer cannot take up a little tax.

I wonder if consideration has been given to aerated water in this country?

Has this matter of entertainment tax been considered? We have got some cinemas and theatres doing extraordinarily well in this country, and a little entertainment tax on them will bring a substantial amount towards our revenue.

Personal Tax. I spoke at the beginning of my speech and I stated that the low-income group will find it a considerable hardship to meet this tax. We have a Hospital Committee. We were considering introducing a hospitalization scheme for non-Europeans in this country. It is a social service, for which Government is under obligation in this country. We were trying to assist the



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Government to establish a hospitalization scheme, and to have hospitals for non-Europeans. We have had several meetings and, with considerable difficulty, we brought into this scheme the low income group, and we expected to raise a substantial amount from all with a view to making this scheme workable. If this Personal Tax is now levied on those people, I am afraid the whole of that scheme which we have formed will go by the board, and serious consideration should be given to the low income group regarding this tax. I would suggest that, in doubling our taxes, those paying 20 and 40 shillings should not be altered but for those paying 60 shillings it may be doubled, but the 200 shilling tax should not be applicable to people drawing less than £400 and above.

Native Tax. Two shillings tax has been increased on the Africans, but, Sir, I feel the amount anticipated—£120,000—is not likely to be collected. We have three major communities—Embu, Meru and Kikuyu. Hundreds of thousands of these people are in detainee camps, and others out of jobs and without any money at all. I do not think it will be possible to get any tax from them, and I would suggest that this tax should be increased to four shillings instead of two shillings, with a view to getting this £120,000 from African tribes other than these three, and liberal steps should be taken to exempt—partially or altogether—those Africans who cannot afford to pay them.

Along with these suggestions that I have made for the consideration of the hon. Minister for Finance, I would like to give a warning regarding the Civil Service of the Government. We did well during the last ten years. We have had our revenue increasing. We were having some surplus in our hands and, with a view to maintaining the development and consolidating it, and in anticipation of increased development, the Civil Service has been on the increase, and it has reached a stage when we find that the revenue of the country is not enough to meet that cost, and I would suggest to the Government that by the end of the next six months—say by December—serious consideration should be given to investigating the possibilities of reducing the Civil Service or its expenditure with

a view to meeting our commitments, and, at the same time, to see whether the circumstances now prevailing still continue. Some serious action will have to be taken to meet the cost of the Civil Service.

And another consideration should be given—it is time now to see, in view of the changed Governments in all three Territories, whether we need the existence of the High Commission at all. These services are on the increase, with increased cost to our country, and I wish that a committee should be appointed within six months to see whether it is necessary at all to have the High Commission, whether their work could be carried on by the Governors' Conference, with the help of their experts once a year.

In conclusion, Sir, I would like to refer to the speech of one of the Members on this side who objected to the use of the bombers. I personally feel that we have got the best military expert in this country, given to us by Her Majesty's Government, and he is doing all that is humanly possible on the operational side, and the less we interfere with the methods he is adopting to deal with it, the better for us. (Applause.)

MR. MATHU: Mr. Deputy Speaker, Sir, may I have your permission to speak longer than half an hour if necessary? I should like to join with the previous speakers, Sir, in congratulating the Financial Minister for a very lucid exposition of the economic position of our country. He spoke in his usual interesting way and I think has given us a more detailed account of our position than any other Minister who has spoken to this Council. I think it is fitting, Sir, that he should do so, particularly now when we have accepted multi-racial Government for our country and I do know, Sir, that he, like many others, has faith in this country which will be run by all who live in it as one nation.

I should like, Sir, to comment on some of the points he raised in regard to the economic development of our country. Now, he did mention, Sir, that as far as agriculture is concerned, there has been a drop in the money that has come from that source. It is said that there are

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£14,500,000 from non-African agriculture, and I would like to say, Sir, that there is in this field, I think, a very important factor—that is, you have the co-operation of all races in this field of production. You have the African supplying most of the labour and the European supplying the capital, and I do think, Sir, that in estimating the position of agriculture, we should keep these people in mind—all of them—because they are contributing to the economic health of the country.

In regard to African agriculture, Sir, I should like to say that I am still unhappy about the estimation of subsistence agriculture of the African population. The Minister said that the African subsistence agriculture is estimated at over £23,000,000, and marketed crops—he estimates that the African contributes £4,300,000, but the reason he has given why he cannot give us an accurate figure is that there are no accurate surveys of agricultural holdings of the Africans and the produce that is grown there. He did mention, Sir, that a start was made in Nyanza and the Central Provinces to get surveys which would give him statistics that would enable him to know the actual contribution from African agriculture. He did say, Sir, that owing to some political difficulties it was not possible to proceed in the way he wanted, but I would like to ask the hon. Minister, Sir, to carry on with this work, because I do feel, Sir, until he can know exactly the contribution of the majority of the population of this land from agriculture, the financial picture will mostly remain vague and unsatisfactory. I do not think it is impossible, Sir, with the co-operation of the local people—giving the African a greater part to play in bringing home to the peasants the values that accrue from accurate statistics of agriculture—I think it is not impossible to get the figures that he would require. Their approach, Sir, is very important. You have, in Nyanza and the Central Province, some of our own community who are suspicious of Government action, and when these actions affect the land the danger is even greater, but if it is approached with the leading Africans co-operating and explaining to the people the importance of this being done, as I say, Sir, I do not think it is impossible

to get the figures and to get the co-operation of the peasants themselves.

Now, Sir, I have said on previous occasions that we still have a long way to go to give the African in agriculture equality of opportunity. We have heard, and we know, that the Government has accepted the scheme of encouraging Africans to grow cash crops. They have been given a start in coffee, in sisal, in pyrethrum and in tea but what has been, I think, the complaint of the African, is that when accepting the principle of encouraging the African to grow these crops, they usually tie in certain restrictions which prevent the African going the whole hog in these crops in large areas. In coffee there are Government regulations which prevent the Africans, when starting to grow coffee, from growing more than 100 trees to start off with. Now I say, Sir, that it is the wrong procedure. If the African has a sufficient number of acres on which he could grow coffee, I do not think there should be any restriction whatever. Any danger that Government might feel about diseases and so on—that, I think, could be done by closer supervision of the areas on which coffee is grown, but not restricting the number of trees that an African grower can grow. I think it is, as I say, a bad thing for agriculture and I suggest to the hon. Minister that he should perhaps give the necessary assurance that Government will look into this and see that these restrictions are removed.

I can say the same thing with regard to sisal, Sir, in Ukamba, where sisal is very well suited. Government restricts the Wakamba with only growing hedges—only hedges—and not full acreages on a plantation scale. I do suggest this is actually the important time when we have some psychological warfare to fight—not only among the Kikuyu but among the Wakamba—that the Wakamba should be allowed to grow sisal on a plantation scale. I think it is unwise to restrict them in the way that is being done and I should like to say here, Sir, that I hope my hon. friend Chief Uku Mukima, who represents the Wakamba, I should like to hear him speak once on this matter. He has been sitting in that chair for two years and we have never heard a word from him. Now, what about talking about the Wakamba and

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sisal, so that we know whether he supports the views I have been trying to express in this Council?

I think it is this sort of thing that we can tap, to bring more money into the country and one can go on talking in the same way in regard to pyrethrum and tea.

The hon. Minister did refer in his speech to the money that the Government is spending on African agriculture and I think he used these words, which I should like to quote, with your permission. He says that "Government devotes a large proportion of its development funds to the purposes of African agriculture". Now that is very true but I would like to ask him to tell this Council, in his reply, whether it is not a fact that most of the development funds that he refers to really go to what I call recurrent expenditure, instead of actual development? That is a matter, Sir, I know we shall have another opportunity of discussing when the Planning Committee report, but I do think it is wrong to use development money in agriculture on what you might call recurrent expenditure. I do think that the recurrent expenditure should come from some other source and the development money should go for what it is meant—development of agriculture.

I should like, Sir, to say that not long ago the Government of the United Kingdom was very generous to grant this country £5,000,000 for the development of African agriculture and while I would like again to place on record the appreciation the Africans have in regard to this generous gift, I would like to ask the Government to publish, I think, very quickly what plans they have on how this money will be spent. I think it is important for the African population to know in advance what the Government is planning in this matter. I do not think it will help a great deal by delaying the matter further and I think that schemes that the Government intends to carry out by spending this money should be made public.

I would like to say, Sir, that I agree with the Minister when he says that the standard of living of most of our people can only be raised by increased production and efficiency in whatever our people

do. Now it is, I think, a truism now in this country that we say that all must work, and I do think that is a very important matter—that there should be no waste whatever in any of our Government departments or in any of our walks of life, and I do think, Sir, that those who are idle, in whatever walk of life, are a danger to our own economic future and people should, I think, change their attitude towards this, so that everybody pulls his weight in contributing to the economic health of our Colony.

I should like, Sir, to mention again the problem of commerce as it affects the majority of the population of Kenya—the African—I think Government has instituted a scheme by which there will be loans to African traders and they were to start a pilot scheme in Nyanza. I understand that the African District Councils in the province have supported this scheme and have made the money available. I understand also that the Government has money available, but what I understand is that nothing is moving at all in Nyanza. I should like to know why the move has not taken place because I think it is very unwise to publish a scheme such as this, and the Africans know that they are going to benefit from it, and then we sit on the scheme for a number of months or a number of years. (Hear, hear.) That reduces the effect that it would otherwise have and I suggest, Sir, that the time is here when certain things should be done about that.

Commerce in the troubled areas of our country has been very adversely affected and this is more so, I think, in Nairobi than anywhere else and in fact I shall mention later on the effect this will have on the suggestions for increased taxation, both direct and indirect, and I would like to ask the hon. Minister to give this matter very careful thought and to see whether, for example, "Operation Anvil" has not been, I think, too unkind to the independent African working in Nairobi—harder on him, I think, than on other members of the community.

I should like, Sir, to make a suggestion. The hon. Minister said that electricity consumption has been very high during the last few years and I should like to suggest to him, Sir, that that consumption can go up by leaps and bounds if electricity was extended to African locations in the major urban areas of

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our country. I do not think it is impossible for the Electricity Company, perhaps, to sell this power in bulk to some other concerns who would distribute the commodity in these locations and, in fact, I think it would lessen the life of our Africans in these locations. Some of them are very dark—there is no street lighting and so on. I think it is more expensive to use a lantern, as they use now, than if they used electricity, if distributed in bulk in these locations. I make that suggestion, Sir, which I think the Minister should consider, and perhaps he could start with the Nairobi locations, and this is the time to do it.

On expenditure, Sir, there has been criticism from previous speakers about the rising costs of our country. But I say, Sir, as I have said before, I am one of those people who believe that the rising in our expenditure is inevitable. We are a developing country and it is not possible to develop without spending, but what I also believe in is that it is possible to make economies more than we have managed to do in the past—(Hear, hear.)—and I do think, Sir, that if every Member of Government—if every member of our community in Kenya here—endeavours to his utmost to spend less and to reduce the waste, I think that it is possible and I think it will be a contribution which all of us should make.

My hon. friend estimated the expenditure for the coming period to be nearly £30,000,000. The revenue and the United Kingdom gift and loan brings in about £26,000,000, and so he has a deficit of £4,000,000 which he endeavours to recover from increased taxation. I should like to dwell for a moment on his proposals, Sir, and make some comments. He is imposing indirect taxation to the tune of £438,000 and he is taxing some spirits and other drinks, matches and sugar. What I should like to suggest, Sir, is that even with these the lower income groups will be the larger contributors of this revenue. Sugar, for example, is consumed by every African in the Colony to-day and I think there is a matchbox in every hut in Kenya to-day. This will mean that the lower income group will contribute more heavily than the others because of its larger numbers, and I

think that that is a point he should bear in mind when he talks of increasing direct taxes, which again will hit the lower income group harder than those who are higher up.

I would like to suggest, I think, like other speakers, that the hon. Minister would have got more revenue if he had imposed duties on some such commodities as cosmetics, cigarettes, tobacco and local beer. Now I think that if he had done this we would have avoided any undue increases in direct taxation because I think it is better to tax people indirectly in this way than to increase, for example, personal tax by 100 per cent.

I support, Sir, the principle of export taxes and the one that he is proposing to embark on is coffee, and I say, Sir, that if the suggestion that I am making, which is that there should be a reversal of Government policy in encouraging Africans to grow coffee on a large scale without unnecessary restrictions, were followed, the 2½ per cent would bring in more than the £750,000 he wants to get out of that. That would apply in the case of sisal if he allowed the Wakamba, and other areas where it is suitable, to grow on a large scale, instead of only hedges.

Now, Sir, although I support the proposal by the Minister that there should be an increase in direct taxes, I would say, Sir, that this proposal again is harder on the lower income groups. The income tax group, which is mainly the wealthier groups—he wants to get £250,000 from them; but the lower income group—he wants to get £420,000 from them—nearly double—and I would suggest, Sir, that it might have been better if the position was reversed, and instead of having a surcharge of 75 cents for every £1 above every £800, perhaps it would have been better if he had doubled that—Sh. 1/50 for every £1 above the income that he is taxing.

I should like, Sir, to say here that when some hon. Members suggest that the lower income groups, as far as the Africans are concerned, are not as heavily taxed as they ought to be, I should like to suggest, Sir, that some hon. Members do not remember that the African taxes himself on the local Government level and taxes himself very heavily indeed. In some African District



(Mr. Mathu) Councils the rate is as high as Sh. 20 per person and that, of course, is over and above the central taxation which the same person has to contribute, and until very recently only some very few of the other local Government bodies taxed themselves at all and that, I think, is a point that some hon. Members fail to realize.

One previous speaker, Sir, mentioned the question of graduated poll tax. I support that in principle, Sir, and I was one of the members of that Committee which reported on this in 1950. Now my view about the graduated poll tax is this: that at present I think the administrative costs would be more than the receipts because the whole system of our taxes, and so on, I think would require a tremendous amount of work and manpower also which, of course, would be mainly European because they are the people who understand how these things should be done to start off with, and a large scheme, such as that in the midst of the Emergency, when manpower is required in other directions—I think it would be unwise. I accept the principle of graduation in taxation but my difficulty now is the question of time. It would be the wrong time to start. The Africans require a long time to have the necessary explanation so that they understand exactly what is required.

There has been a suggestion, Sir, that the scheduled tribes—the Kikuyu, the Meru and the Embu—should be taxed even more than the hon. Minister suggested, and I think it is best to realize that the economic sanctions which have been imposed on these tribes are, I think, ruining them completely, and as one hon. Member did say, most of these are in detention camps, quite a number have died and the tribes are not of the same number as they were a year ago. Movements have been restricted and, in fact, I do not know how the Minister is going to collect most of their money. The shops have been closed down; livestock taken; there are enormous difficulties in their obtaining employment at all; where are they going to get the money? Some people will have to sell their houses in order to get the money for the Minister. Those are difficulties, I think, which hon. Members should appreciate, and I would like to say, Sir, that as far as these people

are concerned and the poor income group—I would liken the Minister to a nightingale, of whom I think one of the English poets said, "Fade far away, dissolve, and quite forget, what thou amongst the leaves has never known; the weariness, the fever and the fret, here where men sit and hear each other groan, where palsy shakes a few, sad, last grey hairs, where youth grows old and spectre-thin and dies".

Now the future, Sir, is my last point. I do think, Sir, that the future of this country, when all this trouble in which we are now gets out of the way, is very bright. I do not think that I would share the pessimistic view of the Acting Member for the Central Area, which he seemed to display in his very good speech, otherwise, yesterday. I think our future, Sir, economically and otherwise, is very bright indeed and there is no truth in the saying that the confidence of the people locally here, or the confidence of those who bring us capital, has been shaken by anything to the extent of bringing about a standstill in the development of our country. I think the hon. Minister did say exactly what I would have liked to say in his final sentence when he said "We have the promised support of Her Majesty's Government. We have the initiative, energy and determination of all those to whom Kenya is home and country, and a growing group of people uniting to place the welfare of Kenya first and foremost in thought and action".

Mr. Deputy Speaker, I beg to support. (Applause.)

Mr. Cooke: Mr. Deputy Speaker, Sir, the hon. and gallant Member for Nairobi South, in his very well-read speech yesterday, made some remarks which rather supported my hon. friend the Minister with regard to candle-ends. Before I deal with candle-ends, may I deprecate the fact that my hon. friend, who has got a reputation as being a sound orator in this Council, should have set an example of reading a speech, because this is solemnly against the rules of this Council and it does do away with the eut and thrust of debate. I remember, Sir, when we had a notorious speech read here about 15 years ago by the Member for Mombasa—not my hon. friend Captain Usher. Major Grogan put in the suggestion that it would have

(Mr. Cooke) saved the time of the Council quite a lot if the speech had been laid on the Table as a White Paper. (Laughter.)

With regard to candle-ends, I do not think I share the view of my hon. friend the Finance Minister. Sir Wilfred Woods pointed out that it was policy that controlled and dictated expenditure, and instead of trying to stop the spluttering of candle-ends and that sort of thing, I think what my hon. friend should do is put out the candles that are alight in this country and are burning away a good deal of the revenue of this country. As I know my hon. friend is a Shakespearean scholar, I suggest the motto "Out, out brief candle", and to control expenditure in that manner. (Laughter.)

Now, Sir, with regard to policy. It does seem to me that there are three main items of expenditure dictated altogether by the policy being pursued in this country at the moment. Whether we all agree with that policy or not—I certainly do not—I think, if I may be spared a few moments, I will state here what the position is.

Now, Sir, first with regard to the Emergency. I am one of those who think that this Emergency will never be satisfactorily ended with the present methods and under the present control. I think we have got to be far more ruthless in our methods against the thugs in the forests. That is where I think they have got to be eliminated and it is no use our suggesting—as it has been suggested on many platforms—that it is the Kikuyu themselves who must end the Emergency. I submit, Sir, that that is all poppycock. It is the Government's duty to end the Emergency and not the duty of any tribe or section of the community in this country and I believe the Government is merely using, as an excuse for its policy, the fact that they think—or say that they think—that only the Kikuyu themselves can end the Emergency. Now you will never get the backing of the Kikuyu people until the menace under which they are living to-day—the constant raids of the terrorists from the forests—is eliminated. It is the first and foremost duty, I contend, of the Government to eliminate the terrorists. I think that they have failed and very badly failed so far. We are also told—I do not want to go into

details—that it is very difficult to track these people down in the forests, but we had a case only the other day—it was in a hand-out I received two or three days ago—where a large gang was tracked into the forest; an action took place and 20 of the gang were killed and four or five weapons of precision were captured; and we did this without the loss of a single life on our side. If we followed up that kind of action, not once but a dozen times, then I think it would be hastening on the end of the Emergency and saving this country many hundreds of thousands of pounds.

If my hon. friend could convert his fellow Ministers—and I am very sorry, I must say, that my hon. friend is not a Member of the War Council because I think that the man who controls the finances of the country should be there to give his advice—unless and until he can persuade those in charge to finish this Emergency quickly, it is so useless talking about candle-ends or anything else.

Now, Sir, there is another point, and that is the policy about bombing. I am not going to deal with that because it is a matter quite beyond my province, but I do say that a great many people are very suspicious and very doubtful as to what good is emanating from this very large expenditure. I like the suggestion of my hon. friend, the Member for Nairobi South, that possibly the million or so pounds spent on bombing would have been much more profitably used in raising one or two more battalions to fight against the thugs, but it is very significant to me, Sir, that in this matter it is a fact that we have no photographs from the propaganda people showing the damage done by bombs. I personally—I must not mention names—have been talking to various people who do a certain amount of flying in this country and I know that they, at any rate, have grave doubts as to whether any good is coming. Now that is a very large item in the expenditure and that is a matter to which I think my hon. friend should direct his attention.

Now the third matter is the detainee camps. I, Sir, have inspected a great many of them. I must say I was a little bit embarrassed that most of the inmates seemed to know who I was! (Laughter.) I went round and addressed a good many of them and I did get, as it were,

[Mr. Cooke]  
 a low-down from the people who are co-operating, and I am very doubtful indeed if any good whatsoever is done by keeping these people month after month—and it may be year after year—without any proper screening. This is doing injustice to a large number of people who, I think, were picked up with other guilty people and who are entirely innocent. Now I have asked before that the case of these people should be gone into and if they are found, after a thorough screening, to be innocent, at any rate they should be released from detainee camp and employed in productive work somewhere else. I must say that what I am saying now is no criticism of the running of the camps. I thought any I saw were run in an extremely efficient manner and I think those in charge should get, at any rate, a measure of praise from, I think, the Commissioner of Prisons down to the Camp Commandants, but the fact of the matter is that they are all grouped together—the collaborators and the non-collaborators—within a few yards of one another and the whole thing, I think, is thoroughly—from that point of view—bad. We know, Sir, the effects that concentration camps have had on the lives of people in the past. We know that during the Boer War 20,000 women and children died in the concentration camps and it left a wound not healed to this day. We are building up a wall of hatred and contempt amongst a large section of the Africans of this country and a wall which, if allowed to solidify, will embitter race relations in this country forever. So I do ask Government to give real thought to this Operation Anvil. At any rate, judging from letters which have appeared recently in the public Press, most of us were under the impression that when these Kikuyu were picked up that they would be screened at once in Langata Camp and the decent ones would, at any rate, be sent back to their masters and be allowed to do an honest job of work in this town. But that does not appear to be so and there is a rising hostile feeling amongst a great many Europeans and non-Africans in this town that these people are not receiving a square deal. I am all out for the most harsh punishment of the evildoer; in fact, I have always felt that we have hit perhaps the decent Kikuyu

too hard and have not hit the thugs nearly hard enough.

Now I am going to suggest that there should be a review of this whole matter; at the present moment these camps cost something over a million pounds a year and will cost more in the near future. I was as glad as most of us are that the operation took place. I do think—I do not see my hon. friend here to-day—that we have spoiled the ship for a half'porth of tar because we have allowed the Kikuyu women and teenagers to go back to the reserve—overcrowding the reserves—and there they will get into mischief. I think that most of the teenagers who have gone from here may be found already in the forest. I think the women should have been sent with their husbands to the camps and the teenage boys should have been put into some kind of productive work and not sent back to the African areas.

My hon. friend talked about drastic cuts possibly coming later on if there is an interim Budget. I think there is almost bound to be an interim Budget and I would suggest the expediency of having these drastic cuts now. I can tell my hon. friend, as a member of the Civil Service Advisory Board and as one who talks to members of the Civil Service Association, that the Civil Service Association is not really satisfied that 100 per cent of the Civil Service are pulling their weight. I think now, Sir, is the opportunity of cutting out that waste and reducing our expenditure. I am not asking for any harsh measures; but I think we should go very carefully into the question of those who are really necessary and those who are unnecessary. Now my hon. friend usually says—relating to matters of suggested reduction of expenditure—“Where do we begin—with the Administration or the Police? It cannot be reduced there”—and my answer is “Yes, we can”. I think what we want is quality, not quantity. I think we rely too much on what are called “bodies”. I am not going into detail but if my hon. friend will turn to page 261 of his Draft Estimates he will notice a curious thing, which may be susceptible of explanation, but it seems to illustrate the sort of thing going on still in the Administration. Now in the Schedule—page 261—Local Transport and Travelling. If one looks at North Nyanza—I am speaking

[Mr. Cooke]

in round terms now—I notice an expenditure is voted of £5,000, and underneath that you will see Travelling Allowance—there is a vote of £250. Now if you look at Central Kavirondo you will find a vote of £3,400 for Local Travelling and Transport, and £600 for Travelling Allowance. Well it looks to me—there may be an explanation—that the officers in North Nyanza are not spending very many nights on *safari*. I mean that is what one would read from these figures. It is susceptible to a totally different interpretation but, as hon. Members know, travelling allowance is paid to those absent a night from their station, so I cannot reconcile the discrepancy there—that when the Local Travelling and Transport in North Nyanza is £5,000, the Travelling Allowance is only £250, but in Central Nyanza the Local Transport and Travelling is much less—£3,400—and the Travelling Allowance is £600. It looks as though the Administration officers in Central Nyanza are spending much more time away from their stations than those in the other district I mentioned. It is only a small point, perhaps.

Sir, with regard to taxation. I do not take the usual view that this country is taxed beyond its taxable capacity. We have had several investigations and we have found there is no truth in that view. I think, perhaps, the taxation should be redistributed. That I will agree, but when you take the national income of this country and consider that the percentage of the expenditure is between 22 and 25 per cent, whereas in England it is 42 per cent and in Southern Rhodesia I think it is something like 30 per cent, I think it is very difficult to say that we are taking too big a slice of the national income. That is not saying that I am advocating income tax or any other tax going up. All I am saying is that this matter should be looked into and there should be a redistribution, perhaps, of the incidence of taxation, but I am not going to be led into saying the taxation is grossly unfair or grossly distributed. I welcome very much this tax on coffee. I think it should have been imposed earlier. I am going to support other Members in the graduated poll tax proposal. I think the hon. Mr. Mathu's objection is that it would cost a certain

amount of money to get it going. It is an argument that has been put up for the last eight years and will be put up for the next eight years unless we take some action in the matter. I think, even if it does cost this, it is time it was started. I speak, myself, also as a Member of the Committee that made these recommendations.

I should like to see a tax—I may be forestalling my hon. friend, the Member for Mombasa, in this—on mineral waters and Coca-Cola and so on and I should also like to support the proposal of an export tax on pyrethrum. I do not know what the position is with regard to pyrethrum, but I do not see why it should escape an export tax.

I very strongly, Sir, criticize the personal tax. I think £10 is an outrageous, almost vindictive, sum to take from people on lower incomes. It means people drawing a salary of £201 pay 5 per cent of that salary in personal tax. I think my hon. friend should really try to put that matter right. I know, and I am going to be plain-spoken, I have been told by certain financial high-brows in this country that the reason for this tax is to catch the Asians who do not otherwise pay tax. I do not know whether I am exposing something I ought not to expose, but I think, if that is true, Government could explore some other avenue—as the saying is—to raise tax from Asians. I do not see why the Europeans should be victimized or punished in order to obtain further taxation from the Asians. It is neither logical nor equitable.

I think the sugar tax, also, is very unnecessary and I would ask my hon. friend—there is a great deal of black marketing in sugar trade to Africans—to ensure that sugar gets to the consumer without having to go through this iniquitous black market.

My hon. friend, in his Budget Speech, said it will be necessary to have a deficit of over £2,000,000. As a matter of fact it is more, because the £2,000,000 of loan which he is using is really a contingent liability. It is not an asset and it will have to be paid back at some time, so the picture there is fairly gloomy. So that deficit altogether, with the additional Air Force expenditure, is really

[Mr. Cooke] over £4,000,000 if we look at the figures in a realistic manner.

I am one of those who think that it is fair now that Great Britain should pay, although she has been billed so much; because I think so much of the policy at home has kept this Emergency going. I sometimes wonder, when I see these young European troops here, whether it is really necessary to keep so many of them. They have done a magnificent job of work, I know, in Nairobi and other places, but whether they are the suitable men to exterminate these thugs in the forest—I am in the greatest doubt, and some people go so far, cynically, as to say that the British Government keeps them here as it is a good training ground. We, of course, pay the extra sum of money necessary for their maintenance in Kenya.

Now, Sir, I have finished. I do not think it is any use at all talking about cutting or saving unless we tackle, in a large way, the expenses caused by the Emergency. My hon. friend, in his eloquent way, very often leans over the Despatch Table and talks to us like a kind uncle in a fatherly manner and delivers homilies; but those homilies are no good, nor are his exhortations, nor would I say, though he talks with "the tongues of men and of angels"; unless he gets down to the fact that this overriding expenditure is due to these operations against *Mau Mau*—all his words I must say are "as sounding brass and a tinkling cymbal". (Laughter.) (Applause.)

**THE DEPUTY SPEAKER:** It is now two minutes to eleven and I think it will be a suitable time to take the morning break and suspend business. I would remind hon. Members that the Division Bell will be rung one minute before I take my seat.

Council adjourned at fifty-eight minutes past Ten o'clock and resumed at fifteen minutes past Eleven o'clock.

**MR. J. S. PATEL:** Mr. Deputy Speaker, Sir, I must heartily congratulate the Minister for Finance for facing up to the most difficult task of piloting his ship of Budget and finding the money which is so badly needed.

I also take this opportunity, although my friend, the Member for Nairobi

South is not present here, for putting up a number of suggestions and sounding warnings in regard to our present Budget. I also congratulate my friend, the Acting Member for Central Electoral Area, Mr. Gathani, for offering quite a number of valuable suggestions and making a maiden speech which was very valuable.

I have a feeling, Sir, that this time the Member for Finance, when he made his Budget speech, took a long time, and made it very lengthy, and that makes me wonder whether he has been trying to cover up quite a number of deficiencies in the actual preparation of the Budget. When a person puts too many clothes on, that is a sure sign that he is trying to hide something.

As we proceed further in examining the economic position of this country, we cannot help thinking that we have not got, at the moment, the necessary finance or commerce from the army expenditure, the groundnut schemes, the Mackinnon Road project and I have my own doubts whether the customs revenue which he has placed before us, will materialize.

As we look back and survey the past, the period between 1922 and 1924 was one for economy. The period between 1925 and 1929 was one for general expenditure and lavish provision. The period between 1930 and 1935 was one of depression and enforced economy. Thanks to Sir Joseph Byrne for coming in at that particular period, otherwise our position would probably have been what we are facing at the moment. The period between 1936 to 1939 was one of trade recession. The period between 1940 to 1951 was one of inflation. And as I have already mentioned, last but not least, the period from 1952 to date which we are facing now is the Emergency and insolvency.

Now the question is, how shall we meet the present situation? And what are the means by which we can do it? The hon. Minister for Finance has suggested increased taxation. I think the increase in taxation, as far as income tax goes, seems to be quite sound. The tax on coffee seems to be reasonable, but I see no reason why coffee should be singled out. But when we come to the item of personal tax, Sir, when I

[Mr. J. S. Patel] first saw those figures of personal tax, I had a feeling that the Minister for Finance really meant it, but as I see him now, I think he has put in this item in order to create an interest for the majority of the people in the life of Kenya to think and think seriously what we are facing, and I hope and trust that he really does not mean to ask a man to pay Sh. 200 if he is only earning Sh. 400. I hope that he will very seriously re-consider the entire question of increased taxation, as suggested by him and make revisions, by introducing a special Emergency levy and not increase our direct taxation such as poll tax and personal tax at the moment, because, I, personally, consider that apart from customs revenue, and apart from the income tax, all other direct taxations are wrong. Pending an inquiry, my hon. friend the Member for Nairobi South has suggested he should only, if necessary, levy a special Emergency tax on a basis of ability to pay. After all people have to live whether African, Asian or European. There should be subsistence allowances giving a person a chance to retain that portion of his income which he considers necessary to exist.

Various Members in their Budget criticisms have suggested various matters for further revenue. I would add petrol to those items and I see no reason why 10 cents a gallon should not be put on petrol to get more revenue if that is necessary. The last speaker suggested soft drinks. After all lions drink water and I think 5 cents on soft drinks would not be a hardship. As a main proposal of income, I would suggest larger schemes like housing. People should be encouraged by giving them land on very moderate terms so that they may own houses, and businesses can be started. We have got cement, stones and wood in the country. By doing this we shall be helping business to a great extent. We should also encourage tourist traffic and produce more sugar. At the moment sugar is controlled to the extent that there are no free supplies. I am told that if sugar is brought into this country, it would be cheaper. We have got land where we can produce more sugar cane, and if encouragement is given by building roads and by way of provid-

ing people with the necessary things, we can grow more sugar in the country.

The economies my hon. friend for Nairobi South has suggested, by cutting expenditure—I also recommend that there should be investigations with regard to expenditure of the Government, but I would certainly not contribute to anything which suggests wholesale reduction of staff. We can divert the extra staff and employ them on other schemes which could bring in more production.

We have got two main sources of income in this country. One is land and the other is commerce. There are quite a number of things which my hon. friend the Minister for Commerce and Industry can think about. When you come to commerce, I am sorry to say that, as far as my area is concerned, I see that in places like Kisumu, people who have been trying to build business premises for the last ten years are told by the Land Department that surveyors are not available but the matter is in hand as far as the allocation of plots is concerned. I think that sort of attitude should change. They should be given every facility in order to build and progress in business. There are still quite a number of people in Kisumu who are willing to start fresh projects and they should be encouraged by being given land on more moderate terms and as quickly as possible. Selfish and unwise thoughts, words and deeds have brought this beautiful country of ours into its present state. We have very luckily accepted this very wide principle of multi-racial government. Let us make every effort for all those who wish to live in this country—and wish to live in this country for ever and work as one nation—and help to remove all the barriers which are in the way of productivity. Let us hope and pray that when our Minister for Finance goes to England, that he is given quite a handsome sum from Her Majesty's Government that that sum is used in the productivity of the country by constructive projects and not destructive ones.

I support the Budget.

**LT.-COL. GIERSE:** Mr. Deputy Speaker, Sir, I would like to associate myself with the previous speakers in congratulating the hon. Minister for Finance on his able presentation of the draft estimates. I think we all realize the

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I support the Budget.

**LT.-COL. GHERSIE:** Mr. Deputy Speaker, Sir, I would like to associate myself with the previous speakers in congratulating the hon. Minister for Finance on his able presentation of the draft estimates. I think we all realize the

[Lt.-Col. Ghesris]

difficulty which confronts the hon. Member in attempting to draft a Budget with any degree of accuracy for the period under review, either in regard to expenditure or revenue in view of the unsettled and rather tragic conditions prevailing in the Colony to-day.

I think it must be a frightful problem to have to decide which particular type of taxation should be increased, or which new measures introduced in order to offset, in some measure, the Colony's deficit and it is in realizing these problems, Sir, that I hope my criticisms will be accepted as constructive.

Now regardless of what the hon. Member might say in his reply, I am convinced that he has been under pressure from certain quarters in the United Kingdom to increase taxation in this Colony and more particularly income tax. It is quite obvious that this Colony cannot finance the Emergency expenditure and I am one of those who consider that it should not be expected to do so. I think it is equally obvious that this opinion is shared by certain people in the Imperial Government, but as a *quid pro quo* for possible additional financial assistance, they have insisted on the hon. Member extracting as much as he possibly can from the Colony's taxpayers. Now, Sir, I maintain that this Emergency has been prolonged, due to the lack of appreciation by Members of Her Majesty's Government of the seriousness of the position in this Colony. Only the other day, a Member of Parliament—and quite an intelligent person asked a question in the House of Commons—and when I say an intelligent person, I mean one who ought to have known better as he quite recently visited this Colony with the Parliamentary Delegation. He asked what was being done about the detainees and also when they would be restored to normal life. Now, Sir, on that particular day there was a spate of questions in the House of Commons, the majority of which were reported in the *East African Standard*, but, Sir, read by certain people in this Colony they may give them an entirely wrong impression of the attitude of reasonable-minded people in the United Kingdom as to what action should be taken against these rebels and thugs. It also tends of course, Sir,

to make the handling of the problem by this Government much more difficult and it is suggestions of this nature emanating from responsible people which encourage the rebels; which may prolong the Emergency and could, in fact, create a repetition of our troubles at some future date. It is for this reason, Sir, or one of the reasons, that I maintain that the Imperial Government should make a very substantial contribution towards the Emergency expenditure, if indeed they should not shoulder the whole burden.

Now, Sir, another reason for that contention is that Kenya might be regarded as a battleground, or a testing place, for the adjoining territories. Unless, Sir, this rebellion is crushed in the not too distant future, it might have repercussions in other territories in Africa beyond the borders of those which adjoin this territory.

Now, Sir, the hon. Minister for Finance, during the course of his speech, stated, "With an estimated expenditure of £29,755,078 and an estimated revenue at existing rates of £19,912,554, I am left with a deficit on the year's working of £9,842,524." He then goes on, Sir, "Even if I throw into the scale the whole of the adjusted revenue balance, taking into account the £6,000,000 assistance from Her Majesty's Government, I am left with a deficit of £4,004,336, and it is to that amount that I have had to, and that this Council must now, pay regard."

Now, Sir, he then went on to explain the measures of increased taxation he proposed to introduce. He concluded his remarks by saying, "Having regard to the estimates to be realized, and the Estimate of Revenue receipts on existing rates, I am left with a deficit of £2,145,336 as at 30th June, 1955."

Now, Sir, I challenge those figures. In fact I maintain they are incorrect. I suggest, Sir, that the deficit is £4,145,336 and the difference, Sir, in other words is £2,000,000 greater. The difference in our calculations, Sir, is due to the fact that the hon. Member refers to the amount of £6,000,000 as assistance from Her Majesty's Government, as Revenue.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I thank the hon. Member for giving way. Would he just like to look at the balance of what I said in the

[The Minister for Finance and Development]

quotation. I think he will find I reminded the Council at that particular time that £4,000,000 was a free grant and £2,000,000 was an interest free loan. I would just like him to make certain that that is what I said.

LT.-COL. GHERSIB: I know exactly what the hon. Member said, Sir, and I am going to repeat those statements that you have just made, but Sir, may I read this again. "Taking into account the £6,000,000 assistance from Her Majesty's Government . . ." Now, Sir—

THE MINISTER FOR FINANCE AND DEVELOPMENT: With all due respect, the hon. Member cannot quote just that sentence. He must quote the qualifying part where I point out that £2,000,000 of it was an interest-free loan, and was not a grant.

LT.-COL. GHERSIB: Thank you, Sir. I have not claimed the extra half an hour, but I do not know how many interjections I shall have. (Laughter.)

That is the difference in our calculations. We are to receive £4,000,000 as a free gift from Her Majesty's Government. The £2,000,000, although admittedly interest free, is a loan and by the nature of a loan it is a liability and therefore is due for repayment at some subsequent date and under no stretch of imagination can it be regarded as Revenue. (Hear, hear.)

Now, Sir, there appears another discrepancy of something over £3,000,000 in the Accounts. (Laughter.) It is in the statement of Assets and Liabilities and I have the figures here. As at 31st December, 1953, the Revenue for the year is shown, Sir, as £22,853,429.12.84 cents. Expenditure for the same period is £21,351,864.12.48 cents. Sir, that discloses a surplus for the year of £1,501,565.0.36 cents. But, Sir, this figure has been recorded as a deficit on the Statement of Assets and Liabilities, and has been deducted from our general Revenue Account. Instead it should have been added to it. (Laughter.) However, Sir, I will save the hon. Member any unnecessary headaches by referring to his speech, which I read quite carefully, where he reverted these figures and it therefore appears that the Accounts are

incorrect and the figures should be transposed. Now, Sir, I believe the hon. Member has attempted to be fair in this imposition of taxation, but I think he has made a great error, both from a practical and psychological point of view in increasing income tax. The tendency throughout the world, and more particularly in the Commonwealth to-day, is towards reducing income tax. Now, on that subject, Sir, I would like to ask the hon. Member in his reply if he would please state when this Council will receive the Report of the Committee, presided over by Mr. P. J. Gill, on the subject of the Income Tax Management Act. I understand that a Report was submitted to Government in February of this year, and I would hate to suggest that the hon. Minister has deliberately held up that Report in case it might have given us more ammunition for this debate. I suggest it has been unduly held up unless the hon. Member can give us some satisfactory explanation.

Now, regardless of what has been said in certain quarters about the continual flow of capital into this country, I, Sir, from my own personal knowledge know that millions of pounds which were originally intended for investment in this country, have since been diverted elsewhere. I am glad to see the hon. Minister for Commerce and Industry is making a note of that. (Laughter and comments aside.)

THE DEPUTY SPEAKER: Order. Let the hon. Member proceed with his speech.

LT.-COL. GHERSIB: Now, Sir, the end of the Emergency will not be the end of our financial difficulties. It will merely lessen them and the only way to ensure future prosperity in this Colony is by the encouragement and introduction of private capital into this country and one of the means to that end is a low rate of income tax; always provided of course that adequate security exists from the political angle.

Now, Sir, the Emergency has prevented quite a number of professional and qualified people from taking up appointments in this country, and increased taxation will have the same effect. It should be remembered that private enterprises, if they are to be undertaken in this Colony, require professional men to look after their affairs. The theory that

[Lt.-Col. Gheris]

low taxation lures people to this Colony has been completely exploded and I could give you many instances—I will quote one case in point.

If you take a married man with two children, you will find that he pays £50 less in income tax in this Colony than a person in a similar position would in the United Kingdom and that is before, Sir, the introduction of the additional imposition of taxation which the hon. Member proposes to introduce.

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** A married man with two children earning £1,000 per annum in Kenya pays £50 less than a person in a similar position in Great Britain?

**LT.-COL. GHERIS:** He pays £50 less in this Colony.

**EUROPEAN MINISTER WITHOUT PORTFOLIO:** Did the hon. Member say that the theory that low taxation lures people to this country is exploded, or has he got his words wrong? On this side of the Council we understood you to say that the theory that lower taxation lures people to this country is completely exploded. Is that what we are meant to understand?

**LT.-COL. GHERIS:** Low taxation does not attract people to this country.

Now, Sir, it should be remembered that in this Colony we have a higher cost of living; a higher standard of living and we have not the amenities and the social services which are associated with a welfare state. In order to achieve the higher standard of living, wives of many people used to go out to work, but due to the state of the Emergency more and more wives are relinquishing their appointments—and quite rightly so—to stay at home and the better to look after the children, but in consequence a number of employees to-day feel they would be better off financially by living elsewhere and so do not intend to return when their contracts expire.

Now, Sir, the hon. Member in referring to African direct taxation stated in his speech, "Here, again, I have followed the principle that it is essential that every citizen should, through additional contribution to the revenue, have some realization of the Colony's increasing

expenditure and, in particular, of the burden inflicted upon us by the cost of the Emergency. I propose, therefore, that the basic rate of African poll tax will be increased by Sh. 2 . . ." and so he goes on.

Now, Sir, I am surprised the hon. Member has not thought it desirable to introduce the Majority Report of the Committee which reported on African graduated taxation which was submitted to the Government in 1950. Now, Sir, the Government in laying that report stated as follows:—

"The Government agrees with the principle of Graduated Central Government taxation. If a workable system of Graduated African taxation can be devised, there is no doubt that it should be introduced as soon as possible.

The Government considers however that the first thing to do is to apply the principle by means of the existing Income Tax Ordinance, and that Africans and African Companies liable to Income Tax should be assessed. The Commissioner of Income Tax has been instructed accordingly.

The Government considers that the general application of a Graduated Personal Tax to Africans must be preceded by a period of explanation to the people who will be affected by the principles involved and close study of the details of assessment and administration. Instructions to this effect are being issued to the Provincial Commissioners."

Then, Sir, general application of graduated personal tax to Africans must be preceded by an explanation to the people who will be affected by the principle involved and a close study of the assessments and administration when bringing it into effect.

Now, Sir, there were two Minority Reports—one under the signature of my hon. friend, the Member for the Coast, and his was merely a question of disagreement on the actual gradations of the tax. The other Report was by the two honorary African Members on that Committee and their suggestion was that the tax should not be brought into effect until five years after the 1st of January, 1951. Well, I am quite certain, when they said five years, they would have been very happy had it been three. But nevertheless that was their suggestion and

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by implication they accepted the principle. Now, I submit, Sir, that this would have been a more simple and remunerative method of collecting taxes, than by way of income tax and it would ultimately furnish invaluable information to the Income Tax Department for subsequent income tax assessments.

Incidentally I understand that certain employers have already been informed by African employees that the increase in taxation will merely mean a corresponding increase in wages anyhow.

Now, Sir, I believe that the East African territories are vital to the United Kingdom, particularly Kenya. It is the one territory over which they should—and I emphasize the word "should"—have complete control, because Uganda is more or less a native state, Tanganyika is under certain obligations to the United Nations. All these territories have large material and natural resources and have a very large potential market for United Kingdom manufactured goods. So, Sir, apart from the contribution the United Kingdom might make towards the cost of the Emergency, I suggest, Sir, that one generation cannot be expected to develop the Colony. Posterity should help pay, and this should be accomplished by the creation of loan funds on a long-term basis. Now, Sir, in order to obtain substantial loan funds, one has got to convince the London financiers of the power of this Colony to recover, and its future stability, and the first essential in that connexion is that Government can and are determined to govern. And, Sir, in that connexion, with your permission, I would like to read a very short extract by a person no less than Mr. Tuke, the Chairman of Barclays Bank—and this was quite recent. It is headed, "Patience Needed in East Africa. Business of Government is to Govern".

"Mr. A. W. Tuke, chairman of Barclays Bank, said in the course of his annual statement:—

"Not all parts of the Empire have been able to reflect the happy and high spirit of the Coronation. It is very regrettable that in Kenya, where the situation was allowed to get out of hand, the Government have not yet succeeded in regaining full control. Action has also had to be taken in Uganda; but on that occasion

the Colonial Office, perhaps remembering rather belatedly that the business of Government is to govern, lost no time in asserting their authority to maintain law and order.

These troubles may be the growing pains of Native peoples, struggling to emerge from their former state of complete dependence on their white governors and encouraged by false friends to adopt violent policies. This discontent is an inescapable result of the impact of education on virgin soil, and we must not be surprised if firm and patient cultivation is needed for several generations before the weeds are choked by healthy growths."

Now, Sir, that is from a very eminent person and I think we should take full regard of what he said.

Finally the Minister for Finance, on several occasions during the course of his speech, referred to the necessity to economize and prevent waste, and he emphasized that it may be necessary to reduce social services. Also I think his actual words were, "We might have to make drastic cuts in Government departmental expenditure". At another stage he reminded us, not in that particular speech, he was endeavouring to exercise Treasury control over departmental expenditure. But I suggest, Sir, that that control is over the actual moneys allocated for expenditure.

I am not a pessimist, but what with a large number of Africans in detention camps, presumably for a rather considerable period, the question of rehabilitation, I cannot visualize this Colony meeting its commitments unless there is additional taxation which would be an impossible burden on this community—and I submit that it is wrong to wait until we are confronted with the position when it is too late. We should take immediate steps now to create a body who can investigate and I suggest this for two purposes. One to investigate the Colony's present expenditure both Capital and Recurrent and paying particular regard to the Emergency Expenditure—even though they may be Imperial Government funds—it is our duty to see they are spent correctly.

And secondly, to investigate proposed future expenditure as reflected in the



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Colony's development plan. If my misgivings, Sir, are unjustified, then no harm is done, but if they are correct and we find we are unable to meet the Colony's commitments, it is far better that we should close the stable door before the horse is out.

Now, Sir, just to conclude—I did mention this last year—I suggest that both C and E in the Financial Statement are a complete—I will not say misrepresentation—but are misleading. These are referred to, Sir, as contingent liabilities. C—I will not read them out because I think I am probably on time—Widows' and Orphans' Pensions is £630,599 received, and credited to Revenue and £160,987 has been paid out. But taking into account compound interest on contributions, the contingent liability is of the order of £1,490,000.

Sir, contingent on what? Contingent on the Colony being able to pay? They are specific liabilities and I appeal to the hon. Minister for Legal Affairs, if I, as a professional man, were to take those funds and place them into my private account and describe them as Revenue, you would put me behind iron bars for ten years or longer.

THE DEPUTY SPEAKER: The hon. Member must address the Chair.

LT.-COL. GHSERIA: I do suggest these are Trust Funds, Sir. Then there is, of course, the sum of the order of £9,500,000 required for the Sinking Funds, in 1954/55 in respect of the Colony's portion of outstanding loans, if the loans were to be redeemed from Sinking Funds at the earliest due date or fixed due date and on the assumption that present Sinking Fund arrangements continue. That is not a contingent liability, Sir.

Finally, I would just like to ask the hon. Minister if he will in his reply state exactly what control, if any, he has over the expenditure of the armed services serving in this country. Have they carte blanche to spend what they wish? Has he any method of checking their accounts? Is there any way in which he can assess whether they are reasonable or otherwise because I think it is a very important matter that we should have some control. I admit we cannot interfere

with any strategical and tactical exercise but we should have some control and method of investigating the expense incurred by the armed services. (Applause.)

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, first of all I should like to congratulate the hon. Minister for Finance on his speech. I am not one of those who feel the speech was too long; I feel that at the present time, faced as we are with circumstances which have financial implications of great gravity for the future of this Colony and Protectorate, to do less than my hon. friend did—to give the fullest survey within his power—unless he had done that, would have been to fail in his duty to the Council and to the country. I suggest that those who feel that he took too long cannot have such a serious attitude to the affairs of this Colony as one might expect. I do not believe that one word was wasted and I do not believe that any less could have been said.

Now, Sir, I would like to draw attention to one or two aspects of the Budget and of the present situation that I feel have not so far been given sufficient attention by this Council. I make no apologies for doing so because the two points I wish to draw attention to, are, I believe, fundamental. I agree with what my hon. friend the Member for Nairobi North has said about the importance of attracting capital to these Territories; I agree with what my hon. friend the Member for Nairobi South said, and other Members have said, but—with the exception of one Member—I have not noticed that anybody has referred to this very important factor that, in our present financial stringency, there has been a successful effort made to keep down company taxation at a reasonable level.

Now, Sir, I submit that this is an act of faith in the future of this Colony. Nothing would have been easier than for my hon. friend to say, "Well, the corporations can pay, let us put up the taxation there." Nothing would have been easier and nothing, in my view, could have been more mistaken. (Hear, hear.) My hon. friend, in regard to the attraction of capital—taking into account the circumstances facing us in the Colony at the present time—has taken a

[The Minister for Commerce and Industry] most courageous and, I believe, wise and far-seeing act in leaving company taxation at a reasonable level.

Now, Sir, I suggest that this is a point which should be emphasized. What is said in this Council, in view of the fact that Kenya is in the news for many reasons, is repeated all over the world. It is sometimes repeated by our friends, and sometimes twisted by our enemies and I do suggest that hon. Members on both sides of Council should take every opportunity to point to a fact that we all know about—but others necessarily do not—that company taxation is at a low and reasonable level, with the object of attracting capital.

Some hon. Members may say that company taxation is not at a low and reasonable level, but I would ask them to compare the level with other developing countries and I think they will find that it is reasonable. In some of my efforts to attract industrial capital to this country, particularly in America, somewhat naturally one of the first questions is, "What is the level of company taxation?" I have been able to tell them what it is and I cannot at the moment think of anybody who has turned round and said that it is too high. Naturally one does not expect anyone to say that they like any taxation, they would prefer it if there was not any, but comparing like with like, undeveloped countries with undeveloped countries, the level of company taxation is not unreasonable and I suggest that that is one of our strongest cards.

Mr. Deputy Speaker, I would like to take issue with the Member for Nairobi North on the point that millions of capital was coming to this country is no longer coming. The hon. Member has made this assertion on one or two occasions previously. I do not suggest the hon. Member is wrong. The hon. Member obviously has private information on this matter and, naturally, I appreciate the reasons that prevent him from giving details and particulars; but I would suggest to the hon. Member—in fact appeal to the hon. Member—to consider whether assertions of this kind, in view of the fact that he cannot give details for good professional reasons, and therefore there is no opportunity to refute them in

detail, whether such assertions are helpful to what we all hope to see, which is a further flow of capital into the country. (Hear, hear.) Of course the Emergency has not helped us, everybody knows that, but at the same time—I am going to quote a few examples where capital has not only come and continued to come but new capital has come since the Emergency started. I am not contradicting my hon. friend because I am not in a position to do so as he does not give me the details; but I do think, for the sake of the record, for the sake of the future of this country, he should refer to the fact that capital still comes here, because provided capital continues to flow, more will come. A gloomy statement, that millions have failed to come that were coming, which cannot be refuted in detail, I suggest, is a statement that will only prevent further capital coming and is therefore not in the interests of this Colony. I appreciate the motive behind my hon. friend's statements and I know that he may well be right in many cases, but I do appeal to him not to make assertions unless he is in a position professionally to give details.

No, Sir—I am not giving way, when I have finished this particular sentence, then I will, I should like to refer to the enterprise that my hon. friend the Member for Nairobi South referred to which is being established in Mombasa partly as a result of my recent visit to America. I should like to refer to the very large factory in the tobacco business that is now going up in Nairobi which was started about eight months ago. I should like to refer to the fact that the large cement factory at the Coast is now in production and is producing good cement at a competitive price. I should like to refer to the fact that a second cement factory is further advanced towards the completion of its plans for erection than when I last spoke. I should like to refer to the fact that a very large company in this country is investing no less than half-a-million new money a year and that represents an increase on their last five-year programme—half-a-million a year new money! Sir, I submit that the examples I have given and many others I could give, show that there is not a lack of confidence in this country. Naturally if we had not had an Emergency there would have been more. That is where my

[The Minister for Commerce and Industry] hon. friend is right, but I would also make the point which was made so ably by my hon. friend the Member for Nairobi South, that when the Emergency is over and when this unpleasant and tragic passage in the history of Kenya has been successfully dealt with, as we believe it will, then I believe that capital will come to this country in a way that most of us have not envisaged. I am not merely trying to paint a rosy picture; I am referring to what I believe are facts.

MR. GATHANI: Mr. Deputy Speaker, I beg to propose that I can also say similar things. I would quote this table from one of the statistical bulletins.

THE DEPUTY SPEAKER: Is the hon. Member speaking to make an explanation of what he himself said? He is not entitled to raise any new matter, having spoken already.

MR. GATHANI: Mr. Deputy Speaker, Sir, I just want to quote figures regarding the flow of capital.

THE DEPUTY SPEAKER: Is this a matter that arises from the hon. Member's own speech by way of an explanation? He is not entitled to raise fresh matter.

MR. GATHANI: This is not a fresh matter, but arising from the statement only. In the statistical bulletin on page 97, Table No. 1, Companies Statistics, Kenya. In 1948 the nominal capital is given as £12,433,000; in 1949, £13,808,000; 1951, £12,526,000; 1952, £13,407,000; and in 1953 on the figures of three-quarters of the year are given, up to the end of September, that was only £2,451,000 as against £13,000,000 and £12,000,000.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, I have not in my speech come to any points raised by the hon. Member—I suggest he is going beyond a mere explanation but I will deal with the hon. Member when I come to it. (Laughter.)

I would like to continue with the second point that I wish to refer to in general about the Budget because I think it is of even greater importance, in the short immediate term, in terms of the budgetary position, than the point I was attempting to deal with before I was in-

terrupted, which is that I do not believe, in considering the budgetary position of the next 12 months, although my hon. friend in his Budget speech referred to this, I do not believe that we have given sufficient thought to the inflationary effect upon the budgetary position of the very large out-flow of wages, expense allowances and other payments due to the Emergency.

Now, Sir, let us consider, without going into detail—I cannot compete with my hon. friend in reading out figures—(Laughter.)—but let us consider the Emergency expenditure as a whole. A great deal of that expenditure is made in the form of payments which are automatically spent within the country. I need not define them. One might say that this, in terms of the total expenditure of the Colony, is a somewhat small figure. In itself it is, but I would observe that the multiplying factor affecting money put into circulation in the form of wages and payments for this kind of current expenditure makes the total effect very much greater than would at first sight appear and I would suggest that this effect is one that is going to be felt more in the next six months than it has been in the last six months—more in the next 12 months than it has been in the last 12 months—and where money circulates, there profit is made; where profits are made, there is taxable capacity.

Now, Sir, having said this—I do not want my hon. friend to misunderstand what I am saying—including the Member for Nairobi North, I can see that what I have said may make him feel a little uneasy, but in saying what I have said, I do not mean to suggest for one moment that the economic effect of such payments and such circulation can, of course, go against the trend of economic events outside, or, for instance, if there were a decline in the price of primary products of course that would have a greater effect than the question I have referred to. But, on the other hand, and this is irrefutable, where money is circulated and where the products of the country are being consumed by people in the country, some of whom are not wholly paid by us, that is an invisible export of greatest importance to the economy of the Colony. Again, from a purely budgetary point of view, not speaking from the economic point of

[The Minister for Commerce and Industry] Inflation, if indeed we are facing inflation, can have a short-term favourable effect on revenue.

Now, Sir, I said that such a course of events within the Colony cannot possibly counteract the fall in external prices of primary commodities, and here I should like to refer to the fundamental balance of Kenya's economy to which again I feel, quite naturally, that I and others do not always pay sufficient attention. This Colony, for a young country, has a very diversified economy. It is not just dependent on, shall we say, copper; it is not dependent on cotton alone; it is not dependent on sisal alone. It is dependent on a long list of commodities for export. Imagine the position of colonies on the other side of Africa if, for instance, the price of cocoa falls below a certain level. Well, here the price of sisal may fall, the price of coffee go up. The price of pyrethrum may fall, it may be difficult to sell, on the other hand the tea industry is flourishing. I do think that in these matters we should look at the facts and, for the particular benefit of my hon. friend the Member for Nairobi North, I would like to quote from a Barclays Bank review—I quote from memory—where it is stated that of all the colonies of the Empire and Commonwealth, Kenya has the most balanced and diverse economy. Now my hon. friend can look the matter up, it was said about two years ago.

LT.-COL. GHERSIE: Two years ago is different from to-day.

THE MINISTER FOR COMMERCE AND INDUSTRY: Not at all. The number of commodities being produced is much the same. The reference was not to values but to diversification.

Now, other people look at the crude balance of imports and exports and again, Sir, they feel worried. The crude balance of imports and exports of course ignores, as it must do, invisibles and the services provided by this Colony on other counts. For instance, the port of Mombasa, insurance services, bank services and a hundred and one other services help to balance payments. The position of this Colony, while not as good as before, is not as bad as the crude balance of trade figures would indicate.

Now, Sir, I do suggest that these factors that I have attempted inadequately in the short time available to refer to have got a profound bearing on the attitude hon. Members may take to the Budget. (Hear, hear.)

Before I sit down, I want to deal with one or two points that hon. Members opposite dealt with.

First of all, I should like to congratulate my hon. friend, the Acting Member for the Non-Muslim Central Area—(Applause.)—upon his maiden speech. I congratulate him on his courage; I profoundly disagree with him. (Laughter.) I profoundly disagree with my hon. friend because I believe he is putting the wrong slant on things and, Mr. Deputy Speaker, the slant is put on the facts as he sees them—and I admire the persistence with which he has dug out those facts. But I take issue with him because I believe the slant he has put on those facts is pessimistic and I believe that what he has said can do little to help trade and commerce to which, I know, he has devoted a great deal of his time and energy with, in most cases, extremely happy and valuable results. (Laughter.)

I would urge that my hon. friend perhaps looks at those facts again and considers whether he really believes what he said because I know him to be a very shrewd and prosperous business man. As I listened to his speech, I could see him moving slowly from one bankruptcy court to another, with all his friends, and I know, for a fact, as many hon. Members know, that that is not at all likely to be the case. (Laughter.)

I will take issue on one point because my hon. friend, the Minister for Agriculture, could not be in Council at the time. He made comparisons between the gross production of certain crops between one year and another. I notice that the years vary and as a result of a little painful research, I discovered that my hon. friend quite inadvertently happened to take a good and wet year for one crop and then said, "In such and such a crop" (when there was very little rain), "production fell", and then took another year and made another comparison. On that basis one can prove that any economy is running down. I suggest he did it inadvertently and in good faith. Perhaps I

[The Minister for Commerce and Industry] exaggerate when I say he took every commodity in that way, he did not; but his bases were not always the same year.

I would like to come to what my hon. friend, the Member for the Coast, that tribune of the people, said. As far as I remember from a classical education of a somewhat defective nature, there were two tribunes of the people but in this case I do not possibly see how any other tribune could compete with my particular tribune from the Coast! (Laughter.) I would say that my hon. friend, whilst dealing with the Emergency, did not say what I hope he will take an opportunity later to say, that, in his constituency at any rate, and in the neighbouring constituency of my hon. friend, the Member for Mombasa, there has been in the last two years a very remarkable economic development. I hope that one or other of my hon. friends will refer to this fact, for fact it is, and it is quite obvious to anybody who cares to go in their car and drive around the district.

Others of my hon. friends raised the question of rent control in relation to business premises. I do not propose to deal with that now or during the Budget Debate but what I can say is that hon. Members will remember, Sir, that at the last sitting of Council, my hon. friend, the Minister for Finance did say the matter was being re-examined by Government. As I think some Members opposite know, the matter will be considered by the Board of Commerce and Industry next month and then Government will consider their recommendations and some statement shall be made. It would be quite improper for me to say more at the present time.

My hon. friend, the African Representative Member, Mr. Mathu, referred to the question of assistance for African traders in Nyazara Province. My hon. friend, the African Representative Member, Mr. Awori, can give him quite a lot of information on that as he is on the Committee. The position is that the money has been provided, there has been a slight delay with the African District Councils, which I understood was overcome. The question then becomes one of the applications having to come in and be considered. I know my hon. friend, will be very anxious that the first appli-

cations should be considered most carefully and stringently, so that it is to be hoped that these first cases will be successful. It is very important for the future of such schemes that applications be carefully investigated, in the hope that the loans will be repaid and the scheme get off to a good start. I have every confidence that we shall be able to make a start on that in the near future.

MR. MATHU: When?

THE MINISTER FOR COMMERCE AND INDUSTRY: In the near future. I think that is a sufficient definition for my hon. friend. (Laughter.)

Sugar was mentioned by certain hon. Members opposite. The position there is that as the congestion at the Port eases, which should be, in the course of this year, so will the sugar position ease, and it will be possible to bring in our full requirement from abroad. International control of sugar for us, apart from sugar from the dollar area, came to an end some months ago. There would have been a more significant improvement in the supply position if it had not been for the congestion of the Port, which we hope will be greatly improved by the end of the year and then it should be possible to bring in more. On the question of growing more sugar—that is a matter for my hon. friend, the Minister for Agriculture.

Mr. Deputy Speaker, I have already spoken about three times as long as I usually do in my very occasional interventions in this Council—(Laughter.)—but before I sit down, I would like to endorse and underline what my hon. friend, the Member for Nairobi South, said in what I considered to be one of the best speeches I have heard on subjects such as these for a long time. I would like to say that, in spite of our troubles, grave as they are; in spite of sins of omission and commission, not only by Government but by others; in spite of that picture which has been so graphically drawn by the hon. Members opposite, I have the most complete confidence in the future of Kenya. (Hear, hear.) In saying this, I believe I have every right to say it. I have tried to advance arguments based not on mere, optimistic assertions, but facts. I believe that serious and burdensome though this Budget is, I believe that my hon. friend, the

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Minister, has placed before this Council a Budget that, under the circumstances, we have no reason to apologize for. I believe that, within the limits of necessity, he has laid the burden as equitably as it was possible to do. (Hear, hear.)

With those considerations and in the light, at any rate, of my belief in Kenya and in its economic future, I believe that whilst looking most seriously for means of economy in the future and looking most seriously for ways to ease the burden, the very serious burden on the people of this country, I believe, Sir, that we can be satisfied that this Budget, under the circumstances, is as fair and as carefully framed, with a view to promoting the economic momentum of this country, as far as possible.

I beg to support.

(Applause.)

LT.-COL. GHERSIE: Mr. Deputy Speaker, Sir, on a point of explanation—I did try to rise but the hon. Member was reluctant to give way—

THE MINISTER FOR COMMERCE AND INDUSTRY: I have given way now!

LT.-COL. GHERSIE: It was early on in his speech but I have not forgotten. He made reference to Emergency expenditure. Did I understand him to say that wasteful expenditure was in the interests of the Colony because it put money into circulation? Surely, the money, if kept in reserve, could be better applied to development? But the impression I got was that in the circumstances, because it kept the money in circulation, it was in the interests of—

THE MINISTER FOR COMMERCE AND INDUSTRY: In view of that assertion, I must explain myself again. I did not say that wasteful expenditure was in the interests of the Colony. What I did say was that the economic effect of putting money into circulation was that more money was spent and therefore there would be a degree of inflationary economic activity. That is what I said. The hon. Member, I believe, understands very well what I mean. I did not—and no one possibly could—say that Emergency expenditure was in the interests of the Colony, except to finish the Emergency.

MR. CROSSKILL (Mau): Mr. Deputy Speaker, Sir, in spite of the fact that I think we lost £1,000,000 yesterday to the Air Ministry and have recovered £2,000,000 to-day, as was discovered by the hon. Member for Nairobi South—in spite of that most exhilarating speech we have just heard by the hon. Minister for Commerce and Industry—I think nobody will deny we are passing through very tragic days indeed. We are seeing the hard-earned savings of many years melt away before our eyes and we have got to think again and make quite certain that we are building our future on sound foundations.

I said "exhilarating" speech of the hon. Minister for Commerce and Industry since he referred to the establishment recently of many new industries, in the form of tobacco factories, cement factories, and so forth. Whilst those are undoubtedly important to the country, I believe the main task facing us at the present time is the agrarian problem and it is to that I shall devote most of my remarks.

We must try to avoid recriminations of the past and try to learn our lessons from the tragedy through which we are now passing. I think, without any doubt, we shall find our salvation lies rather in greater development of our economy, the introduction of capital, the increase of wealth, rather than in niggardly cutting on small items of expenditure in the Budget. (Hear, hear.) I certainly do not agree with my hon. friend this side of Council, who suggested that an extra ten cents on petrol or a shilling on a bag of maize or wheat is going to solve our problem.

I must apologize to Council for speaking with this cold. My only excuse is on the grounds that it has a Parliamentary flavour, sometimes the Ayes have it and sometimes the Noes! (Prolonged applause.)

So, Mr. Deputy Speaker, I will try to develop ideas on the future capital development which I sincerely believe will help us out of our troubles rather more than cutting expenditure. We certainly cannot, as we have often aspired in this Council, we cannot expect to raise the standard of living of the indigenous peoples by political jugglery. It has all got to be done by hard work, by the

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investment of capital and by the just reward that proper investment will bring to us.

Returning to the items of this recent Budget which I should like to mention first, I think nobody will deny that the increases in taxation which have been made are absolutely necessary, and I think, on the whole, have been most equitably distributed by the Minister concerned. But he has pointed out—and I think very rightly—that the taxpayer has reached the limit to which he can be squeezed without adverse effect on the economy of the country. I do sincerely hope that this fact will be brought home to the people in the United Kingdom and that when they read the figures of taxation, they will not think we are not doing our part. I think a great duty will devolve on the Information Services, which I consider have not served us very well recently in Kenya, to bring this fact home to the people in the United Kingdom—that whereas in actual black and white, the figures of taxation are less, we pay less than the people in the United Kingdom, we get very much less for what we pay. All the services rendered free to the people of the United Kingdom, here, we have got to pay for.

I think it is a duty that the Information Services must now shoulder, to bring that to the knowledge of the people at home.

I must disagree on two points with the hon. Minister for Finance on his new forms of taxation. First of all, he will expect us to disagree on the question of export tax. Some eighteen months ago we, on this side of the Council, said that we disagreed most strongly in principle with this tax. We still do disagree with it. In spite of that, the principle has been extended—one crop has been selected for this taxation where, with no greater injustice, other crops could have been treated in a similar way. Once again we must reiterate that we believe this is wrong. I believe that the feeling is so strong throughout the country on this point that the people of Kenya would have been prepared to make up what the Minister is receiving in the form of an export tax on coffee in other ways and I believe they would have accepted as a temporary measure an excess profits tax that would have touched the same money

to a great degree as that touched by this tax, but would have been a more equitable form of tax, distributed throughout the country and would be much more acceptable to the people.

I well remember in the '30's growing coffee myself—many people were growing it—with a great deal of courage and very little profit. I feel now, that even with large profits, possibly only for a short time, they should be allowed to consolidate their position with what remains, after a very considerable portion has been paid to the country in the form of income tax.

The other small point of disagreement which I have with the Minister is on the question of personal tax. I believe it is rather a clumsy one and is going to affect certain individuals very hardly. I agree with Dr. Hassan in his criticism of that. He has explained to me that it is going to hit certain Asian individuals very heavily indeed. I must say when the hon. Dr. Hassan was speaking, I was extremely glad that during the recent shuffle of some Members from this side to the other, the hon. Dr. Hassan did not become a Financial Secretary! I believe the suggestions he made with regard to the tax on maize and wheat would have led to a real rebellion in this country!

It must be remembered, of course, from those remarks that the wheat and maize industry have been paying export tax in this country for many, many years, or what was tantamount to one. The price of wheat and maize has been controlled at a level very much below world price and therefore the consumer in Kenya has been subsidized to that extent for many, many years.

#### ADJOURNMENT

#### PERSONAL STATEMENT—GROUP CAPTAIN BRIGGS

**THE DEPUTY SPEAKER:** The time for the interruption of business has arrived. Before Council adjourns, I understand that the hon. Member for Mount Kenya would like to make a statement.

**GROUP CAPTAIN BRIGGS:** I beg leave to make a short personal statement, arising out of my Question, No. 96, which was answered earlier to-day.

I desire to make this statement because I regard it as deplorable that a racial question should have arisen or been

[Group Captain Briggs] introduced into what I regarded myself as a question on a purely economic matter—(Hear, hear.)—and which might have had reference equally well to any other country in the world and was not specifically directed at the Pakistan or India Governments.

Moreover, Sir, had a similar situation arisen in regard to other countries, I should have most certainly put down a similar question, and I should have done so for the same reason which led me to put down this question and which has apparently caused such a flutter in the Asian dovescotes. That is because I believe myself here to represent the interests of Kenya and not the interests of any other country. Therefore, if I believe it to be my duty to put down a question of that sort, I very much regret if it has touched any of my hon. friends on a sensitive point, but anyway I intend to do what I believe to be my duty.

**THE DEPUTY SPEAKER:** Council will stand adjourned until to-morrow morning at nine-thirty.

*Council rose at thirty-five minutes past Twelve o'clock.*

Thursday, 20th May, 1954

The Council met at thirty minutes past Nine o'clock.

[Mr. Deputy Speaker in the Chair]

#### PRAYERS

#### PAPERS LAID

The following paper was laid on the Table:—

Outline of a plan to intensify the development of African Agriculture in Kenya.

(BY THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES)

#### ORAL ANSWERS TO QUESTIONS

##### QUESTION No. 99

**MR. M. GIKONYO,** asked the Minister for Internal Security and Defence to state how many Kikuyu, Embu and Meru tribesmen have been removed from Nairobi up to the month of April, 1954?

**THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:** From the beginning of the Emergency to the 24th April, when Operation Anvil commenced some 23,000 Kikuyu, Embu and Meru adult males have been removed from Nairobi. This figure includes a number of persons, who have been removed more than once.

**MR. GIKONYO:** Mr. Deputy Speaker, Sir, arising out of that reply, can the hon. Minister tell us how many people who have been removed, after screening, have been returned to their jobs?

**THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:** I cannot tell you that figure, no, Sir; I can give you the breakdown. Fifteen thousand have been convicted in the courts. Five thousand were repatriated; 204 were detained under Governor's Orders and 2,994 were retained under Delegated Orders. I do not know how many returned to their jobs.

**MR. COOKS:** Although recognizing that drastic action is unavoidable, could not more humane methods be employed than are being employed at the moment in the screening camps?

**THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:** If the hon. Member for the Coast will provide details of inhumanity, I will do my best to rectify this matter.

MR. COOKE: If you will come up with me to Ainsworth Road to-day, you will see hundreds of Kikuyus being packed like sardines into lorries, many of whom are innocent people. If he will come with me this moment I will show him.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Thank you, Sir.

QUESTION NO. 104

LT.-COL. S. G. GHERSIE asked the Minister for Agriculture, Animal Husbandry and Water Resources to state:—

1. Whether the Veterinary Department had adequate supplies of anticyde prosalt in the Colony in the month of April, 1954, to deal with the outbreak of trypanosomiasis in the Sotik District, and if not, why not?
2. (a) The date on which the last supplies were obtained from overseas and when they became exhausted?
- (b) The date on which the last order was placed for supplies from overseas, and the quantity ordered?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: (1) The hon. Member's question would appear to be based on a premise to which Government is unable to subscribe, namely, that it is the responsibility of the Veterinary Department to maintain large stocks of any drug which any stockowner may wish to use. There are, of course, many drugs which are not stocked by the Veterinary Department since they are normally obtainable through commercial channels.

The hon. Member's question specifically refers to anticyde prosalt. I would therefore inform the hon. Member that experimental work on anticyde prosalt and on anticyde methylsulphate has been undertaken by the Veterinary Department during the last three years. Anticyde prosalt has not yet been scheduled as a product obtainable from the Veterinary Department and the stocks maintained by them have therefore been based on the requirements of their experimental programme only. Anticyde methylsulphate on the other hand was scheduled in July, 1951, and

has been obtainable from the Veterinary Department since that date.

At the time when the estimates for the current half-year were framed there were no good grounds for seeking financial provision for the purchase of anticyde prosalt in quantities greater than those needed for a continuation of our experimental programme. Stocks of anticyde prosalt in the month of April were adequate for the anticipated requirements of the department, but were not sufficient for general use by farmers in the Sotik area or elsewhere. Adequate stocks of other trypanocidal drugs were, however, available at Kabete.

Recent experience in the use of anticyde prosalt tends to show that under certain conditions and in certain areas the indications of its efficacy are encouraging.

(2) In reply to the second part of the hon. Member's question:—

(a) Anticyde prosalt is not ordered from overseas by the Veterinary Department, but is purchased locally from Imperial Chemical Industries Ltd. 17,850 grams, equivalent to 6,600 doses, were bought locally in March, 1954. Stocks on 1st May amounted to 1,500 doses, and the department's own supplies have not therefore been exhausted. It is understood, however, that the Imperial Chemical Industries Ltd. ran short of supplies locally and they have ordered a fresh consignment by air.

(b) No orders have been placed since March, 1954, financial provision having been exhausted. The last order was that referred to in the answer to paragraph 2 (a) of the hon. Member's question.

Mrs. SHAW (Nyanza): Mr. Deputy Speaker, arising out of the long and detailed reply by the hon. Minister for Agriculture, Animal Husbandry and Water Resources, could the hon. Minister not give an assurance that when an outbreak, which is a serious outbreak, occurs in any district that we could expect the Veterinary Department to help by trying to get us supplies quickly of certain drugs that are considered necessary; but instead of this—is it true to say that the Imperial Chemical

[Mrs. Shaw]

Industries had not been informed that such supplies were required on 27th April, although it was well known that there was some urgency in the matter?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: In reply to the hon. and gracious lady, Mr. Deputy Speaker, anticyde prosalt is not in general use. I would admit that it was suggested, I believe, to one, if not two, farmers in Sotik that they might try this drug which is still, as far as we are concerned, in the experimental stages. Anticyde methylsulphate has been in common use in this country for two or three years. There are, of course, other trypanocidal drugs, as the hon. lady is aware, which are also recommended, in common use.

LT.-COL. GHERSIE: Arising out of that reply, is it not a fact that the Veterinary Department gave instructions that there should be mass inoculations in the area with this particular drug anticyde prosalt? Further, Sir, is it not a fact—I have seen that in writing—that also the Veterinary Department did instruct the Imperial Chemical Industries to import this particular drug within the last few weeks?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: I will check up on the hon. Member's allegations about the general instructions, of which I have a doubt myself, from what I am told. It is true we have asked the Imperial Chemical Industries Ltd., obviously, to keep a certain stock of this drug and, as I have already said in reply to the hon. Member's question, they are sending for it by air—it may, indeed, be here.

COMMITTEE OF SUPPLY

Debate resumed.

MR. W. E. CROSSKILL: Mr. Deputy Speaker, when Council rose yesterday morning, I had just shown, so far as I remember, with incontrovertible logic, the iniquity of the export tax.

I should now like to refer to the system of taxation at present in operation in Kenya. I believe that when income tax was introduced into Kenya, it was much too early a time for the tax to be suitable for the conditions of the country, and we now, as a reason for that

hastiness, have a network which has now become rather a patchwork, which is extremely untidy and not very effective. I think the time has come now for a very basic revision of the whole system and method of taxation of this country. We have income tax which affects a few people in this country. That is then bolstered up by a hospital tax; the inadequacy of both is then assisted by personal tax, poll tax and the sum total, then being still insufficient, we have to impose an export tax, and the whole thing I think may be said to be rather a hotchpotch.

Now, I believe that with slight modification of the system under which income tax is applied, it could be made perfectly suitable at this time for all races and all classes of people in this country. I suggest that the rates at which personal allowances are allowed, should be very drastically reduced even by perhaps 25 per cent. We should then have a marriage allowance of maybe £100; children's allowances of maybe £60 for the first child, £30 for the second, £15 for the third and nothing for the fourth—as I think a little encouragement in family management would be to the benefit of the country. The total allowances available therefore might be in the region of £250. If we then started paying income tax at something like 50 cents in the pound on taxable income of £100, we should have a system which would be immediately and properly applicable to all people in this country. Now, I know the first objection would be the administrative difficulty. The cost might be said to be so heavy that it would not warrant the money collected, but that I do not believe, Sir. I believe that nearly all the information that is required for the collection of taxes on the basis which I have suggested, is now available to the Income Tax Department. There are returns by employers showing their employees and their salaries and any further information which would be required, surely is also required at the present time for the graduated personal tax which has just recently been imposed.

The most disturbing fact, Mr. Deputy Speaker, in my opinion about the Budget, is that it appears that we should not have balanced our normal expenditure without the increased taxation which has been imposed. The Minister for Finance has

(Mr. Crosskill) said that had he taxed us on the existing scales, the revenue would have amounted to some £20,000,000 but our expenditure was £21,750,000 and the extra taxation is to bring in £1,750,000. Therefore, apart from certain items which are, to some degree, slightly obscure, I believe that we are not contributing towards the Emergency in any real manner whatsoever with this extra taxation. It may be argued, it will be argued no doubt, that there are elements of Emergency expenditure in the expenditure account of the country, including that of the maintenance of law and order, defence and so forth. There is an increase in the maintenance of law and order from around 12 per cent to 15 per cent of our revenue, but, Sir, I maintain that those increases we must now look upon as permanencies, or near permanencies. In the annual Budget of this country, and I therefore maintain that it is a most disturbing fact that in spite of the extra taxation, bringing in £1,750,000, that does not enable us to any great extent to pay the cost of the Emergency. I therefore believe that unless this situation is taken in hand immediately and very seriously, that we shall find ourselves in future paying ever-increasing rates of income tax in order to maintain the same scale of services which we have at the present time. The reason I say, is that the wealth of this country and the consequent income from it, is not increasing at a commensurate rate with the demands being made upon it. Where wealth is growing faster than the demands which are being made upon that wealth, there you have countries that are in the happy position to enable them to reduce their income tax. The Union of South Africa, the Dominion of Canada are examples of where income tax is being reduced because their wealth is increasing at a greater rate than the demands by social services on that wealth. Neither of those countries, to which I have referred, is a colony. I know of no colony which is in such a happy position and the reason, Mr. Deputy Speaker, is that all our colonies are under-capitalized, and that is why I said earlier, when speaking yesterday, that I believe our main salvation will lie in greater development of our economy rather than in cutting drastically our expenditure.

Although, quite naturally, we must keep an eye on all possible economics and candle ends to which the Minister so rightly referred, those should be routine matters as they are in any efficient business. But the main thing must be to see how we can develop our wealth very much greater than it is at the present time.

We had an exhilarating speech, which I referred to yesterday, by the Minister of Commerce and Industry. He mentioned many new industries which are springing up in this country and which are going to be of enormous assistance to the development of our wealth, but I maintain, Sir, that the main problem which we have in this country, is an agrarian one and that is the one which we have to set our attention on, perhaps more than any other.

Before we can develop this country in the manner in which it should be developed, we must establish a sense of security and a knowledge in the world that we intend to set aside the petty jealousies and the racial troubles which have taken up so much of our time in this country in the past and that we intend to put our shoulders to the wheel to improve the economy of the country. I believe we shall do this and now we have this new system of multi-racial Government, I have great hopes of success. Then, when we have done that, we have to sell that to the world, and in order to do that, we have to have very much better Information Services and propaganda services working in Kenya than there are at present. It is no good having conditions right when the world, which we hope will invest money, does not know about it. I believe then that we shall get capital.

We are now showing the world that we are prepared to help ourselves and the hon. Minister for Finance is now floating a loan for £1,000,000 and if it succeeds, what better demonstration can there be that we have confidence in ourselves?

When speaking in a constituency recently, it was suggested to me that the hon. Minister for Finance might go even further—he might try to attract the capital which is available in this country—in smaller dribbles, but it is there all the same; whether he might consider

(Mr. Crosskill) establishing a system of savings certificates, as there was during the war.

But undoubtedly the greater part of the money which we require in very large quantities for the development of this country must come from outside. Therefore we must depend, to a great extent, on the publicity which the Information Services can and should give to us.

Now, before discussing the possible solution of our agrarian problem, in order to emphasize the great importance of it, I would, with your permission, like to read a short paragraph from Report on a Fiscal Survey by Sir Wilfred Woods.

In referring to this agrarian problem, he said: "This is one of the dark shadows on the future of East Africa which nothing but positive action by the Governments can dissipate. Every type of positive action is beset with difficulty and with uncertainty as to the reaction to it of the people whose destinies it will affect. Its cost is bound to be great. Without positive action, however, with a negative policy of doing nothing except what is certain to succeed, distress, at first sporadic in time and place, must develop until it takes on the character of economic collapse."

That, Sir, is the dreadful picture which is painted, which threatens, in our failure to solve our agrarian problem.

Very great development is taking place in this country, there is no doubt whatsoever about that; African Land Development are developing new areas for African land, the Agricultural Department and the Veterinary Department are all carrying out experiments, development, throughout the country but it is my submission that these efforts are not co-ordinated as they should be. They are not co-ordinated with industrial development, the development of our railways, ports and so forth. I feel we should now be working on a properly co-ordinated ten-year plan, in which all these basic matters should be considered. At the present moment I think individualism is running riot—the whole plan must be properly co-ordinated.

We have just heard an encouraging report from the hon. Minister for Agriculture to-day, who laid a Report of the Intensification of Agricultural Development for African Areas. That is very

welcome indeed but that must be co-ordinated with population increase and so forth. We hear that the East African Railways and Harbours intend to spend some £45,000,000 in the next decade; we hear that £7,500,000 is to be spent on Nairobi in the next five years. We have heard nothing about development as suggested by Mr. Troup as yet. If Mr. Troup's Report is not implemented, is that expenditure on the railways enough or is it too much? I do not believe anybody knows—nobody is able to co-ordinate development as yet with the unaccepted development on productive lines. I believe the transportation services must be co-ordinated with commercial capacity and that with production and that, again, with increasing population and that again with extra purchasing power, with increasing wealth and so forth. All those factors, I believe, should be co-ordinated by a Bureau of Development or a secretariat. I know I shall be told, "We have a Planning Committee." We have, but I should like to analyse the functions, the very difficult function and duty of that Planning Committee. I believe I am quite right in saying that it has been to allocate the dribbles of money available for development among the numerous calls upon it. In no case has satisfaction been given because of the inadequacy of the money available. I believe our development policy has fallen up to the present time, through its very inadequacy—I believe the real factors I have mentioned should be taken into consideration when making up this plan and that the finances available should be the last thing to be considered. I believe the policy should not be dictated by finances; I believe that if it continues to be dictated by finances, we are riding to ruin. I believe that a plan should be made, with all the real factors taken into consideration. Then we should make a great attempt to see that the money is available. I believe that if a plan is made on these human, real, economic, basic considerations, it will be so sound that the money will be forthcoming.

In conclusion, Mr. Deputy Speaker, perhaps you would not think it out of place if I referred to the visit to Kenya at the present time of the International Federation of Agricultural Producers. They have done Kenya the singular



[Mr. Crosskill]

honour of coming here for their annual conference and I sincerely hand to them a warm welcome, with which I think all hon. Members of this Council would wish to be associated. (Hear, hear.) I hope they will enjoy their visit and I hope also that we shall learn about agriculture from the vast store of knowledge that they must have at their command, coming as they do from all parts of the world. That they have come here at all is due to the enterprise and I think also a very great deal to the charm of the President of the National Farmers Union, Mr. Will Evans and to him I would like to pay a tribute.

Mr. Deputy Speaker, I beg to support.

GROUP CAPTAIN BRIGGS: Mr. Deputy Speaker, Sir, the Minister for Finance in the course of his speech referred to the generous financial assistance we have received from Her Majesty's Government in the United Kingdom, and it is that point which I should like to deal with first.

There is, I think, a tendency on the part of some people in this country to regard that financial assistance as an act of charity. Personally, I think that is quite wrong. As long as the Mother Country rules her children in the Colonies, the main responsibility for the maintenance of law and order in those Colonies must surely lie with Her Majesty's Government in the United Kingdom.

Now, Sir, in my opinion, I believe this Emergency should be treated as a full Imperial commitment. My reasons for saying so are these: firstly, the people of this country have, until now, had little or no say in the government, and therefore cannot be held responsible for the build-up of events which led to the State of Emergency. Furthermore, the constant warnings by Unofficial Members and unofficials generally—and by some officials—with regard to the growth of the *Mau Mau* movement were apparently consistently ignored. Furthermore, in considering the generous aid we have received from the United Kingdom—and I do not in any way want to understate that generosity—I believe it is actuated by the good-heartedness of the people of the United Kingdom—nevertheless, I think there are certain things

that should be borne in mind and which, possibly, the taxpayer in the United Kingdom—if at any time he should tend to criticize the aid given to this country—should perhaps bear in mind.

First of all, there are many Kenya residents who, in addition to paying their taxes in this country, also pay income tax in the United Kingdom and, in appropriate cases, they also are liable for surtax. Furthermore, there are many large companies registered in the United Kingdom, and operating in this country, and, I think I am right in saying, wholly owned subsidiaries who will be liable to tax in the United Kingdom, and therefore, over the years, surely the contributions by residents in this country to the Treasury in the United Kingdom must amount to a fairly considerable sum of money.

The fact that the Emergency has lasted so long, and that the country is now faced with such an enormous bill, certainly cannot be blamed on the Members of this side of Council. I have personally, consistently, since the early days of the Emergency, urged the use of more troops, more aircraft and more positive action but, instead of mounting a full-scale effort against *Mau Mau* in the very early days, when it would undoubtedly have been effective, our forces have been gradually built up bit by bit, until the whole effort is to-day costing us an enormous sum of money. It is my firm belief that, if that effort had been made in the first few months of the Emergency—as we urged, should be done—I believe to-day the Emergency might well be over, or reduced to a very minor affair. (Hear, hear.)

I mention these things, Sir, not in a spirit of "I told you so", but merely to support my contention that the main cost of the campaign against the *Mau Mau* should be borne by Her Majesty's Government in the United Kingdom—as a full Imperial commitment.

Now, Sir, with regard to the taxation which the Minister proposes to introduce, I have the following comments to make. I do not understand for a start why the disloyal and passive members of the Kikuyu tribe should not be called on to make a greater contribution towards the cost of the Emergency. (Hear, hear.) I think there is no doubt that to-day they are able to make very

[Group Captain Briggs]

substantial contributions to the funds of *Mau Mau*, and I think it would be very much more to the interests of this country if, instead of allowing these moneys to go to *Mau Mau*, they should be diverted to assist in dealing with the Emergency, and I would urge the Minister to give that matter his consideration.

The Minister has exempted the loyal Kikuyu from the Special Tax. Could he not go a step further and spare a thought for those living in the maximum danger areas? He is no doubt aware that settlers in those maximum danger areas are called on to make very heavy sacrifices—and I might add they are also called upon to make certain personal contributions to their own protection, by order, which undoubtedly causes a good deal of hardship. I am referring there particularly to the fact that they have to pay half the wages of the farm guards which they are frequently ordered to employ, and that they also have to provide their food: and there are many other things—many other ways in which they are contributing directly to help bear the cost of the Emergency. I do not think it is generally known—the extent to which they do help—through free *kuni*, through free housing, free water and all sorts of things—which they do, and do very gladly. It is done in a very good spirit, and everybody is glad to be able to do it.

I should also like to make a plea for those living on small fixed pensions. The increased personal tax, in my view, is causing very great hardship in some of those cases. I know cases of widows—officers' widows—living in my constituency who have very small pensions, and those pensions constitute their sole means of existence. In one case the lady concerned was supplementing her very small pension by growing crops, running a market garden and selling the crops from it. Well, she has now been deprived of that extra income owing to the Denial of Food Regulations, and she is going to be very hardly hit if, on top of all that, she is going to be asked to contribute to the very sharply increased personal tax. I do hope the Minister will give sympathetic consideration to that point.

Now, Sir, I would like to see—I think the suggestion was made by my hon.

friend the Member for Nairobi North—I would like to see a committee set up to examine costs and to advise on possible economies, but I would like to emphasize that if any such committee is set up, nothing must be done which would affect the efficient prosecution of Emergency measures. Nevertheless, I believe that many economies could be effected if such a committee were set up, and if it travelled round the country. Many people—particularly in the disturbed areas—realize very well that there is a great waste of money, and I am afraid we must admit that in times of war there is always some waste—it is unavoidable—but what I maintain is that that waste should be reduced to a minimum.

We all know of cases where excessive use of transport takes place, and we also know of cases where there are excessive staffs in certain places and insufficient staffs in other places, and I believe that a committee—preferably a committee containing a number of independent business men—might be able to make suggestions which would help.

Now, with regard to the coffee export tax, I am opposed to this tax on principle, but I do realize the Minister was faced with very great difficulties in framing his Budget and in finding new sources of revenue. At the same time I should like to make a plea for the small man in coffee—the coffee farmer. I have a letter here from a constituent which puts the matter very well, I think, for the case of the small grower. He says:—

"If my crop is good I may get about £1,500 for my crop; the profit on this should be about £700, but writing off the cost of compulsory hut demolition, adding the cost of villagization and farm guards and labour difficulties, I shall be very fortunate if I see a profit of £550, exclusive of the effects of the levy. A levy of 12½ per cent will remove £187 from the gross takings, thereby reducing my profit to £363. On a gross income of £550 I shall pay a tax of £187. In the event of poor rains I shall pay a tax on a negative profit. The small man should be protected."

I am bound to say I have not checked the arithmetic—I hope it is correct—but it gives you a rough idea of the point of view of the small coffee farmer.

(Group Captain Briggs)

I am afraid I am running out of voice  
—I will do my best—(inaudible)—

With regard to the cost of the Royal Air Force, can the Minister inform the Council as to how the bill is made up? For instance, does the very high figure include the cost of aircraft that have been crashed? If so, has allowance been made?

THE MINISTER FOR FINANCE AND DEVELOPMENT: The Royal Air Force bill does not include the cost of any crashed aircraft.

GROUP CAPT. BRIGGS: I thank the Minister. Even so, I believe it is the practice of the Air Ministry—here again I am quoting from hearsay—but I understand it is the practice to send their crews out here—I am referring to operation crews—on very short tours, and it does seem to me that the training factor should be taken into consideration when the bill is being made out. I feel there must be some training factor included in it.

Now, with regard to the question which has been raised by a number of hon. Members on this side as to whether the cost of the Royal Air Force has been worthwhile, I would say this. In my opinion, none of us on this side of the Council have sufficient knowledge and sufficient access to intelligence reports to be in a position to judge with any degree of accuracy as to whether that expenditure is worth while, or whether it is not worth while, nor are we in a position really to judge whether the use of the Air Arm, as opposed to the Army, is more or less economical in terms of results for a given expenditure. Therefore, I do not feel justified in making any general statement on it beyond the fact that I would say this: I believe in the case of air action, you cannot always very readily assess the actual damage which is done and that applies particularly in the case of anti-personnel bombs, because anti-blast effect. Their object, of course, is to kill personnel and they do not leave a very lasting mark either in the bush, forests or on the ground. And I might add, Sir, neither can the moral effect of these operations by the Royal Air Force be assessed by means of photographs or

by any means except intensive interrogation of prisoners.

There is one point which I would raise in this connexion which might be worth consideration, and that is, having regard to the large sum involved, whether it would be worth while considering replacing the Royal Air Force by an expansion of the Kenya Police Reserve Air Wing. The reason I say that is that there are a very large number of aircraft on the market to-day of obsolescent types, such as the Anson, which can be bought very, very cheaply and which are still entirely serviceable and in many ways just as suitable, if not more suitable, than some of the Royal Air Force aircraft which are being used out here to-day. I do suggest that might be worth investigation to see whether the money which is being spent might be more economically employed by expanding the Kenya Police Reserve Air Wing. You will then have the additional advantage that that would be employing pilots with an intimate knowledge of the country and a great deal of actual operational experience against *Mau Mau*.

Lastly, Mr. Deputy Speaker, Sir, I would like to express my regret that the Minister has made no provision for the payment of compensation to farmers in the disturbed areas under the following heads—firstly, damage to property by Security Forces, such as dwelling-houses, roads, bridges, culverts, etc.; secondly, losses due to the Denial of Food Regulations.

Before I proceed further, Sir, I think it is my duty to declare my interest as a farmer in the affected area and therefore having a direct interest. I do not feel that reason should preclude me from representing the case of those I represent, although I had hoped that this matter might have been disposed of without my having to raise it in Legislative Council. I might add that it is a matter which has been under consideration ever since the Denial of Food Regulations were introduced, I think, last September.

The present position, Sir, is this, that no claim will be considered unless the claimant can prove that severe financial hardship is caused. In other words, as I understand it, no claim—in the cases I have cited—no claim will be considered unless the claimant has completely

(Group Captain Briggs)

exhausted his reserves and private resources. I believe myself that this is wrong in principle. I believe that the losses I have referred to should be borne by the whole of the community and not only by a small number of them who happen, unfortunately, to be placed in the danger areas. I would add also that when I refer to losses, I do not refer to loss of profits but I refer to actual net losses, but I would exclude from that the cases of many small farmers who are suffering very, very grave hardship to-day and who, I believe, should be treated on a more generous basis than perhaps the larger farmers who may be better able to weather the storm.

The Minister will, I know, say in his reply that the acceptance of the principle I have put forward would involve the country in a vast further expenditure and I feel that he will probably say that, although I feel in my bones he is sympathetic to what I have said, but I personally do not believe that to be so. I believe the major sufferers are not very numerous and the liability would be a comparatively small one. As I have mentioned already, this matter has been under consideration ever since the Denial of Food Regulations were introduced last September and although a Treasury representative visited my constituency recently nothing has so far been done, although I had heard a rumour that certain small token payments might be made to certain farmers who have suffered most severely, but if the figures which have been tentatively mentioned are any guide, I can only say that the token figures would only represent something like between 3 and 5 per cent—or something like that—of the actual losses of the farmers concerned and would not really alleviate the position in any way whatsoever.

Now, Sir, I must say that this contrasts very strongly with the generous compensation meted out to the forest squatters with so little delay. I would like to ask the Minister in his reply to state the cost of compensation to forest squatters, firstly, in respect of crops destroyed by Order; secondly, by way of increased pay to compensate for loss of earnings due to the prohibition on the growing of certain foodstuffs. What I would suggest, Mr. Deputy Speaker, is

that what is sauce for the Kikuyu squatter is also sauce for the settler gander. Furthermore, I would offer the opinion that the cost of dealing with the settler gander in the cases I have cited would be very much less than dealing with the Kikuyu goose—I may have got it the wrong way round—which I believe would be a flea bite anyway. (Laughter.)

Now, Sir, I would like just to mention some of the effects of the Denial of Food Regulations because I do not believe these things are generally known in the country. For instance, no foodstuffs, such as maize, potatoes, beans, etc., may be grown within two miles of the forest fringe, and sometimes, at the discretion of the District Officers, that can be extended to within three miles of the forest fringe. Now compensation has been paid for the destruction or—I believe I am right in saying—is not being paid, but has been agreed to be paid in respect of crops that have been destroyed—I am referring now to the settled area—but there has been no question of compensation for loss of earnings due to prohibition on the growing of these various crops. Secondly, the night *boma-ing* of stock is extended in certain places to as much as six miles from the forest fringe. Now, there again it may not generally be realized that in the dryer areas, this is causing a very great hardship because, unless cattle can graze both by day and by night, in the dryer areas and particularly in periods of drought, they can barely sustain life and it becomes quite impossible to produce milk on an economic scale and it is equally impossible to fatten cattle for sale as beef.

Now, I have already referred to the cost of farm guards so I will not go over that same ground again, but what I would very much like to suggest and very much like to see would be a small party of Members from both sides of this Council to visit my constituency and to gather at first hand some of the hardships and sacrifices which are being borne by the farmers in my area and perhaps then we should see the sympathy, which this Council has always extended, translated into action.

Mr. Deputy Speaker, I beg to support

EUROPEAN MINISTER WITHOUT PORTFOLIO: Mr. Deputy Speaker, I should like to deal with some of the points that

[European Minister Without Portfolio] have been raised in the matter of the conduct of the Emergency.

The first one is the prosecution of the warfare against the gangs which the hon. Member for the Coast has raised on a number of occasions in this Council and I think, before we can get a true picture of the situation, it is necessary for hon. Members to have a background to that situation in particular in regard to their numbers, their whereabouts and their tactics. Now, the terrorists have, as far as we know, a total of between 1,500 and 1,600 precision weapons, that is weapons they have acquired either by theft or by buying or by a gradual build-up before the Emergency broke out, and these weapons range from small 0.22 pistols, of course, to large elephant guns. Now, the number of weapons is important because there is a direct relationship between the number of weapons and the numbers which the *Mau Mau* movement can put into the field and we know that it is normal for a gang to be composed of something in the ratio of eight to ten men to one precision weapon, and from that we can calculate their maximum strength. The number they can throw into the field at any one time is between 15,000 to 16,000 men, and that maximum strength, of course, is rarely employed and the figure will fluctuate from that maximum strength downwards. Again, Sir, the gangs themselves prefer the reserves. They prefer the reserves for these reasons, that in these reserves they can maintain their administration, their food supplies, medical supplies, their ammunition and their recruits and their clothing and they are only driven into the forests by the pressure we exercise on them and that pressure it may be of interest to know, in the first degree, comes from the strictest civil administration, and only in a second degree from military force. Now the moment they are in the forests, the problem is immediately different because the terrain is extremely difficult, very close, and I believe the hon. Member did go on a tour but I do not know if he has gone into the higher areas of the forest where the visibility is down to only three feet. There we have, in order to increase and put pressure on the gangs, we take measures to improve our techniques. Each battalion to-day has a specialist forest patrol, which is drawn

from leaders in the battalion—they are picked men designed to follow the gang day after day, equipped with trackers and tracker dogs, and we have initiated at Nyeri a tracking school, where trackers are trained. Now, recently there was an hiatus in the courses there, and a hold-up in recruitment of persons to be trained, but it is again in full swing, and we are training at Nyeri both for the Police and Army tracking teams. We have recently directed to the Nyeri area, solely for tracking purposes, three white hunters to aid our effort and we could do with many more. If there are white hunters available who are outside the scope of the present direction of manpower, we would very much welcome them coming forward for that particular purpose. Those are some of the measures we are taking to try and deal with the gangs in the forest. It is really specific specialist patrols hunting them down for as long as we can for considerable periods.

Now, in order really to appreciate the situation, one must understand the tactics of the gangs and their numbers. There are at the present moment, as far as our intelligence reveals, between four and five thousand men actually in the forests. That is the latest intelligence this morning. They are operating over an area of something like 2,500 square miles. They are extremely clever and efficient in the siting of their hide-outs and resting places, which they do generally in open ridges where visibility is good in regard to anyone approaching, and they place out on every track and route approaching those sites scouts some considerable distances away. Therefore a patrol entering the area immediately bumps into the scout, who is so far out that the gang is immediately warned, and they disperse and reassemble at a given rendezvous. These are the tactics they employ in the forests, which means that large-scale kills of the gangs are so difficult. Now, in an attempt to get over the problem, we are engaged in an extensive air effort. It is, of course, expensive, and Government knows that as well as anybody else, but it is having results, and I find it illogical of the hon. Member for the Coast who, in one breath, says we should increase our pressure on the gangs, and with the very next breath we should remove one of the methods we are using.

[European Minister Without Portfolio] Now, we do know from interrogation of prisoners that in one gang alone 63 persons were killed by air bombing. We also know that some of the gangs, by constant bombing, have been kept on the move every 24 hours. The importance of that is not that a gang becomes tired but that it cannot carry with it its administrative arrangements, its food, its ammunition and keep intact its recruiting arrangements. We are developing now a system of air photography designed to pinpoint where the gangs are assembling, and if that is successful, by working out new techniques which are now being experimented with, we should be able to co-ordinate very closely the system of foot patrols up to the outer sentries, and then an immediate air attack, and if that is successful, we should enormously be able to increase the pressure on the gangs with a reduction in expenditure.

In addition to that, we will have to maintain in any case, whether the air bombing is the success which the advisers—the Military advisers to the Government—say that it is, or whether it is not, we shall have to maintain the very close support of the Kenya Police Reserve Air Wing because without that we cannot sustain the patrols in the forests, nor locate the gangs easily. In regard to the point which the hon. Member for Mount Kenya has made on obsolescent types, we have just had out advisers, which I know the hon. Member would appreciate, as they were two Air Marshals, who have advised us that for the specific purpose which we have in mind, Harvard aircraft are the best we could get, and we are now being reinforced with additional Harvards to replace those lost or crashed during the operations.

Now, it is possible, Mr. Deputy Speaker, that our plans in the future may enable us to reduce the degree of air effort. Those plans would be a development of a stricter administrative control and military effort on the ground, but they must take some time to prepare. Some are already in being, and already working, and some are being prepared for the further stages; and during the period in which these are being worked out to the maximum intensity, we would be most unwise to give up the air effort, because it is the air effort at the moment

which is harrying and causing dislocation of the gangs in the forests.

The hon. Member for the Coast also made what I think were unfortunate remarks about the British battalions in this country. Those British battalions evolved a technique, in conjunction with the K.A.R. battalions and the Kenya Regiment, of patrols up to seven and ten days in the forests, and those patrols are entirely supplied by air drops, so it is completely fallacious to imagine that because the battalions come from England that they are incapable of intensive and arduous patrols in the higher-up and more difficult forest regions in this country. I have been up to around 10,000 feet to a place called Fort Essex, where I met some of these patrols, and it may be of interest to know that one of the outstanding patrol leaders is a young officer in one of the British battalions, and I do believe that remarks of that sort do no good whatsoever. I consider the plain, straightforward truth of the matter is that we could not contain the Emergency in this country without the assistance and help we have had from the British battalions—(Hear, hear.)—and nor could we have mounted in any way whatsoever an operation of the scale of "Anvil", which was essential for the control of Nairobi, without the presence of those battalions.

MR. COOKE: Would the hon. gentleman please give way? He is misquoting me. HANSARD will show that I paid a high tribute to the British troops here. What I said was that I did not think the forests were a good terrain for young British troops. The fact that an officer from one of those battalions has done so well bears out all my past contentions—that we should choose those who had a flair for such work and put them in command of selected African troops.

EUROPEAN MINISTER WITHOUT PORTFOLIO: Now, Sir, we have got plans in being, and are arranging others in order to provide the closest and firmest control in the disturbed areas so that the military effort can be reduced in some degree, but that must mean, in order to bring those plans to fruition, that the Emergency expenditure will continue to rise towards the end of this year. I think it would be quite wrong of me not, at least, to give that warning as a Member of the War

[European Minister Without Portfolio] Council. When the plans we are now working on come into being, we shall find that we will have two expenditures. We shall have a long-term recurrent expenditure over the administrative and civil field, and at the same time during the change-over, we shall inevitably have a continuing of the present military expenditure. The last thing I wish to say, Mr. Deputy Speaker, is this—I do not share, and I am sure that the Government does not share, the views which the hon. Member for Mount Kenya has put forward in regard to the responsibility of the United Kingdom in regard to finance for the Emergency. We believe that it is most unwise for us to abrogate our local responsibilities for the carrying out of the Government of this country. I think I speak for every Member on this side when I say that we dislike intensely our financial dependence on the United Kingdom in the present circumstances—(Hear, hear.)—but our circumstances are such that because of the Emergency there is nothing we can do but to rely on the United Kingdom to come to our help. Now, like everybody else in this Council, I am proud of Kenya—

GROUP CAPTAIN BRIGGS: I thank the hon. Member for giving way. I (inaudible) the situation he has built up for the future Government of this country at the price of law and order.

EUROPEAN MINISTER WITHOUT PORTFOLIO:—and my responsibility to the Government in the circumstances in the light of law and order. Nevertheless, Mr. Deputy Speaker, I think we are wise to accept as much of the responsibility as we can. If we do not do that he who plays the pipe calls the tune. I am proud of Kenya, and proud of the degree of independence which we have reached before, in the management of our own affairs, and I am sure I am speaking for the Government when I say it is our intention in that matter to stand, as far as possible, upon our own feet. (Hear, hear.) (Applause.)

MR. MADAN: Mr. Deputy Speaker, Sir, now that the hon. Minister has dealt effectively with the hon. Members for the Coast and Mount Kenya, I think it would be just as well if I were to try and take the Council back to the realities

of the Budget. I consider we have been presented with a courageous, if not cheerful, Budget. There is, of course, a deficit, and I would say straightforwardly—it is the only figure I am going to quote—that I do not agree with the hon. Minister for Finance when he says that our deficit is £2,145,000 odd. In reality it is £4,145,000 odd because we cannot regard the loan of £2,000,000 as being part of our own money. I said, Sir, I would not quote any other figures because I hate repetitions even if I am doing it myself, but those who criticize this Budget would do well to remember the conditions which are prevailing in this Colony and the exigencies of the situation which demand extraordinary expenses. Such people may also take consolation in the fact that the Government of the Colony has now been joined by a few more wise men, and like some other speakers I also wish this new Government every luck in their efforts to try to put this country on the path of progress.

I am bound to say, Sir, the new constitution has produced a new hope in the minds of the people of this country, a hope which has created, or re-created, faith in the essential goodness of human nature. It may be, Sir, that some of our colleagues who have crossed the floor might feel that they are among the queer people—(Laughter.)—but I would ask them to remember, Sir, that beggars cannot be choosers. (Laughter.)

There is one particular point to which I would make reference. I note from the Press report that the hon. Minister Without Portfolio, Mr. Patel, has been assigned to the Ministry for Legal Affairs. I await with interest to see the result of the combination of an Englishman and a Patel—(Laughter.)—but I do not suppose, Sir, it could be as bad as an Englishman and an Irishman. (Laughter.) I, Sir, look upon the Budget like a practical mortal. I consider we have expenses to meet and we know that we have to produce the money which can only come out of certain well defined avenues. I think it is generally agreed that the money which is required must be provided because nobody will deny that the Emergency and all measures necessary to prosecute the Emergency must be prosecuted as vigorously as considered essential by those who are running the show. But I would ask the

[Mr. Madan]

hon. Minister for Finance whether he is satisfied with the results which the extra expenditure is producing, and if they are consistent with the amounts that are involved, the tremendous, huge amount we are spending. It is generally felt, Sir, that there is a waste and extravagance, and some people are making hay while the sun shines, or making money while the Emergency is lasting, out of the misfortunes of the country, and I think they are as much enemies of the country as the people we try to deal with. I am, Sir, also of the opinion, and I have held this opinion for a long time, and it has not been shaken by the passage of events, that although we are spending a lot of money on the employment of forces against the terrorists, I regret we have no plans to convince those who try to come on the side of law and order, and especially the loyal elements, that in the future of this Colony there is a place, an equal place, for all citizens, even if, due to misfortunes or misguidance, they misbehaved themselves. I feel, Sir, that the use of force only can produce bitterness and hatred, and if we do not look to the human side of the problem our victory will be only a Pyrrhic victory and at the end of the Emergency when we have suppressed terrorism once more we will have to start and try to grapple with the social problems and try to rehabilitate the people after they come back into the ordinary peaceful folds of society.

Now, Sir, the Minister has suggested it will become necessary for the country to cut down its social services. Well, there are two ways of doing that.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I would like to correct the hon. Member before he goes further on that misapprehension. I did not suggest the country should cut down—I said the country might have to.

MR. MADAN: I am grateful for that correction, Sir. I think the Minister is right—I was mistaken. If we have reached the stage where we might have to cut our social services I do want to repeat a submission to him that I have made in the past that those sections of the community who have not been so fortunate as others in the past in the amount of money that has been spent for

them on their side of the social services should suffer the least, because as it is the facilities for such sections of the community are inadequate. A way to cut the expenditure would be to try and introduce a greater measure of efficiency into all our work. I should like to give two examples of how things could have been done better which have happened during the course of this and the last week. I am told, Sir, on Tuesday last loudspeakers announced from the air, from aeroplanes, that all Africans should report to police patrols and police stations with their belongings. I beg your pardon, Kikuyu, Embu and Meru should make the report as I have stated. A large number of Africans called at Kilimani Police Station as directed only to be told that that day was reserved for these tribes to be dealt with at Kileleshwa only. Of course the poor people had to go back home, to say nothing of the employers who called at the police station, wasted their time to try and get their servants back. The second example is in connexion with the "Operation Anvil". Sir, I am told, I repeat, Sir, I am told, that many Africans who are members of the tribes concerned have been "anvilized" again and again. They are picked up, taken to the camps or centres provided for them and returned or released after interrogation, and while they are being picked up the recently issued passports are also ignored. Now that, Sir, surely involves a great deal of waste of time, money and energy of the people concerned. Like the hon. Member for the Coast—it is quite a pleasure to agree with him now and then—(Laughter.)—I also consider, Sir, that it was wrong, anyway not a very bright idea, to separate the women folk from their men. I do think, Sir, it would have reduced the degree of bitterness if the women folk had been sent to the camps with their men. There is, as a result of "Operation Anvil", a more serious aspect of the matter which has come into being. The removal of thousands of Kikuyu, Embu and Meru from the City of Nairobi is bound to lead to a shortage of labour in the City, and I would ask the Minister concerned if he has taken any steps to import labour from Nyanza Province, the Coast and Ukamba to ensure that the other tribes who have been left behind in the City do not enter

[Mr. Madan] upon wage racketeering. I do not want to make any distinctions between the citizens now, especially when we see the faces sitting opposite us. (Laughter.) There is nothing funny about that, Sir.

Another Minister whom I would ask, and he is also among the new Ministers, what steps he has taken to introduce an element of efficiency or greater efficiency in his department is the Minister for Works. I would like to know, Sir, if he has taken any steps to go into the designs and the structures of the public buildings which are being constructed and which are projected to be constructed, to ensure that we do not still carry the heavy burden of lavish buildings and also to ensure that the frills can be cut out to save money so far as public buildings are concerned.

Now, Sir, looking at the Budget, I am satisfied that the hon. Minister for Finance has tried to spread the burden evenly, but I do suggest with respect that he has gone wrong in relation to the details. He has heard the views of the Members from this side of the Council in relation to his intention to increase the personal tax. Sir, I support the idea, that personal tax should be increased. But I do appeal to him to take the necessary steps to give the lower income groups relief by introducing a system of graduated personal tax. I refer to this tax in particular, not because it is going to affect the members of my section of the community, but because I do feel, Sir—and even the hon. Minister for Finance must recognize and accept it—that it is ridiculous that a person earning £201 has to pay as much as a person earning, say, £500. If, Sir, the feelings on this side of Council carry any weight and they can affect the usually generous mind of the Minister, I hope he will be able to introduce amendments into the Draft Bill that has already been circulated, on the basis such as that suggested by my hon. friend, Mr. Gathani, or on another basis, to make the graduated personal tax as equitable as possible. I say, Sir, those who can bear this particular tax and on whom it will fall—by all means they must pay it. I cannot be sentimental—or would anybody else be sentimental—when the urgent situation demands stringent measures. It is for that reason, Sir, that I would also support the coffee

tax. People who have said that they oppose it will bear in mind that for many years cotton was similarly taxed, and that at one stage I think, Sir, it was a lone crop which bore the tax.

Now, Sir, many suggestions have been made to introduce alternative taxes. The hon. Member for Nairobi West remarked to me that everybody had suggested commodities to be taxed in which they are not interested themselves. We have heard, Sir, that petrol should be taxed; beer might be raised by 25 cents—it is hardly worth drinking now—it leaves a bitter taste in the mouth; and one hon. gentleman on this side of the Council suggested introducing an Excess Profits Tax instead of the Coffee Tax. These are, in my humble submission, suggestions at random. What we forget, Sir, is that the country has entrusted the job of going into this matter to a person whose capacity and calibre are not in doubt and I am of the opinion, Sir, that the Budget is as well designed, as well poised—I hesitate to use the word balanced—and as well set as any Minister for Finance could have done.

But I certainly do not agree that the economic reputation of this country has dwindled so far as to shut out foreign capital. Neither would I agree that if there is a further slight increase in our taxation, that would sound the death knell of industry in this Colony. I think, Sir, that we are not yet taxed up to our full capacity; I think we can take more and if it is necessary, we should be prepared to take more, but I do agree with the Minister when he says that in industry we shall find the best means of rapid growth for this Colony. (Hear, hear.) I want to go further than what he has said, Sir. I suggest that we should not wait until that growth takes place and that it has become imperative to encourage the industrial growth, if I may put it that way, in order to find an additional source of income and revenue for this Colony, additional to agriculture. I am now referring to active and open official support and not merely passive interest on the part of the Department of Commerce and Industry. I would, Sir, suggest that the Government insist that more assembly plants are located in the Colony for industries such as enamelware, for the manufacture of Crown corks, toilet paper and the erection of a cotton mill or mills

[Mr. Madan] somewhere suitable in the Nyanza Province. These are commodities which are extensively used, not only in Kenya but in other East African territories and also in the adjoining territories. Countries like Israel, South Africa and, in the early days, Canada, were able to—and now India also—were able to insist that manufacturers based part of their industrial operations in the country in which they were selling their products. I do not see why we cannot do the same.

The hon. Minister for Finance has referred to the decrease in building activity and, consequent upon that, the hon. Minister for Commerce and Industry yesterday referred to the question of the decontrol of building premises. Because the problem is a very serious one, Sir, and if it be in order, I should like to suggest an alternative to decontrol of premises, which is due to take place, if the law is not changed, at the end of this year. I think, Sir, I can safely say that most of the—

THE MINISTER FOR COMMERCE AND INDUSTRY: Perhaps the hon. Member would like to raise it under the appropriate head when the matter can be discussed and I can reply.

(Inaudible comment by hon. Member for the Coast.)

MR. MADAN: As the hon. Member for the Coast points out, you do not give us a right to reply.

THE MINISTER FOR COMMERCE AND INDUSTRY: I am not referring to a right of reply.

(Inaudible comment from Mr. Blundell while seated.)

MR. MADAN: That is very unlikely!

I only want to make a suggestion for the consideration of the Minister and for the Board of Commerce and Industry's meeting, referred to yesterday. I am not asking for any reply.

Now, I was going to say that it is quite safe to say that most of the important business houses in Nairobi are situated in Government Road, Hardinge Street, Stewart Street, Sadler Street, Delamere Avenue, River Road, Park Road, Victoria Street, Reata Road, Ngara Road and Gulzaar Street. These are avenues where I think all the important

business firms operate. I would suggest, instead of having a complete decontrol of business premises at the end of the year, an increase of 95 per cent in rent, in respect of premises situate in Government Road, Hardinge Street, Stewart Street, Sadler Street, Delamere Avenue and the Bazaar; an increase of 85 per cent in the existing rent in respect of premises in River Road; 55 per cent for Canal Road; 40 per cent for Park Road; 55 per cent Ngara Road; 85 per cent Victoria Street; 25 per cent for Gulzaar Street.

Now, Sir, these figures are—and I assure the hon. Minister that they have not been taken at random—designed to bring the existing rents in line with the rents of premises erected after the 1st January, 1949, which have been freed from control. They are based upon my experience of the working of the Rent Control Ordinance and they are based upon my knowledge of the rents in respect of premises erected after the 1st day of January, 1949. I have given figures for Nairobi, Sir. No doubt people in centres like Mombasa, Nakuru and Kisumu will be able to provide similar figures for the Minister.

THE DEPUTY SPEAKER: Order, order. The time for the suspension of business has arrived. I will suspend business until a quarter past Eleven o'clock.

Council adjourned at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock.

MR. MADAN: Mr. Deputy Speaker, Sir, there is yet another further remedy that I would suggest to amend the Rent Control legislation in order to give the landlords a square deal; that is in addition to the increases in rents that I have suggested. I would also ask that the Rent Control Board be given power to eject those tenants from business premises who really do not need the premises and who are sitting tight in the hope of making money out of the adversity of others. I would also suggest that there is no need to maintain control upon office accommodation any more and those might be decontrolled at the end of the year as already approved.

I am nearly finished, Sir, all I want to say, lastly, is this—that this is a time of trial, and, like the hon. Minister for Finance, I hope, with God's help, out of

[Mr. Madan]  
This time of trial a nation will grow.  
(Applause.)

MR. LETCHER (Trans Nzoia): Mr. Deputy Speaker, Sir, I cannot help feeling we are not facing up to facts. The facts are that certain sections of the African community are the cause of the present Emergency. To my way of thinking, Sir, that section should be made to pay, even if it takes them 50 years to do so. I do know that in the meantime we have to produce the cash; well, in this case I think it is only reasonable that we should look to the British Government for the necessary funds.

THE DEPUTY SPEAKER: Would the hon. Member either come down to the Despatch Box or the back of the front row so that his voice is caught by the microphones.

MR. LETCHER: I do know that when other speakers have spoken we, in the back row, cannot hear very well.

I know that we all like to feel that we are doing our best to contribute to the running of the country and so on but, as I have already said, I feel in this special instance it should be the responsibility of the British Government to help finance the Emergency, but eventually the money could be recovered from those who are responsible—in this case, the Kikuyu. I feel it is not a good enough reward to those loyal tribes who do not take part in *Mau Mau* to have Sh. 2 put on to their taxes. I feel it is a poor way of rewarding them and it might have its repercussions.

Before asking for an increase in the Personal Tax, I further think that an all-out effort should be made by Government to see that economies are carried out in those departments which are responsible for dealing directly with the Emergency. Most of the points which I intended to bring up have already been covered, Sir, but before I sit down I should like an undertaking from the hon. Minister for Finance that whatever increases are brought into being shall be for the duration of the Emergency and the country will not be liable to those increases after the Emergency.

MR. AWORI (African Representative Member): Mr. Deputy Speaker, Sir, I would, in the beginning, also like to asso-

ciate myself with the other previous speakers in congratulating the Minister for Finance on the way he has presented the Budget before this Council last month. Some speakers, Sir, have said that his speech was too long. Although I agree that it was long, I do not think it was boring.

Since the present Constitution came into being, I feel that now our side is in the minority and some of our best speakers have had to cross the floor, so we are a bit poorer but the Government is richer in that way. I heard with great interest the speech made this morning by the hon. European Minister without Portfolio, my friend the Member for Rift Valley. I thought he made a good defence of the Government, particularly when one realizes that he has been a strong critic of the Government in the past. I hope that he is going to fortify the Government in that way as one of the strongest defendants.

Well, Sir, this Budget has come into being on account of the Emergency—we cannot deny the fact that the country needs money. We are all fed up with the Emergency continuing month after month. Although it is going to penalize the whole public in this country, I feel that we have to accept this Budget—we have to accept it to get more revenue, and, as the hon. Minister for Finance presented in his speech, there are several ways in which we have to raise the money. One is by direct taxation, or indirect taxation and lastly by raising of loans, all of which have been enumerated in his speech. Now, Sir, I may say on the question of Indirect taxation, as far as the African public is concerned, I think that they will be affected on the question of sugar and matches. Well, Sir, that is inevitable. I do not think we can deny that. I do not agree that any one section of the Kenya public should have to suffer at the cost of others. As I have always maintained, and I said it in this Council, we are responsible because of our shortcomings. We were not able to realize the havoc that was coming before us through this Emergency, and therefore it is quite justified that we have all to pay for it.

Some speakers, Sir, proposed that the hon. Minister for Finance should have taxed local beer, cigarettes and others. I do not think it is many years since the price of cigarettes was raised and the

[Mr. Awori]—are dead and some have lost their businesses and all sorts, but what I would like to know from the Minister for Finance is how the exemption is being conducted and if he is aware of the percentage of people who have been exempted as far as the adult taxpayers are concerned. I would have liked to know from my Kikuyu colleagues on this side whether any one of them has been exempted because I understand that in exemptions only loyalists are concerned and if they have not been exempted I wonder whether they are not loyal. (Laughter.)

In my district, Sir, there is one way my people are going to look at this question of extra tax. They are accustomed to tax themselves on account of local government work. Now, if they are going to know that they are going to be taxed, whereas in the past, Government had been reluctant—or the people have been taxing themselves extra money for such purposes as social services, in the field of education and health—I feel that the Government should be able to explain to them and should be able to allow those districts who are capable of taxing themselves to continue doing it, otherwise the impression the people get is that Government is only keen to get money for the Central Government but not for the local governments.

The hon. Member for Nairobi South proposed the question of graduated tax when he started his speech this week, and also he was supported by the hon. Member for Nairobi North. We do not refuse the question of graduated tax; in fact I, personally, feel that it is wrong to tax people, particularly the Africans—all Africans—in the same way. I do not think that it is fair for either Mr. Gikonyo or Mr. Mathu of myself to pay the same tax like an ordinary African who earns Sh. 60 a month. I do not think it is fair, so we accept the question of graduated tax. I feel that there are a number of Africans able to pay graduated tax. My colleague, Mr. Mathu, was of the opinion that the time has not come, on account of the Emergency, and we might not be able to find the necessary machinery. I agree with him, but I should like to see, as soon as the Emergency ends, that a step towards this idea is taken immediately.

Now, Sir, I come to the question of direct taxation. The previous speaker before me, the hon. Member for Trans Nzoia, was not too happy to know that other loyal tribes should pay for the evil of others. I entirely agree but, however, I should say that everyone of us in this Council and in this country is being inconvenienced—is being forced to pay for what, maybe, he was not responsible for, and I feel that the other tribes will also have to take it that, in order to see that the Emergency is ended quickly, we have to contribute something. As far as they know, a lot of work regarding development which in a normal period would have continued, has had to cease, and if they are told that by contributing an extra Sh. 2 we might be able to prosecute the Emergency quickly, I do not think they will refuse that. In fact, at the end of last week I addressed a meeting in my constituency and I told them that this Sh. 2 tax is coming and they will have to take it with a good heart.

The question of the special tax on the Kikuyu—it is going to be very difficult, particularly now when a good number of them have had to be detained and some



(Mr. Awori)

Now, my friend mentioned the question of income tax. There are quite a few Africans who pay income tax, but one thing that must be realized is that an African who pays income tax, say, earning something like £400 to £500, in reality is equal to a European earning double that, so I do not think we should be able to dispute on the question of income tax. We all accept it and those who can afford are assessed and they pay.

Before I leave, Sir, the question of the type of taxation, I should like to know whether I could get an assurance from the hon. Minister for Finance that these increases shall be only temporary on account of the Emergency and not as a permanent feature. As soon as we get out of this financial trouble I feel that the public should not continue to pay more, as if it were on account of the Emergency.

Now, Sir, I come to the question about production, we need the money and one source of getting money is out of more development in the agricultural sphere. From what I think, I do not think that the African land is being developed fully so as to give more money to the revenue. There has been a complaint over and over that the African is not contributing enough. One must understand that he does not only contribute as far as providing labour on farms is concerned but he also has to get money to pay his tax out of what he cultivates. As soon as the Troup (?) Report is accepted—I have not been able to read it—but as soon as it can be accepted and Government starts immediately to see that more work is done as far as the African areas are concerned, I think we shall be able to have more money. In 1952, if I can remember rightly, I think Nyanza Province and Central Province contributed something like 900,000 bags of maize. More could be got in that sphere. Coast Province and Nyanza Province, which usually produce something like 12,000 bales of cotton, worth about £400,000, could be able to produce three times that if more development on that line were undertaken. (Hear, hear.) Sir, over and over again Africans have been, in the past, dissatisfied that they were denied the right to grow cash crops. Now I am glad

that Government has accepted that and is doing as much as they can to see that Africans can grow cash crops. The last time I was in Nyanza I came to know that a number of areas now were set aside for coffee. If I might correct my friend, Mr. Mathu, when he mentioned the question of 100 trees—now in Nyanza they can grow as many as 400 trees to start with.

MR. MATHU: Is that sufficient?

MR. AWORI: To start with—although it is not sufficient. (Laughter.) There are a number of cash crops that would be able to bring in more revenue, as far as the Africans are concerned, if more development was undertaken. In Nyanza we have got the Locano Plains which would be able to produce more rice. We have got a number of areas able to produce sugar so that the shortage that we have all the time would be able to be stopped. I hope that the £5,000,000 that we got generously from Her Majesty's Government will be utilized on the proper lines, so as to see that not only the African benefits but the country as a whole. (Hear, hear.)

In many areas, particularly in Nyanza and Central Province, maize has been the chief crop that has been grown. I personally would like to see that it does not continue to be the main crop, because maize usually ruins the land if proper agriculture is not undertaken by the growers, and if we can be able to have those cash crops I have mentioned previously grown by the Africans, it will stop them depending on maize by itself.

Now, Sir, I come to a point which was raised by my friend, Mr. Mathu, and he was corrected by my friend the hon. Minister for Commerce and Industry, regarding loans for African traders in Nyanza. I do not think that the Minister for Commerce and Industry was justified in saying that the delay was caused by the districts concerned.

THE MINISTER FOR COMMERCE AND INDUSTRY: If I may correct my hon. friend, I did not say that the delay was caused by the districts concerned. I have the HANSARD Report here. I said that there has been delay due to the fact that it was necessary also to make thorough investigations of the first applications.

MR. AWORI: From my discussions with the Provincial Commissioner in Nyanza and the District Commissioner, North Nyanza, the blame was put on the Attorney General's Office, saying they have not received the Constitution, and the last time I saw the District Commissioner I was told that they had just received it so the whole blame was put on the Attorney General's Office and the excuse was that they were busy drafting the Emergency Regulations. (Laughter.)

Well, I am glad to know, from what the Minister for Commerce and Industry said yesterday that the whole thing is going to be started as quickly as possible. On the other hand, he mentioned that I was on the Committee. That is true, but that Committee has never met. (Laughter.)

THE MINISTER FOR COMMERCE AND INDUSTRY: Is it not true that although the Committee cannot have met legally, for reasons he referred to, the Committee has, in fact, met informally?

MR. AWORI: Well, Sir, I was not invited. (Laughter.)

Now, Sir, continuing with the question of industry—I would like to see something done on that line, particularly to encourage Africans to enter industry—things like fruit-growing, fruit-canning and sugar manufacture and things of that sort. I wonder if a scheme which I heard of some time ago, about building a factory at Kisumu on the Lake, has died down or not in the similar way as the one at Jinja? I think such a thing will be able to help the country in producing more revenue.

Well, Sir, I do not think that I have got very much to say as far as delaying the work of this Council is concerned. I hope, Sir, that when the Minister for Finance goes to Britain next month, he will be as lucky as he was before in getting us some more money. Well, there are two sides to the question. Some people say we are depending too much on Britain. Now so long as we accept tax ourselves, and so long as we accept a sacrifice, I think Britain will be able to help us. Britain is aware that during the 1914/1918 war and the 1939/1945 war we have been willing to come to her aid whenever the enemy has attacked the mother country. (Hear, hear.) I feel that Britain is very sympathetic to our

difficulties here and will be willing to help us with money whenever we are in the need.

MR. DEPUTY SPEAKER, I beg to support the Motion. (Applause.)

MR. SLADE: Mr. Deputy Speaker, Sir, I should like to join others in appreciation of the immense amount of work and effort for the hon. Minister and for members of his department which the production of these Draft Estimates must have entailed under present conditions. In view of that appreciation, it may seem somewhat ungracious if I comment adversely on the form in which accounting for budgetary purposes is, and has for many years past, I know, been presented to this Council. I do not think I could ask, at the present time, to add to the hon. Minister's burden by requiring immediate reform in this respect, but I would point out that this is by no means the first year in which I, or other Members of this Council, have asked for the Financial Statements that we received to give us a rather more complete picture of both assets and liabilities, but particularly recurrent liabilities, and I would ask for an assurance from the hon. Minister that he will go into the matter of some reform in this respect as soon as conditions permit. What I am asking the Minister, Mr. Deputy Speaker, is that the Statements presented to us should present us with a more complete picture. There are, of course, various reasons why Statements in Government accounting should not be identical in form with those of commercial concerns, but I do not think there is any reason why they should not give us as clear and complete a picture in their own way as we get from the usual form of accounting in commercial concerns, and I do not think that it can be said that in their present form they do. I speak with some diffidence in this matter, Mr. Deputy Speaker, not being an accountant, and I do not want to go into great detail. Already the hon. Member for Nairobi North has pointed out some aspects in which our liabilities are not clearly brought before us. It is true that most of them are mentioned in notes but that is not the same thing as having them included in the figures, and I do submit, Mr. Deputy Speaker, that they should be so included. We have had the examples of the Widows and Orphans Liability, of the loan of £2,000,000 from

(Mr. Slade) the United Kingdom and of the sum which would be paid into sinking funds in the ordinary course but have not been taken to account. If one takes that last example, the only justification seems to be, for not including in our Financial Statement an allowance for contribution to sinking funds, the assumption that we shall continue indefinitely to refund and refund our liabilities, and I would put it to the hon. Minister that that is the wrong way of settling about things; that if it is proper, prudent practice to make a contribution to a sinking fund every year, that contribution should be made, or at any rate debited, and then it may be that in later years you will find that you cannot meet it and you have to refund, but as you go along you are at least recognizing your liabilities; whereas under the present practice of accounting, it seems to me too much like a friend of mine I once knew starting up in business, who worked under the impression that as long as there was money in the till he was free to draw on it for his own entertainment without regard to his less conspicuous liabilities. (Laughter.) As you may imagine he did not last in business very long.

A MEMBER: Is he a friend?

MR. SLADE: He was always a friend—I shared in his entertainment sometimes. (Laughter.)

Now on the assets side, or rather the revenue side, Mr. Deputy Speaker, the same criticism arises. I do not think we get a full picture of all our real revenue because of the complete cash basis on which we seem to work. The example that strikes me most forcibly—I know it has been mentioned in this Council before—is income tax. As I understand it, what we put in our Budgetary Statement is the actual income tax we expect to collect each year and that may be made up partly by arrears from previous years and, therefore, be much too big as a basis on which to budget for the next year or it may be too small because we do not expect actually to collect, from the experience of past years, all the tax that might be assessed, and such is therefore accruing and a hidden asset. That appears very clearly when we compare the figures of tax collected in 1950 with that collected in 1951. I think I am right in my dates and figures. £1,250,000 in

1950 has risen to £5,500,000 in 1951—an increase of over 300 per cent. Now I do not think any of us could imagine, Mr. Deputy Speaker, that the aggregate incomes of the taxpayers have grown by anything like that figure over that period. It seems to me that enormous increase can only be explained, by recently catching up with a lot of arrears that should have been collected in those earlier years. So we are not getting a true picture as we go along. I will say no more than to request the hon. Minister to go into this, always bearing in mind particularly that we are not accountants and have to have it put to us in the clearest and simplest form. Mr. Deputy Speaker, I am sure that if we did have the clearer picture for which I have asked, it certainly would not be a more cheerful picture than we have before us now. And even with the picture we have before us now, there is no doubt that there is need for increased taxation or decreased expenditure or both, and that quite apart from the demands of the Emergency.

Now, with regard to expenditure. We must remember—I am not sure that we always do—Mr. Deputy Speaker, but we must remember that if this country is to grow, as we hope it will grow, some corresponding increase in expenditure is inevitable. It is also desirable. We need not be alarmed by increase in expenditure provided it is not out-pacing an increase in capacity to meet it. Those who know more about these things than I do tell me that one of the best gauges for increase or decrease in capacity to pay tax, is the returns that you get from year to year from indirect taxation. They say that it is more reliable than direct taxation in that respect, because of the factor I mentioned just now with regard to direct taxation—that the conditions of collection are so much less uncertain, and they give other reasons. Now, Mr. Deputy Speaker, if we look again at the figures over a very short period of years—subject to correction again—I would say that our expenditure in 1950 was £9,000,000 and it is now rising this year to £20,000,000—about 120 per cent increase over that period. We can compare that with the proceeds of indirect taxation in 1950 and the increase up to now; it is from £6,500,000 up to an estimated £10,000,000. I think, this year,

(Mr. Slade) which is only 58 per cent increase. If my advisers are correct that indirect taxation is the best gauge of capacity to pay, that is rather an alarming difference—that our indirect taxation is only producing another 60 per cent, say; whereas our expenditure is going up by 120 per cent. That does mean that we must face stringent measures of economy.

I do not want to labour the question of economy. Other Members have spoken on this and said things I would have said. There are just two or three principles that I should like to establish once more. One is that we must aim at checking unproductive services rather than stunting productive services. We can economize everywhere, I am sure, both in productive and unproductive services, but we must make sure that we do not cut the growth of our productive services. But also in our unproductive services, though we may have to check, I think we must face the fact that we can rarely go back. When we talk of getting cuts in social services, we cannot often mean more than stopping where we are and delaying the progress we should like to make. As to methods of economy. I would emphasize one point—economy in materials, economy in men and economy in methods are what we have to go for. We have got to cut down waste. But the one fatal mistake is the false economy of cutting down the price that you pay for quality. In other words, you do not economize by cutting salaries. I am quite certain, Mr. Deputy Speaker, that that is the shortest sighted measure that any man could take in business or in Government. It always pays, in all conditions, to give full value for the quality that you need. (Hear, hear.) It is my belief that we have not done that in any marked degree in this Colony. I am expecting and hoping that the Salaries Commission will report and advise on certain increases, and I should be very grateful if the hon. Minister could give us some indication, when he replies, as to when we may expect the Report of that Commission. I say again we must cut and prune in numbers but be careful not to prune ill quality for, indeed, the better the man—the quality of the man—you have in a high position, the better the prospects that he will effect the economies that you need, partly through efficiency

and partly through responsibility and appreciation as to where waste is occurring. That is all I have to say, Mr. Deputy Speaker, on the question of expenditure.

Now to turn to revenue. Before I discuss more general principles, I should like to mention one point that may seem very small, but I think very important. It is the point raised by the hon. Member for Nairobi South where he put in a plea for exemption of such concerns as sporting clubs from income tax. The amount involved there, either way, is very small but it can mean a great deal. He gave several cogent reasons for encouraging sporting clubs and I would give one more which is always in my mind. We think a lot—perhaps talk too much—about social intercourse between races, but one thing is certain—that we have got to look for the development of that where it develops most naturally and one of the places in which it most certainly does and has developed naturally already, and it will develop much faster given encouragement, is in the field of sport. (Hear, hear.) That is another reason why I am joining him in this plea.

In considering revenue. Mr. Deputy Speaker, I suppose the first question always is—what sources of revenue are the best kind. We all have our different opinions, as the hon. Mr. Madan has said; and in the end the responsibility falls on the hon. Minister; but the biggest issue is the issue between direct and indirect taxation. I would urge that, in principle, we are careful not to let the proportion of direct to indirect taxation grow too great. The balance of indirect taxation must, in my view, be maintained and one of the strongest reasons I know is that, provided you limit indirect taxation as much as you can to articles which are either luxuries or articles from which people make a reasonable profit, you are leaving the taxpayer and member of the public with some discretion and choice as to how and to what extent he will tax himself or go without. Whatever his conditions, he always has the choice to say to himself either, "No, I cannot afford that", or, "No, my business would be better working on another line using other materials that cost less".

This freedom of choice of the taxpayer is, I believe, Mr. Deputy Speaker, a very important principle. There are many views, as recognized in this Council, as to

[Mr. Slade] suitable sources of revenue in this Colony, but I do maintain one principle most strongly and that is that in no circumstances can any tax on what we export be justified, in the interest of the Colony as a whole or any community of this Colony. I am convinced, Mr. Deputy Speaker, that that is the greatest mistake. After all, the hon. Minister for Commerce and Industry reminded us, when speaking yesterday, that "the economy of this Colony is "dependent on a long list of exports". Those were his words I think—"dependent".

The hon. Minister for Finance and Development told us in his speech on the Budget, that "agriculture is the life blood of our economy", and so it is. I do not understand how anyone could think that this Colony will benefit by taxing its life blood—its exports. I am not pleading for coffee in particular, but there is a particularly strong case at the present moment against taxing the export of coffee because as the hon. Minister said himself, in his opening speech, the yields of coffee exported are below the yields of the two previous years. That is the worst time to impose a tax of this kind, if you are going to impose it, but my submission, Mr. Deputy Speaker, without any interest declared because I do not grow coffee and I do not think a single one of my constituents grow coffee, is that we should not tax any of those exports on which we depend so much. If it were possible, and it would need a wiser head than mine to say it is possible, to tax in some way the export of profits derived from agriculture or from anything else which is exported from this Colony, that would be a very different matter. But the article that is exported, no.

Mr. Deputy Speaker, assuming or admitting, which I do not very easily admit, that there is a case for more direct taxation at the present time as opposed to more indirect taxation, the question which then arises—and that is one of the arguments against direct taxation in this Colony—is the very difficult question of balancing it fairly between, not only different levels of society and different income groups, but between different communities with different standards of living in the country. Now I say, Mr. Deputy Speaker, that if further direct taxation is necessary now, the balance

proposed by the measures that the Minister for Finance has proposed, is about as fair as one can get with possibly two exceptions. The European community will bear their fair share by the increase in income tax and poll tax—likewise. I think the Asians. In that respect I would only join with others in asking for more gentle treatment of the non-native poll tax in consideration of the really low incomes in the neighbourhood of £200, £300 or £400.

Again, dealing with the great majority of Africans, I think I should agree that a 10 per cent increase of the poll tax which they pay is reasonably proportioned to what is being asked from the other communities, but I do urge most strongly that as the hon. Member for Nairobi South said, there is a hiatus—an increasingly large hiatus—of Africans who are earning quite a lot and who are outside the proper application of a static poll tax though they may not be inside the easy application of full income tax and the case for graduated tax applicable to such a group is, in my view, overwhelming.

I was very glad to hear the hon. Mr. Awori supporting that by what he said just now. It does seem as if we are unanimous on this side of Council in that respect. That is certainly a very rare thing in matters of taxation. (Laughter.)

Mr. Deputy Speaker, that only leaves me with one or two points in respect of the Emergency. I do not want to spend very much time on that. I shall try, as far as I can, to discuss Emergency policy where appropriate to other heads, but on expenditure and finance I have three points to make. The first is that I support most strongly the request made by the hon. Member for Mount Kenya for greater consideration of those who suffer, not through subversive activity, but through Government activity. (Laughter.) You have the principle already recognized that if the terrorists come to a man's farm and steal his cattle, Government will pay and the farmer is very little worse off, but if, in order to prevent the terrorists stealing his cattle, the farmer is compelled by Government order to deal with his cattle in such a way that he suffers really severe loss—and indeed he can for the reasons given by the hon. Member—then surely Government should pay likewise, because he is suffering loss

[Mr. Slade] in order to save Government outlay in another direction as well as contributing to finishing an Emergency which interests all of us quite as much as him. Therefore, Mr. Deputy Speaker, I support this claim. I do not think I need declare interest, because at any rate it has not arisen yet as regards my farm, although perhaps it could. It does arise, however, as regards my constituents, but in nothing like the same degree as it arises in the hon. Member's constituency. The principle is there that if, by definite order, any member of the community has to do something which causes him severe loss, there ought to be recognition of the principle of—at any rate some measure of compensation.

The second point is one which has been discussed by others, and I must just briefly express my view which is about the question of the special tax for Kikuyu. I concur, Mr. Deputy Speaker, with those who urge that the increase of 10 per cent now proposed, is nothing like enough. In discussing that, I would ask the Council to consider once more what was the purpose of this tax. Was it a tax to penalize the Kikuyu tribe? Or was it a tax to make the Kikuyu tribe pay for protection which was in their own interests? I asked that question when the tax was first brought forward to this Council. I had rather an evasive answer from the then hon. Member for African Affairs, but he did say that of course it included a penal element. Now whether it included a penal element or not, if it was justified by the conditions existing when it was introduced at Sh. 20 per head, surely the conditions which have now developed, justify at least double that amount; if it is intended to penalize, so much more so. And it is no use saying that the Kikuyu cannot afford to pay this tax. As another hon. Member said, he can certainly afford to pay a great deal more to the forces of darkness and it might make it less easy, if he was not left with money to pay the forces of darkness, but paid the Government instead. I do not say that jokingly because employers like myself have had a number of experiences with Kikuyu employees where they have come asking us to hold back money so that they would not have to pay it to *Mau Mau*. I would submit that instead of an increase of 10 per cent

an increase of at least 100 per cent is nearer the mark, for the reason that the Kikuyu tribe are the people who most need protection in the Emergency and for the reason that as they have brought it on themselves, in some measure they should be penalized. If you are penalizing a person, you do not, in my experience, consider always very carefully whether he can afford to pay. If he can afford to pay, it is not a very great penalty.

There is another incidental point as regards the Kikuyu people. I understand that quite a large number of those now detained are in works camps on community development in the Kikuyu reserve. For that they are being paid for their labour. Now it does occur to me, Mr. Deputy Speaker, that where the Kikuyu reserve or another part of the country is benefiting by work on a large scale for which Government is paying, that area should, in some way, contribute to the cost.

THE DEPUTY SPEAKER: The hon. Member has just exhausted his 30 minutes. Only two Unofficial Members of the four permitted have exceeded their 30 minutes, so if he wishes to proceed—or exceed his 30 minutes—he must ask leave of the Council to do so.

MR. SLADE: I am much obliged Mr. Deputy Speaker. I have only about two minutes more to speak, but I would ask permission to speak for more than half an hour. I do not think anybody else wants to do so.

THE DEPUTY SPEAKER: Unless any Member rises to object, I will permit the hon. Member to proceed.

MR. SLADE: The point I was making, Mr. Deputy Speaker, was that where a particular area benefits from community work on a large scale for which Government is paying, there should be some method devised of seeking a contribution from that area.

The last point on the Emergency expenditure that I have to make is simply to say that I support entirely the hon. Member for Mount Kenya for the reasons given by him that in his view the United Kingdom should accept responsibility for financing the cost of this Emergency. We were, for all practical purposes, financially independent before this Emergency broke on us. We shall, I am

[Mr. Slade]

quite sure, be likewise independent again, but the cost of this Emergency is quite a different thing for the reasons he has given and I agree that it is a matter primarily for the United Kingdom.

In conclusion, Mr. Deputy Speaker, I would agree with those who express confidence in our future, in our ability financially, and otherwise, to emerge from our present troubles to come into a brighter future. I have no doubt about it. I have no doubt that, as the hon. Member for Nairobi South said, "When we do emerge from the present trouble, we can expect a particularly bright period of boom". I must, at the same time, most earnestly warn everyone against false optimism, against blinking at facts. We have done it too often and it is too dangerous—it is particularly dangerous now. We could so easily, if we allowed ourselves, have an excess of optimism and too early, with the hope and desire of that unlit boom, tell ourselves that the Emergency is over; and so relieve ourselves of the expense of troops and other mechanisms of the Emergency; and to encourage capital to come here; and so, Mr. Deputy Speaker, face disaster, because that is what the enemy will plan. It is, I am quite certain, what they are planning now—to lead us into believing that all is quiet and still and bright for the future, while they go underground. They would have been wiser had they stayed underground when the Emergency was first declared—but this time they will go underground—to prepare for a greater and more successful venture next time. (Applause.)

**THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:** Mr. Deputy Speaker, Sir, I apologize for diverting this debate from its proper fiscal course but it is my duty to reassure the hon. Member for the Coast and the hon. Member for Non-Muslim Central Area about the progress of "Operation Anvil", and to dispel certain misapprehensions about the organization of the detention camps. I must make it clear it is not our intention to keep the infected and the uninfected side by side. To do so would clearly be to court disaster; one would rapidly corrupt the other. As soon as we can be satisfied that any person held has, in fact, manifested as *Mau Mau* sympathies, he will be released as quickly as we can do it. As for

the remainder, those who have shown themselves to be hard-core will be kept in detention for as long as it is necessary. Those who are supporters and sympathizers, but cannot be shown to have been hard-core or leaders, will be transferred to work camps in the Central Province where they will work on projects which will be of value to the Kikuyu. We already have something like 9,000 people in work camps and we propose to add accommodation for a further 15,000. Sites have been selected and work should be started very soon. This policy of expensive detention is obviously one in which Government can take no pleasure. It is a very melancholy reflection on the Emergency that we should be compelled to lock up what will be the future human material with which we have to work; but there is no alternative to it. Before "Anvil", we tried and tried again to repatriate people to the Reserves and to keep them there. Many returned again to the city and many—the figure was, in fact, 35 per cent of all repatriates to the Central Province—joined the gangs in the forests. We could not possibly tolerate a position of this nature and the obvious solution was to pick up those that we knew to be bad and to detain them. When "Operation Anvil" took place the situation in the city was that the ordinary folk had been intimidated to such an extent by the terrorists that they were withholding their assistance from the forces of law and order and were passively assisting the gangs. We have therefore been compelled to pick up a large number, including some who we could not be absolutely certain were bad, in order to sort them out and to decide who should be detained and who need not.

Now, Sir, screening. Screening must, of course, be preceded by proper documentation. This process has taken a little longer to complete than would usually be the case, partly because something between 20 per cent and 25 per cent of those picked up have had forged papers or no papers, and partly because of the large number concerned. Before we attempt to screen a man, it is quite essential to make certain who, in fact, he is.

Screening at Mackinnon Road started a week ago. The results are proving extremely useful. Those hon. Members who heard last night's broadcast will

[The Minister for Internal Security and Defence]

realize the large number of hard-core chaps that we have managed to move from Nairobi and to detain in that camp. Langata—we are going to start next week. We have cleared compounds in the adjoining Langata Prison and these will be used as a screening camp.

I should explain here that we have been compelled at Langata, as a first step, to conduct a fairly comprehensive Special Branch screening and until that was completed, we obviously could not embark on the more detailed screening required for those other than the hard-core people picked out by our Special Branch screeners. I think I could say here, to reassure the hon. Member for the Coast, it was never our intention to carry out a detailed screening in connexion with the initial pick-up. We could have done so, but it would have meant building a camp for some 40,000 people in the city. To do so would have been quite impracticable. It would have taken too long; it would have required much more staff than we had available and the disruption of the life of the city would have been far greater than that which has resulted from the method we did in fact adopt. What we did was to undertake a firm but selective sifting of those picked up and to take those who failed to satisfy the sifting teams into detention for further screening. When I say "into detention", I should explain that no detention order will be served on those being held until they have, in fact, been screened and until we have found out which can be safely released and which must continue to be held. As for the decent people, Sir, we have no wish to interfere with them; and if conditions in Nairobi had been other than they were, these people could have retained a complete immunity. If they had had the courage to stand up against the terrorist domination of the city and the rule of the gangs, there would have been no need for "Anvil". I am sorry for them and I very much regret the temporary inconvenience they are suffering, but I feel far more sorry for the wives and children of the scores of innocent men in the city who have been murdered and tortured and to whose help not one of these so-called law-abiding citizens has been prepared to lift a finger. (Hear, hear.) As for the weight of the blow

struck at the things, I think the screening figures will prove how effective it has been.

Now, Sir, I come to the question of the women and children. The hon. Member said that the ship had been spoiled for a harbour of tar. I place very little reliance on the value of arguments by metaphor, but if I pursued it, I would say the ship was only launched because, by good judgment and careful planning, we were able to avoid the necessity of putting on a copper bottom. Now, Sir, this copper bottom, if we had had it, would have cost something like half a million pounds—maybe more—and it clearly could not have been provided. When we planned the operation, we considered very carefully what should be done with these women and children. There were three courses open to us. First of all, we could have segregated the women and children in camps; secondly, we could have established a township—a kind of detention township—for the women and children and their husbands; or thirdly, we could collect them and send them back to be cared for by the District Commissioners and tribal authorities. The first course was obviously impracticable. To make a camp for 20,000 women and children, without the proper staff, without the proper facilities and with no suitable site for it would have been a crazy venture. The second course, Sir, that requiring a township could have been done. The township would have cost us something like £2,000,000 to build and about £1,000,000 a year to maintain. Further, we should have had to withdraw even more education officers, doctors, engineers and so on from the ordinary everyday life of the Colony to run it and I should hate it to be said that honest men failed to get medical services or failed to get education for their children because we were diverting these special services to look after people of this kind. That left us the third course, which was to return them to the Reserves. This we did; they are not going back in an unorganized way; they are being received into camps in the various districts and subsequently are either being looked after by relatives, or by the District Commissioners or, in some cases, in youth camps.

As for the wall of hatred, I think, Sir, that if we had put these women and children behind bars we should have

[The Minister for Internal Security and Defence] turned it into a very solid, unscalable barrier which we should never have succeeded in breaking down.

Now, Sir, a few minor points of which, first of all, the sky-shooter aircraft. I too felt mildly surprised because I knew that the operation was to take place in Killeshwa. I can only conclude that the pilot was advised to go to the Girls High School, that he may have been an old Kenya type and that he thought the High School was still where it was a few years ago. It was a mistake and I am very sorry about it, but if that is the worst kind of hitch we are to suffer in "Anvil", we have very little to complain about.

As for the chaps who were put into a motor car and got very wet—anybody who has ever been to Twickenham on a wet day or gone in a tram from Prince's Street to Murrayfield must have suffered in much the same kind of way!

Thank you, Sir.

MR. JEREMIAH (African Representative Member): Mr. Deputy Speaker, Sir, I also arise to speak briefly and mainly to concern myself with references which other hon. Members have made regarding the economy and, when speaking about the economy, I am only going to refer to false economy and to suggest to the Council that we should try to guard against false economy. I am, Sir, lamenting the fact that the surpluses we have built up over several years are now being wasted very easily indeed. The surpluses have actually finished within a few months. Now after thinking why that has been the case, I am to some extent led to believe that that surplus was built on false economy and now I am going to explain why that is my view.

The first is that Government was well aware that the land problem in Kenya, with special regard to Africans and with particular reference with regard to the Central Province, was very important and very acute. But the Government, instead of spending large sums of money in improving the so-called sub-marginal land and less productive land in order to make it more productive or releasing part of the Crown land for African settlement, nothing of the sort was done and all the complaints put forward by

the Africans were, to a great extent, ignored.

Another point also, the great discrepancy between the salaries paid to Africans and non-Africans was another great important point which was worrying the people and, in spite of various representations, not much consideration or necessary remedy was taken to improve the situation.

Now, Sir, some hon. Members in this Council have mentioned this morning that this Emergency expenditure should be wholly borne by the home Government because some maintain that, to some extent, the home Government is responsible because the people of the Government in this country are civil servants, but I believe, Sir, that the people of this country are also responsible because I believe the condition under which we find ourselves is a responsibility of all of us—Africans and non-Africans.

#### ADJOURNMENT

THE DEPUTY SPEAKER: The time for the suspension of business has arrived. Council will resume at 4 o'clock this afternoon. As this is not an adjournment, as in the case of the morning break, the division bell will be rung one minute before I take my seat this afternoon.

*Council adjourned at thirty minutes past Twelve o'clock and resumed at Four o'clock p.m.*

Thursday, 20th May, 1954

(Evening Sitting)

Council resumed.

MR. JEREMIAH: Mr. Deputy Speaker, Sir, I was speaking about another cause of complaint which has been going on, and that was with regard to discrepancies between salaries paid to Africans and those paid to non-Africans. Also, Sir, with regard to many other complaints of grievances which Africans have been putting forward, and of which Government has paid very poor attention, if at all. In my view, Sir, such attitude which Government has been adopting in taking very less consideration in regard to matters affecting Africans is—I should call it—very ungenerous attitude, to the point of selfishness. Now, Mr. Deputy Speaker, if anyone ever knew that such attitude would have landed us in the place where we find ourselves now, I do not think there would have been any need for trying to press the Government to change it. They would have changed it because no one would have been prepared to allow such expenditure of money as is going on now if it could have been avoided.

The Minister for Finance, in presenting to us this colossal bill which we are going to foot during 1954/1955, told us that that was not all the expenditure because he said this does not include the expenditure which is going to come, or which is going to arise from three very important reports, and he mentioned the Report of the Carpenter Committee on African Wages and Conditions of Employment, the Report of the Police Commission, as well as the expected Report of the Salaries Commission. Everybody is aware that such reports, when adopted, will add considerably to the already very heavy expenditure.

Now, Sir, I was talking about false economy, and when I said that, Sir, I was referring particularly to the agitation going on at the present time with regard to the most important part of the Carpenter Report, which recommended consideration of paying reasonable wages to married or family persons. What I would suggest is that those people who complain and believe that such action is going to put the country into more expenditure should wait first and see how

that proposed project is going to act before they protest, because if we try to object to that we may perhaps think we are going to economize, but I am afraid to say that such economy, when you leave people dissatisfied, is a false economy.

Now, Sir, with regard to the Police Commission Report, I am afraid to say that it appears to me that false economy is also being practised. My information is that, as a result of the Commission's Report, what has taken place is the demotion of Africans in their Inspectorate ranks right and left. Now, if that is due to economy, I consider it to be a very false economy, and why the demotion should only take place with regard to African staff I think the Minister for Finance could tell us because the explanation given by the Commission itself in my view, Sir, displays, I should say, a lack of apprehension of the African which amounts to illiberality or selfishness. The Commission only took into consideration the fact that the salary which was obtaining before and which is going to be applied now—there is a great difference, and so whether the people are demoted and get more pay—it is quite an extension. I do not agree with that at all, Sir. Also, this only applies to Africans in the Inspectorate staff itself, and not to the others.

Also, Sir, I should say that such practice in my view has something smacking of prejudice, and this, Sir, I should say, particularly in my view, it is a prejudicial attitude of the ex-Commissioner of Police, who said that the four African Chief Inspectors—all were in the Inspectorate—are literate and competent to do the work of Inspectors, Grade I, but what did he say of the Asian Chief Inspectors—that they were all literate and competent to do the work of the new Chief Inspectors. Now, what I understood was that these African Chief Inspectors were promoted by the Commissioner himself and, during the inquiry of the Commission, were already Chief Inspectors for several years, and I believe they were performing efficient service. I want to ask Council to tell me whether people who were fit to be Chief Inspectors when their salaries were low—when the salaries were increased they became unfit. Can anyone believe there is any logic in this at all? If this is merely



[Mr. Jeremiah] to economize, it is false economy, and I would request the Government to reconsider this position, because, Sir, when the African is at all stages, he tends to be considered as not up to standard of the other races, in spite of the fact that the work he performs shows he is equal—such attitude, Sir, is very highly provocative.

Now, Sir, with regard to the proposed increase in African Poll Tax, perhaps the Minister for African Affairs will tell us how many Africans are in jail every year for failure to pay Poll Tax, not because they refuse, but because they cannot do it due to circumstances beyond their control. He will agree with me perhaps that by increasing the tax we may not earn the revenue expected, but perhaps burden ourselves with more expenditure because, if many people fail to pay the tax, so many will have to be sent to prison, and the expense of keeping them will be met by the Government. Now, unless those people have to be employed or put into productive projects—I am not certain whether such has been the case—however, what I would suggest, Sir, is that the administrative people concerned in the Reserves should be asked to give consideration in seeing that whoever is not able to pay the tax is due to no fault of his own. Instead of sending him to prison he should be given time to pay the tax whenever he can, or let free, if he cannot pay.

In conclusion, Sir, I am afraid I cannot offer any suggestion as to what other sources of revenue the Minister should tap, because what I believe is that he is more acquainted with these matters, and he has gone through all these sources and found what he has suggested to us. What I wish him is Godspeed, and hope that he will succeed in his mission, come back to us with a reasonable amount of cash which will enable us to carry on with our ordinary development work. I would also ask him to tell the people in England that they should have no fear at all with regard to the future of Kenya. As soon as this tragic business is over, I am sure we are going to recover very rapidly—perhaps more rapidly than most people believe.

Sir, I support the Motion. (Applause.)

THE DIRECTOR OF AGRICULTURE: Mr. Deputy Speaker, Sir, I do not intend to take up very much time of the Council, but there are one or two matters which have been raised concerning my Department. I should first apologize to the hon. Mr. Mathu for being absent when he made his speech yesterday, but I am quite sure I can rely on the accuracy of the *East African Standard* to report what he said.

I understand he raised his old chestnut of cash crop policy and repeated his view that the African should be allowed to go the whole hog. I think this will be the third time I have replied to the hon. Member to this question in this Council, and I have suggested on each occasion that, if he can find any fault in the Government's reasoning for the policy laid down, I would be only too pleased to discuss the matter with him and consider his views. In the report laid on the table this morning, the hon. Member will find on page 13 a repeat of Government's policy on Cash Crop Development in the African Areas. I would also repeat my offer to him to tell me where he disagrees with the reasons for Government's policy.

On the question of the restriction in the number of trees an African can grow, there seems to be some difference of opinion between himself and the hon. Mr. Awori about the number an African can plant. They are both wrong! I simply repeat what I have said before—that is, that there is no restriction on the number of trees which an African can grow. The number of trees he can grow is limited by the availability of suitable land, and the capacity of the individual to manage trees properly.

With regard to the Central Province—in which I should imagine the hon. Mr. Mathu is particularly interested—the increased planting of coffee has been very considerably hampered by Emergency conditions, and by the Kikuyu themselves, who have uprooted and destroyed nurseries some of them containing up to 30,000 plants. They also attacked and destroyed coffee co-operative factories, and I think you will agree with me, Sir, that in these circumstances my field officers cannot have very much enthusiasm at the present moment for accelerating coffee planting in the Central Province but, at the same time, we do propose—and have gone halfway towards it—we do propose

[The Director of Agriculture] to plant an additional 1,000 acres in the Central Province this year.

In my own opinion, Sir, the first duty of my Department is to ensure the food supply of the people of Kenya. I am convinced that that policy is correct, and that cash crops must be developed as part of a balanced system of farming, a system which will ensure first of all the food supply of the people. In this connexion, I am sure it will be of interest to the hon. Mr. Jeremiah, if he does not know it already, that the Teita African District Council recently got alarmed at the emphasis laid on cash crop development, and passed a resolution that food crops must come first and cash crops second.

The hon. Mr. Awori referred to the possibilities for increased agricultural production, particularly in the Nyanza Province. I agree with him entirely, and if he studies the report laid on the table this morning, he will see that we have set what I consider to be quite an ambitious—but at the same time quite possible—target for increasing the African production of cash crops in Kenya generally, and in particular in the Nyanza Province. As I say, we have set ourselves an ambitious target, and two factors must operate before we can achieve that target. The first is that we must be provided with suitable staff to supervise and encourage the development, and secondly we must have the full co-operation and the will to work of the people concerned. (Applause.)

LT.-COL. GROGAN: Mr. Deputy Speaker, Sir, custom seems to have developed in this country the assumption that it is incumbent on everybody on this side of Council on this annual occasion to perform his little song and dance, and therefore, even at the cost and waste of time and public money, I suppose, on behalf of my constituents, it is incumbent upon me to try out my little three-step.

In turning to consideration of this day-dream—which by courtesy we call a budget—(Laughter.)—I find that the first thing I have got to say is the most sincere congratulations to the author who, with his accustomed skill and nimbleness of an ill-omened gnome, dances through the tangled jungle of arithmetic, more especially because a further complicated and kaleidoscopic manner is required because

of the millions—odd millions of sterling—which keep on hopping in and out of the picture with the same sinister significance, and the same ethereal substance as a leprechaun in an Irish bog.

Coming to the details, which I do not propose to waste much time on, which require attention—among the first items which attracts attention is this cost of the Royal Air Force. Now, probably, I can say without any chance of contradiction that I have spent a very much longer time in the forests of Kenya than anybody, even in the present Forces, because I spent several years in them, and I find it quite impossible to believe that bombing bamboo forests is going to have the slightest significance on anything at all, except possibly in the first instance on elephants, because I cannot imagine a more complete and perfect blast-amberly than a bamboo forest, which merely gracefully sits down and then springs back into shape, and any intelligent Kikuyu who happens to wander up in those dismal spheres has only got to light a little fire, so that a small spiral of smoke emerges from the top, and a lot of intelligent young gentlemen mark it down and go and drop a bomb on it, while the Kikuyu is sitting half a mile away peacefully having his supper. (Laughter.)

I remember in the first world war, Sir, we thought we were going to defeat the German *askaris* with the assistance of some 'planes which we managed to get out here with great difficulty. With still greater difficulty we managed to launch them into the air. We had one or two or three flights—I forget how many—but on the first flight we dropped a bomb on the African trenches. All the Africans jumped up and ran away, and then they thought about it and sat down in a huddle. They said: "Oh, this is only a new sort of bird relieving itself". After that they paid no further attention to them whatsoever.

Now, it seems to me they may of course have—undoubtedly, as we were told today in this long recital of the merry military happenings which we are paying for—that from a matter of locating camps outside the bush and dropping bombs. Of course they may have, and undoubtedly do have a utility, but it seems to me that the whole thing is out of all sort of relation to the real military operation. The expense is terrific, and I think



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that it requires the most serious consideration because in my opinion—gained by a lot of experience—if you want to drive the Kikuyu out of the forests, the only thing to do is to study the habits of the elephant, and you will find that the elephant—and doubtless the Kikuyu—will come out of the forest as quick as lightning as soon as the forests get wet with rain: and I think you will probably find that the rain to-day is being a very much more effective factor than any degree of expensive bombing.

MR. MATIU: They have tents in the forests.

LT.-COL. GROGAN: Now we come to another matter—of personal tax—which I think does require very careful reconsideration. We have got to remember that £120 a year represents Sh. 6/8d. a day, or thereabouts. Now, Sh. 6/8d. a day is not a very splendid figure for a respectable old lady with European traditions to live on, and it is quite obvious that even the most trifling extraction from Sh. 6/8d. per day amounts to—really one can only describe it as brutal treatment, and that leads one to the consideration of this prevailing atmosphere in this country where people talk about non-racial measures to deal with a multi-racial state. Well, now, surely the two things are confusion of thought and can only derive from cerebral rigidity on the parties concerned or from sheer blatant hypocrisy—and I can never quite make out which it is, because I always thought the principle of taxation was to try to achieve some sort of equality of sacrifice. Now, you take an elderly European woman, brought up under ordinary English traditions. She cannot go wandering about the streets of Nairobi in a goat skin, like some other more fortunate and more privileged fellow citizens can do. (Laughter.) Probably she would provoke the attention of the Police. And the same thing applies to a certain extent to a very large number of our still more favoured fellow citizens who have come from the East, where Sh. 6/8d. a day is an unbelievable—Elysian—achievement. If you are going to try to apply these things non-racially, then obviously there cannot be any sort of equality of sacrifice, and I think that it really does require very careful consideration from my hon. friend, the Minister for Finance.

One of the other points I want to turn to is this iniquitous coffee tax. If I remember rightly, on the last Budget occasion I suggested to my hon. friend that I had a nasty suspicion that he was allergic to the very word "land", and I urged him with all the seriousness I had at my command to choose these last six months to make a study of the structure of the agricultural industry which, of course, is profoundly different from any other form of human activity. I am afraid he has not taken my advice. If he had, he would have found out that undoubtedly an export tax on coffee may have wildly different effects on different citizens. It may well be that one plantation—it may be a small one—or it may be one full of antestia—or may have missed rain—some may have a small crop—selling at £500 a ton, and it may actually be making a loss, but on the other hand one may be more fortunately situated and may be making a very handsome profit. If he wants to go and pick out the first indication of any industry in the country showing some prospects of prosperity—some signs of righting itself after years of loss—the coffee industry has suffered—nobody knows it better than I do—then quite obviously he ought to have applied it in the form of a special income tax on coffee growers, then he would have had some measure of equality of sacrifice in it. If he had come forward with that suggestion—not only adding to income tax, but also putting an additional income tax on coffee growers because they are growing coffee—I think even his ghoulish soul would have recoiled at such an iniquity: and therefore I am sure when he really sits down and thinks of the implications, that he will reconsider that iniquitous thing.

With regard to the matter of revenue, we have heard a large number of suggestions as to how to increase revenue. I listened to them as attentively as I could. They all seem to take the same shape. All Members suggested a super taxation of everything they do not eat, drink, wear or use—(Laughter.)—whereas, all people in this country have entirely different habits—drinking, eating, wearing, using, and obviously these propositions could not have been a very useful inspiration to my hon. friend opposite; but there are certain points we ought to make on revenue. I think that there has been a tendency to regard this—or I think my

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hon. friend opposite has regarded this—as a country that ought to imitate the old country sinking rapidly under the weight of its welfare state—a welfare state pulling England into the mud, and it is quite obvious that England, after 2,000 years of accumulated wealth, is hardly the right example for a primitive country like this to choose, and I think my hon. friend ought to realize that, under the stress of these times, the sooner he gets rid of the idea of a "welfare state" complex, the more likely he is to get on solid grounds.

To my mind, and I know it is a fact, a great many of these services really represent a heaven-sent haven to spongers. There are a large number of people in this country, you have only to watch them having their dinners, what they drink and so on, whose children are in the hospitals and whose children are being taught and they are not paying any sort of proportion towards the cost of these services. Now those people can only be regarded as spongers on the ultimate analysis and therefore I think you have got to go back on the revenue lines. I do hope that the hon. Minister will get away from the idea of a welfare state and that people should not pay for the privileges they get. After all people who have a certain amount of surplus have nothing to do with the surplus children of other people, and if people cannot educate their own children, or look after them, they ought to be a little more careful in their domestic habits and not have quite so many, and more especially when we come to the recent condition—that of a bankrupt state rapidly becoming a kept woman of England. It is all very well to ask for substantial contributions to the actual dealing with the Emergency which as many speakers have already pointed out, is largely the result of the curious people who guide the destiny of the world in England to-day, but it is quite improper for us to suggest for one moment that we should ask the harassed English taxpayer to share the burden of educating our children and hospitalizing, the new horrible expression, of our relatives.

There is one other matter of revenue I want to deal with, a very small one but it is a significant one, and that is the tax on beer. Now beer is the food of men—(Hear, hear.)—a Coca-Cola, a Pepsi-

Cola and these various other loathsome inventions of mankind can only be described as the poison of infants. However, I think it is essential that the hon. gentleman should reconsider the relative merits of the food of men and the poison of babes. I was informed the other day that some ingenious gentleman was going to start a factory in Nairobi where he is going to bottle 9,000 bottles an hour of this iniquitous poison. Nine thousand bottles an hour at 10 cents a bottle is quite a little windfall which might even tickle the imagination of the voracious gentleman opposite. However, I have got one pat on the back to give him, and that is this—the matter of local loans which I think is a matter of vital importance. I give him every pat on the back I can for having carried the matter so far, but I would go a little further and remind him that the country to-day is full of puddles, pools of stagnant money and I have quite convinced myself, and I have a fairly wide experience of these matters, that he could get the use of very large sums of money indeed if he would introduce some measures of short-term paper free of income tax. Free of income tax has a vast psychological effect on people, and not only a psychological effect—but it (income tax) does, in fact, involve the most awful complications in their accounts and I think it would be a very, very great relief to trustees and business people in general if they had access to a short-term paper carrying possibly a lower rate of interest than you can borrow in London, free of these iniquities of income tax, and I am going to suggest to the gentleman also that convertibility and the necessity of convertibility at more or less the issue figure which I know he has well at the back of his mind could be very materially reinforced by making all that short paper good tender in satisfaction of any obligation by the citizen to the Government and there is nothing more certain in the world than under the progressive suction methods of the hon. Minister for Finance it would only be a matter of a comparatively short time before he found he had used all the capital money, and the gentleman who supplied the money had lost his scrip. So I do commend that, as a matter of consideration. Now I described this document in the first instance, as a day-dream; and I mean it because

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obviously this jungle of figures has got absolutely no meaning of any kind or description unless we have got some idea when and how there is going to be some termination to this Emergency, and it is quite hopeless, and I do beg the Government on the other side to get out of this *coute* state of mind that everything is getting better every day. It is nothing of the kind. In my opinion everything is getting worse and worse every day because the more successful these military flying pheasants are, the vultures, pole-cats, jays and magpies, creep out of the covert and the thing is getting spread all over the country far and wide. This poison is spreading and the more it spreads the more difficult it is going to be, and I beg Government most earnestly to look carefully through their armoury and see if they have not got some psychological weapon, some atomic weapon that if properly used, as in the case of Japan, the mere psychological shock might possibly bring this Emergency to a conclusion. Failing this I can see nothing but this country drifting deeper and deeper into debt and more and more people leaving it. I don't despair of this country! I am not going to leave it, nor are my grandchildren, but we have got to think of this country being to a very large extent dependent on not only the permanent settlers and farmers who are never going to leave, but also the transient elements, employees of oil companies, shipping companies and heaven knows what, and if you cannot restore confidence in those people then your revenues is going to evaporate and you are going to get deeper and deeper into the bog. Therefore, I earnestly beg Government to search their armoury to see if they cannot find that atomic weapon which I have every reason to know is there. (Applause.)

**MR. OKWIRY** (African Nominated Member): I do not think it out of place for a Government back-bencher to join hands in thanking the Minister for Finance for his very well made speech on the Budget. The first thing I would like to touch on, Sir, is the subject of "Operation Anvil". I would like to take this opportunity of thanking the Commander-in-Chief for the very successful operation which he carried out in Nairobi. (Hear, hear.) The other Africans,

apart from Kikuyu, Meru and Embu, are very happy, they can now put their heads above the water.

But, Sir, being an ex-Serviceman I would like to see after this operation all the security forces with fixed bayonets march through the forest and destroy the terrorists. Unless we do that I feel this Emergency is going to take a very long time which the Colony will be unable to pay for, and the country will go bankrupt. The only complaint I would like to make is a small one on "Operation Anvil" and that is that some of our very good African Christians, be they Kikuyu or Meru, but some of them very good Christians, were screened—one can imagine what they are facing now in detention camps. Some of them are Christians who refused, physically, to take the *Mau Mau* oath and I think I would like to take this opportunity to ask the authorities concerned to be very careful in future not to take Christians.

The next point is about the taxation in general. As far as it affects the Africans in the reserves—any intelligent African knows that we want money to pay for the Emergency, but at the same time the Africans round the lake where I come from do not understand it at all. They can only see an increase of Sh. 2. They say that they are only paying for somebody's mistake which is quite true. Unless we do some propaganda to convince them I am afraid it is going to cause trouble. I think the Kikuyu, Meru and Embu should pay more. I don't mind if they pay Sh. 50 a head. The mistake in this Colony is theirs and they must face it. At present, Sir, I just want to give you some figures which an ordinary African in Nyanza pays. If he is called upon to pay Sh. 8 he will pay Sh. 8, plus Sh. 10 District Council rates, plus Sh. 2 local rates, which brings it to Sh. 30 a head, I am quite sure that is a very big amount for the ordinary African who depends on nothing but his *shamba*.

At this juncture I would like to touch on the graduated tax. I think it is very high time the well-to-do African and our African leaders opposite should pay something more than the ordinary African. I do feel shy myself to pay Sh. 18 and my orderly pays also Sh. 18. I think it is time, very high time, we paid something more than the ordinary Africans. (Hear, hear.)

[**Mr. Okwiry**]

That is all I have got to say about taxation.

Now, Sir, some other Member mentioned the loan to African traders, a scheme which was introduced for the Nyanza traders. Well, it is very easy to say that it is delayed but all those concerned had to go through some formalities and I know in my own district that the D.C. is very anxious that the scheme should be put into operation as soon as possible but one of the things which delayed the operation was that the A.D.C.—African District Council—Nyanza Province had to vote some money as their share towards this scheme. I am not giving way. (Laughter.) Some of them only did this last month—we have to go through formalities to get applications, place them before the Board or the District Council to study the applications first because we cannot give the money to bush lawyers and we have to be very careful—(Hear, hear.)—then my friend can say what he wants to say afterwards. (Laughter.)

But this time they are not going to have it.

Now, Sir, the last thing I would like to mention is the question raised by the hon. Member for the Coast, Mr. Cooke. He mentioned the difference between the travelling allowances for North and Central Nyanza. It must be realized that North Nyanza for a district is a much bigger district and it has got two sub-districts outside, whereas Central Nyanza has not got sub-districts outside, therefore the officers stationed at those sub-districts do more travelling but they don't sleep outside—they come back to sleep in their homes. Therefore the figures are greater than Central Nyanza.

With those words I beg to support. (Applause.)

**MR. AWORI**: The point is that I am glad the Minister for Legal Affairs is here. If I may repeat what I said before, his colleague, the D.C. said that—put the blame on the A.G.'s office in regard to delays with this scheme—it had nothing to do with the A.D.C. I rang up the District Commissioner this afternoon.

**MR. MATIU**: In view of the attitude the hon. previous speaker adopted of not giving way when I didn't want to interrupt him until he had finished: he said

the Kikuyu should pay Sh. 50 but ordinary tax in the districts brings the sum to nearly Sh. 60 a head.

**MR. OKWIRY**: Truth alone shall prevail in this world. (Hear, hear.) The hon. Member, Mr. Mathu, should not be in this House at all, he is supposed to be a leader of the Kikuyu tribe—who is he leading—those fellows in the forest?

**MRS. SHAW**: Mr. Deputy Speaker, Sir, may I add my contribution to the chorus of congratulations to our new Minister for Finance on his very able exposition of the financial position of this Colony. I am afraid I must belong to that class of persons, however, to whom my hon. friend, the Minister for Commerce and Industry referred with such scorn in his voice when he said that they could not realize the plight of Kenya, for I, too, did find the Budget Speech a trifle long. Perhaps that was the intention—

**THE MINISTER FOR COMMERCE AND INDUSTRY**: Mr. Deputy Speaker, Sir, on a point of order, the hon. and gracious lady quotes from my speech—if she cares to look at the *HANSARD*, she will not find those words there!

**MRS. SHAW**: Mr. Deputy Speaker, Sir, I believe the intention was the same, I may have phrased it slightly differently.

Now to turn to another intention, I feel perhaps the Budget Speech was as long as it was and that was the intention of the hon. Minister for Finance, because by the time we reached his proposals for the new taxation, I found my mind was so numbed by the impact of so many told—and as we now realize, so untold—millions, that I could not realize the full significance of the new proposals. Mr. Vasey now fulfils a dual role in a rather Gilbertian manner for, as Minister for Finance, he has to find the money and impose taxes and as Minister for Development, he has to try and save himself from himself and must say that he fills the role extraordinarily well and in fact, I would venture to say, almost as well as "Pooh Bah", that versatile functionary! For he had a formidable task, to find fresh fields of taxation which would not endanger the flow of capital which is so essential to this Colony, to this young and developing Colony. I submit, Mr. Deputy Speaker,

(Mrs. Shaw) that the hon. Minister has succeeded with his usual ability—some people would say with his usual agility—for the taxation is cleverly designed and it is equitable and fair, to my mind, with one exception and that is a big exception. For with the tremendous increase in personal tax of over 200 per cent, I feel that far too much of the burden of this Emergency has fallen on the European and Asian communities and far too little on the people who, by the disruption of law and order, are responsible for slowly bankrupting this Colony. We have been told that the reason for this increase of over 200 per cent is that this tax is designed to catch the income tax evader. If that is so—

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** Mr. Deputy Speaker, with all due respect, this has happened already once before. The hon. and gracious lady must not put into the mouths of speakers on this side words they have not actually ever used.

**MRS. SHAW:** I did not!

**THE MINISTER FOR COMMERCE AND INDUSTRY:** Mr. Deputy Speaker, Sir, would you give a ruling on the fact that on two occasions Ministers have been quoted as uttering words which a search through HANSARD will prove neither hon. Minister used?

**MRS. SHAW:** I did not put the words into any particular Minister's mouth. I did not mention any particular Minister by name, in any case—

**THE MINISTER FOR COMMERCE AND INDUSTRY:** Excuse me—

**MRS. SHAW:** I did not. I did not mention any particular Minister by name but if he has a guilty conscience and the cap fits, well! (Laughter.) (Cries of Order!)

**THE DEPUTY SPEAKER:** When an hon. Member purports to quote or refer to the speech of another hon. Member, it is that former Member's responsibility to be accurate and, as I understood the hon. and gracious lady on this occasion, she made a reference or two references to what had been said in previous speeches but I did not understand her to quote or to purport to quote precisely. She may

have been under a misapprehension as to the substance of the particular speech she was referring to, but I did not understand her to quote and if she has misunderstood the substance of any previous speech, I am quite sure she will be prepared to withdraw.

**MRS. SHAW:** I was not referring on this occasion to any speech made in this Council. If I may repeat, on a point of explanation, the words I have just used—I said we had been told—I did not say who by or in this Council—we have been told that the reason for the 200 per cent increase in personal tax, of over 200 per cent—or been given to understand the reason—that it was designed to catch the income tax evader. I did not say who said it, when it was said or where it was alleged to have been said.

**MR. COOKE:** It was I who alleged that it was a Government dodge of trying to get the tax out of the Indians! That is what I understood the hon. and gracious lady was referring to when she made the remark. (Laughter.)

**MRS. SHAW:** Well, if I may be allowed to proceed with my stormy passage, Mr. Deputy Speaker, Sir, may I say that I believe that that was the purpose behind this tax. I myself believe that I am allowed to make that statement; I think, and if so, I would like to suggest that the increase—and I may say this is a view which is widely held throughout the Colony—the increase should be offset against the payment of income tax, as indeed, I believe Sh. 100 is being allowed against the payment of 75 cents per pound surcharge of taxable income of over £100 and more.

I do not intend to make any plea for taxpayers of my own sex because we have been assured yesterday that the soft corner of the heart of the hon. Minister of Finance—if he has one—is already full of married women and now is overflowing with the single ones and widows, which were added, on the pleas from this side of the Council to-day. But I would like to make a very special plea for the aged people of both sexes of this Colony, who are very hard hit by this tremendous increase in this personal tax. I am all for catching the income tax evader, be he African, Asian or European, but I could not support the tax which would

(Mrs. Shaw) victimize an honest man and which also will place the burden very heavily on the community which is already bearing the brunt of this Emergency.

I would also like to say a word in common—

**THE MINISTER FOR FINANCE AND DEVELOPMENT:** Mr. Deputy Speaker, Sir, on a point of order, with all due respect, if the hon. and gracious lady will just read a passage a bit earlier on, she referred to the Minister for Finance and then said "We have been told —". I made no reference to tax exaction in my speech.

**THE MINISTER FOR COMMERCE AND INDUSTRY:** On a point of order, Mr. Deputy Speaker, Sir, the hon. lady did refer to the Minister of Commerce and Industry and then went on to quote—

**MRS. SHAW:** —with other hon. Members on this side about graduated African poll tax. I was glad to see that the hon. Member representing African interests supported the proposal in principle of that very excellent report on graduated poll tax, of which he was a signatory. I only hope that he will do in practice what he said in principle, because I cannot believe that the cost of collection will outweigh the benefits nor do I believe that this is the opinion of the majority of the administrative officers, although it would certainly add to the work of the administrative officers in the field. I believe generally also that the majority of the African community would support a graduated African poll tax and I know of one African District Council which has already proposed graduated forms of taxation as the only equitable form of rating.

But on one point I find myself in agreement with the hon. Mr. Mathu for I do not think it has always been realized that the Africans pay for a great part of their public services. By accepting rating and in many cases they have shouldered their responsibilities in the local government system in a far greater measure than some of the European District Councils. I see I am going to get into trouble again, this time from the hon. Minister for Local Government, so I shall have to be very careful. I would like at this point, for I believe in the African

graduated poll tax, to congratulate the hon. Mr. Awori on his very excellent and factual speech. But although the Africans do pay a large proportion of their rates, that does not alter my belief that the African graduated poll tax is the most equitable form of taxation for the African and I ask the Minister for Finance to consider the introduction of something on the lines of that excellent report.

Last year the majority of my colleagues opposed the principle of the export tax. As I consider it to be a very unsound form of taxation. I still oppose export taxes in principle, although I do admit that with the high rises pertaining to-day, nobody can claim that coffee from the high-producing areas cannot stand an export tax, but, Mr. Deputy Speaker, you will notice I say the high-producing areas because for coffee in the districts west of the Rift, the picture is not nearly such a bright one.

**MR. DEPUTY SPEAKER:** Council will now suspend for fifteen minutes.

*Council suspended business at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock.*

**MRS. SHAW:** Mr. Deputy Speaker, you will note that I say in high-producing areas east of the Rift—for in the coffee district west of the Rift the picture is not so happy. Here the planter has just emerged from a slump, to be faced with failure of crops over two bad years caused by drought, on top of this they have to contend with a lower yield in these coffee districts and higher costs of production. For it is a well-known fact that whereas the average yield from coffee-producing districts east of the Rift is about five hundredweight to the acre, west of the Rift it is as low as three, and often lower. Add to this haulage by road and rail which puts up the cost of production and you will realize that the lot of the growers which the hon. Member for Trans Nzoia and I have the honour to represent is not nearly such a happy one.

I should like to ask that some consideration be given to this point. For whereas the Coffee Board decided that yield and not acreage should govern voting powers, some years ago, so surely yield should be taken as a guide to taxation. A graduated tax on tonnage has

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also been suggested, as well as fixing floor prices, below which tax would not be levied. All these suggestions and, no doubt, many more, will be laid before the hon. Minister for Finance and the Coffee Conference next month by people much more able to deal with the situation than I am. For although it is recognized that the coffee industry must bear some burden, it is felt that to introduce such a high rate of taxation on gross receipt, unaccompanied by any relief, is extremely unfair.

No one can understand why soft drinks of the cola classes have escaped. I would ask the Minister to turn his attention to them. Perhaps I am old fashioned, but I deplore the spread of the "coke" habit from America where the babies go straight from feeding bottles on to "coke". It may well be called by the hon. Member for Nairobi West "infant poison". I deplore the spread of this habit from America, via Britain, to Kenya. It is a most pernicious habit as I know a young girl in her teens who always goes visiting accompanied by her favourite brand of "coke". Sir, I would have thought that such a tax, as well as providing a large source of revenue, might force parents to limit their young to a bottle a day!

I do not agree with those people who say that other tribes should not be taxed to pay for the ravages of *Mau Mau*. For I believe that the African community as a whole must be taught the lesson of the collective responsibility of the good citizen. All sections of the community should help to pay according to their capacity. I know full well that economic sanctions are being, in some cases, imposed against the Kikuyu. We heard— from the hon. Member Representing African Interests—his plea for the Kikuyu trader in Nairobi. I understood him to say that many innocent people have suffered from "Operation Anvil". They have, and before "Anvil" too, but for the most part they were not Kikuyus. It has been stated that 93 per cent of the Kikuyu have dabbled in *Mau Mau* and that Nairobi was the centre from where the direction came. If that is so, and I believe it to be true, Mr. Deputy Speaker, it is hard to reconcile the hon. Member's plea with the fact, I still feel that the Kikuyu tribe, as the people

responsible for bringing our Colony to this tragic pass, could and should pay more than the 10 per cent rise on their levy of Sh. 20.

The Minister for Finance has exhorted us all to save our candle ends, but I would suggest that he might profitably follow the excellent example of the Housewives' League and turn his attention first and foremost to Government departments where there is still evidence of a certain amount of wastage of money, men and materials by inefficiency, over-lapping and lack of co-ordination, and in this connexion I would like to ask him if Colonel Asher, who was appointed over a year ago to report on the efficiency or otherwise of Government departments, has gone to ground in the Treasury or is still bogged down in the Public Works Department? And for an assurance that his report will be published, and published shortly.

Secondly, I would ask the Minister to raise his eyes from the warrens of Government departments to the heights of the Emergency expenditure where the sky seems to be the limit—for I cannot believe that the shattering sums spent by the Air Ministry would not have borne more lasting fruit if they had been spent on the enlargement of our police force or on enlisting more young men as District Officers for the Kikuyu Homeguard.

This brings me to the contribution of Her Majesty's Government. We are, indeed, grateful, not only to the British taxpayer, but to Her Majesty's Government for their financial assistance, though we could often wish that there was more sympathy and understanding with our troubles shown by our kith and kin in the mother country. But as far as Her Majesty's Government is concerned, surely the parent must accept responsibility for the child as long as he rules that child and I would also venture to add that it is only just that Her Majesty's Government should help to pay for a situation which has arisen, in part, and has certainly been prolonged by lax administration.

Although it has already been quoted in this Council, I should like to conclude, Mr. Deputy Speaker, by repeating the final sentence of the last paragraph of the Minister's Budget Speech which, although I found the speech a trifle long,

(Mrs. Shaw)

as I said, I did note with particular interest—it was where the hon. Minister was counting our blessings—that he said, "We have a growing group of people, uniting to place the welfare of Kenya first and foremost in thought and action"—I hope this time I have quoted the hon. Minister correctly. (Laughter.) "United" is the operative word, and I, for one, sincerely believe that if all citizens of good will unite, we shall, with God's help, weld our peoples into a nation which is the first step towards reaching the goal of a dominion.

So, while asking that the Minister for Finance will give his consideration to the constructive criticisms and suggestions put forward by the hon. Members on this side of Council, I reaffirm my faith in the future of Kenya by supporting this Budget. (Applause.)

THE SECRETARY TO THE TREASURY: Mr. Deputy Speaker, Sir, it is not my intention to discuss the high financial policy underlying the Budget and I am particularly glad that I did not so intend after hearing the heights to which the financial policy could go in the hands of my hon. friend the Member for Nairobi West. (Laughter.) My intention, Sir, is to discuss some of the questions which have been raised by the hon. Members on a lower level. Those matters are generally the presentation of the Budget and the accounts of the Colony.

First of all, I should like to thank hon. Members for the tributes paid to the Treasury on its work in presenting two Budgets to this Council during six months. The Treasury has heard, with some dismay, the possibility of a third Budget in a short time, but I tried to allay their fears by suggesting that this new Budget, I hope, will not be one of 250 pages, but a matter of one foolscap sheet of paper.

Points on the presentation of the Budget were raised by the hon. Member for Nairobi North and the hon. Member for Aberdare and I shall try to deal with the points gathered together where possible.

First of all I shall deal with some of the less important points raised. The first one is the discrepancy in the statement of assets and liabilities, referred to by the

hon. Member for Nairobi North. That, I would say here and now, is merely a printing error. All hon. Members of this Council already have an authentic copy of statements of assets and liabilities of the Colony in their hands; they were published some months ago and this reprint which is in the Estimates is for ease of reference. The mistake was due to an unfortunate transcription. I do not think any Member of Council, Sir, was in any doubt that we had made a short-fall of £1,500,000 in 1953. The thought of our having made a surplus to that extent does not, unfortunately, fit in with the Emergency expenditure.

I have been associated with the presentation of documents to this Council for a number of years and I have been very anxious that we should present them in such a way that they are fully intelligible to hon. Members. Obviously we cannot go into every detail which could appear in the accounts or build-up of Estimates, but we do try to give as much information as possible. In doing that—giving clear information—we have, sometimes, to make a decision on how to display certain figures and, I fear, that in our efforts to display figures to the maximum clarity we have become involved in the missing millions or the told and untold millions.

In drawing up the financial statements we were left with a possibility of including £4,000,000 or £5,000,000 as a credit from Her Majesty's Government. Under the pure Government accounting arrangements it is probable that £4,000,000 would have been the better figure to show, but as Her Majesty's Government intends that the £5,000,000 should be a reinstatement of the general revenue balance, we thought it appropriate to show the general revenue balance as including £5,000,000 coming from Her Majesty's Government; hence the missing £2,000,000.

It would, I think, be easier for most Members if we dealt with the short-fall for the years 1954/55, rather than the estimated position as at the end of June, 1955.

The hon. Member for Nairobi North took the strongest exception to a statement made on, I think, page 7 of the Estimates regarding contingent liabilities. The note reads that there are certain

[Mrs. Shaw] that the hon. Minister has succeeded with his usual ability—some people would say with his usual agility—for the taxation is cleverly designed and it is equitable and fair, to my mind, with one exception and that is a big exception. For with the tremendous increase in personal tax of over 200 per cent, I feel that far too much of the burden of this Emergency has fallen on the European and Asian communities and far too little on the people who, by the disruption of law and order, are responsible for slowly bankrupting this Colony. We have been told that the reason for this increase of over 200 per cent is that this tax is designed to catch the income tax evader. If that is so—

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**MR. DEPUTY SPEAKER:** Council will now suspend for fifteen minutes.

*Council suspended business at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock*

**MRS. SHAW:** Mr. Deputy Speaker, you will note that I say in high-producing areas east of the Rift—for in the coffee district west of the Rift the picture is not so happy. Here, the planter has just emerged from a slump, to be faced with failure of crops over two bad years caused by drought, on top of this they have to contend with a lower yield in these coffee districts and higher costs of production. For it is a well-known fact that whereas the average yield from coffee-producing districts east of the Rift is about five hundredweight to the acre, west of the Rift it is as low as three, and often lower. Add to this haulage by road and rail which puts up the cost of production and you will realize that the lot of the growers which the hon. Member for Trans Nzoia and I have the honour to represent is not nearly such a happy one.

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I have been associated with the presentation of documents to this Council for a number of years and I have been very anxious that we should present them in such a way that they are fully intelligible to hon. Members. Obviously we cannot go into every detail which could appear in the accounts or build-up of Estimates, but we do try to give as much information as possible. In doing that—giving clear information—we have, sometimes, to make a decision on how to display certain figures and, I fear, that in our efforts to display figures to the maximum clarity we have become involved in the missing millions or the told and untold millions.

In drawing up the financial statements we were left with a possibility of including £4,000,000 or £6,000,000 as a credit from Her Majesty's Government. Under the pure Government accounting arrangements it is probable that £4,000,000 would have been the better figure to show, but as Her Majesty's Government intends that the £6,000,000 should be a reinstatement of the general revenue balance, we thought it appropriate to show the general revenue balance as including £6,000,000 coming from Her Majesty's Government; hence the missing £2,000,000.

It would, I think, be easier for most Members if we dealt with the short-fall for the years 1954/55, rather than the estimated position as at the end of June, 1955.

The hon. Member for Nairobi North took the strongest exception to a statement made on, I think, page 7 of the Estimates regarding contingent liabilities. The note reads that there are certain



[The Secretary to the Treasury] contingent liabilities and there follows a list of some liabilities which are contingent and some which I agree may not be contingent, although I could not find, if I tried very hard, contingencies. The liability for widows and orphans depends on whether there might be a discovery of a new drug which may make men last longer than women in this life—(Laughter.)—and then the fund would remain forever solvent.

However, I remember well when this item was first included in the Estimates and I would like to draw the attention of Members to the reason why it was introduced. In 1942, the Standing Finance Committee which was dealing with the Estimates of the year 1943 and considering the financial position generally, recommended as follows: "The Committee considered that a note should be inserted against the item 10 in the Financial Statement on page 5 of the Estimates to make it clear that the following major contingent liabilities had not been taken into account in arriving at the general revenue balance." There, shown as the first of the major contingent liabilities, we see "Widows and Orphans Fund".

I remember well disagreeing with the Standing Finance Committee at that time, but as a junior officer of Government, I merely put into force what had been recommended by a body which contained no less a financial expert than the hon. Member for Nairobi West.

The hon. Member for Aberdare made a general criticism of the presentation of the Budget—the manner in which it was presented—but, unless I misheard him, most of his criticisms were, in fact, directed at the accounts of the Colony. I would say here that we welcome criticism and will use any criticism with a view to improving the methods of presentation so I would not like hon. Members to make there in the remarks I am going to make there is any resistance of ideas which will help to give a clearer picture to Legislative Council.

The Government accounting system is entirely different from the accounting systems used elsewhere. It is a simple cash accounting system. (Hear, hear.) (Laughter.) In its very simplicity we have very considerable trouble in training

qualified accountants to work it properly. (Laughter.) I find that a qualified man who comes into the Treasury has to spend two or three years before he fully understands—(Laughter.)—the advantages of this simple system. (Laughter.) And the curious thing is, Sir, that once he has found these advantages he becomes a very strong adherent to the system. I cannot expect hon. Members opposite to go to the Treasury for two years to get that necessary foundation in Government accounting; but I would remind this hon. Council that these professional accountants who find, after two or three years, that the Government accounting system is the right one for the job are supported in their views by a very powerful committee which examined the accounting system of Her Majesty's Government. That committee, which contained one incorporated accountant, one chartered accountant, a secretary who was a chartered accountant, the member of one of the most prominent firms of accounting in London and the Chief Accountant of Lever Brothers and Unilever Limited, and they were not without knowledge of commercial practice. That committee examined the accounts of the United Kingdom at great length and gave full consideration to the possibility of introducing into Government the ideas of commercial accounts. After their deliberations they reached certain conclusions, and I will now ask for permission to read several of the conclusions, Sir. They are—"The main Exchequer accounts and the framework of the appropriation accounts should remain on a cash basis". That is the simple Government cash system. "Where adequate records are kept there is no advantage in a continuous valuation of stores". Continuous valuation of stores is necessary if there is to be any introduction of commercial accounts. "We find no ground for the view that adoption of an income and expenditure basis would result in staff economies." We do not work on the income and expenditure basis. That is appropriate to commercial accounting. Adoption of an income and expenditure basis would involve the capitalization and depreciation of fixed assets which would encounter insuperable practical difficulties.

Now I think that most of the recommendations are on those lines but I

[The Secretary to the Treasury] would say that the report recommends schedules to accounts drawn up in Government's style to make them as clear as possible. We do believe that the cash system is the best system for Government accounts and we do believe that they could be amplified where necessary by giving details of how various assets, which are not recorded as cash assets, are valued. It probably misleads many hon. Members to look at the Estimates and find one page given to statement of assets and liabilities, that, as I said before, Sir, is for easy reference; but there is a very full volume of Government accounts which I think very few Members will have had a full opportunity to read. The volume of accounts goes to 250 pages, Sir, and I would commend to Members the volume for 1953 which will shortly be laid before them. (Hear, hear.)

The hon. Member for Aberdare suggested that we did not, in fact, have any balance sheets or statements of assets and liabilities in respect of loans. Well, if you look at the statement of accounts, Sir, you will see a statement in respect of each loan. The statement is amplified by considerable supplementary statements of detail in connexion with loans. Sir, the hon. Member for Aberdare also seemed to infer—and now I am rather reluctant to quote any words he has said as I am not sure of the position—(Laughter.)—seemed to infer that the Government took no steps to amortize loans. Well, I am admittedly rather disappointed because in my early efforts on the Budget last year I was allocated the head Public Debt and I attempted to hold the attention of this Council for about six minutes telling them what the Public Debt was. The Public Debt has to meet interest and redemption charges and, in fact, we have to make our annual contribution to Sinking Funds in respect of every one of our loans which is not covered by any ordinary repayment system or which is not covered by, say, the lending of an equivalent amount to another authority. The example of that is East African War Bonds where we do not amortize, in that Her Majesty's Government will return the money to us as soon as we have to redeem the loan in East Africa.

MR. SLADE: On a point of explanation, the matter I was referring to was paragraph (e) on page 7 of the Draft Estimates—"a sum in the order of £9,500,000 which would be required to be paid into the Sinking Funds in 1954-55 in respect of the Colony's portion of outstanding loans". The point arising is that in estimating the general revenue balance some allowance should be made for such annual contribution to Sinking Funds as would normally be made according to prudent financial practice. That was my point.

THE SECRETARY TO THE TREASURY: Sir, the statement on page seven indicated what would have to be done were we to become bankrupt, or were required to repay all our loans at this point of time. We have no intention of repaying our loans at this point of time, and we will, year by year, make contributions to sinking funds, which will be used to repay the loans when they fall due, or to repay them to the extent that they are not covered by conversions. It is the assessment of contingencies such as this which is, I think, slightly unsound and I feel that that statement which was, in my opinion, imposed upon the Treasury by the Standing Finance Committee, might well be adjusted or eliminated altogether.

Sir, I beg to support.

THE MINISTER FOR WORKS: Mr. Deputy Speaker, Sir, there are only two or three points to which I would like to refer, which have been raised by hon. Members opposite pertaining to the departments which come under my purview.

One of the chief points which was raised by the hon. Member for Nairobi South, was about the giving out of contracts by the Public Works Department which, in the long run, would result in greater economy. Now, Sir, I do not wish to take up the time of the Council at this juncture in dealing extensively with this side of the question, because later on, Sir, I will have ample opportunity to deal with all these questions which arise in my department. I would, however, say this, that quite often what seems at first sight to be a great economy, when it is examined at length we find that several factors creep into the question which do not make the scheme as economical as it sounds.

**[The Minister for Works]**

The same question and the same arguments apply to the standards of economy with regard to materials which must be used and whilst I agree, Sir, that one of the few and effective measures of reducing our costs, is the use of temporary materials which may last us perhaps, say, 20 or 30 years, and which will reduce the cost of our construction tremendously.

There are other factors, like the question of maintenance of these buildings which have to be accounted for, and a final decision is only taken after we see that the resulting costs and the costs of maintenance and the initial costs, do not vary nearly amount to the original cost of permanent buildings which would be pretty high in the first instance.

Now, Sir, there are two or three points about which also I would like to refer with your permission, Sir, and with the permission of the Council. One of the questions asked by the hon. Member opposite, was regarding the destination of Colonel Asher. I would inform him that he is bogged down in the Public Works Department at the moment, but as soon as possible we will release him for other departments after he has finished his investigations in that particular section.

Now, Sir, a great deal has been said about the coffee export tax and since it has been said by so many hon. Members opposite, I am sure that their contention is right. But, Sir, I would like to ask one question. Is it only a coincidence that while this outbreak against the export tax has come into being during the last two or three years when certain commodities have been taxed, is it without the knowledge of a lot of Members of this Council that an export tax on cotton has been existing in this Colony for the last 18 years? I have never heard a single argument against it in all these years. (Hear, hear.) Now, Sir, perhaps I think human nature being what it is, a certain amount of personal interest creeps into the protests which have been made from some sections of the Council.

There is, Sir, another question which I would like to touch on, and that is, Sir, that I must pay a tribute to the even temper of the debate which has been conducted here and the reasonable arguments, in most cases, advanced by the hon. Members opposite dealing with

various matters which affect the taxation structure of this country.

Now, Sir, I would like to say that on the eve of the departure of our Minister for Finance to England, it is of the utmost importance that this country, and its people, should show the world outside that we are prepared to shoulder as much burden as we can of the Emergency, and that only, Sir, will enable the Minister to get substantial help from the United Kingdom. I do not agree with the opinion which has been given in this Council that it is our right to expect the United Kingdom to help us. I think, Sir, that whilst a certain amount of responsibility lies on the mother country to come to our help, it is only by her graciousness that we can expect that help and to say that she must contribute the entire cost because she is responsible for the position which has been created, I think is a bit of an exaggeration.

Sir, finally I would like to say this. It was an unfortunate thing that from some quarters, a view had been expressed that even the confidence of the people in this country is being shaken in the future of this country. I, Sir, was born in this country and I hope that I and my grandchildren will always live here and, Sir, in spite of the trials and tribulations through which we have passed, I have not the slightest doubt that given a free choice, I would choose Kenya as my country and home, and I would not have the slightest doubt that after all these troubles, which I hope, Sir, will end very soon, this country will grow stronger and stronger and fit in the Commonwealth of the British Nations.

\*Sir, I beg to support. (Applause.)

Mr. M. H. Cowm (Nominated Member): Mr. Deputy Speaker, Sir, I would like to contribute a few remarks on the way in which this Budget has been debated. I think it should be divided, if I may say so, into three main headings.

The first and most important is the Emergency expenditure which comes under one heading only of £8,000,000—hardly filling up a quarter of a page, which is otherwise blank, in other words is the allocation of expenditure under that vote, and relates more to the past than the future because it is in the nature of a blank cheque. So it must be because

[Mr. Cowm:] ... it is an operational requirement and it is not the kind of thing which can easily be debated in so far as future operations are concerned.

So far, in this debate, there has been very little reference really to the way in which the Emergency has been conducted in the past, except for comments here and there in regard to certain aspects of it.

The next group is the annual Recurrent expenditure which forms the next main block of expenditure and here I would like to put forward a plea. In the short time that I have been more closely associated with officers of Government, I do realize there is nothing more disheartening and more disappointing than for some particular project or scheme to be authorized by this Legislative Council and afterwards to be pruned down and the corners cut off so that it makes it almost impossible for those responsible to fulfil the scheme successfully. Most of the expenditure in this group results mainly from decisions already taken in this Council. It is consequent upon legislation being passed; it is consequent upon Motions being accepted. The only thing that is variable is the rate in which it expands. Therefore that is the only portion which is really challengeable and whoever challenges the rate at which that expenditure should expand, is challenging the rate at which this country should develop. It is therefore not feasible, in my opinion, to spend a good deal of time trying to cut up a piece of cloth, sew it up into a number of suits and then cut off pockets and corners and other things so that each suit in itself becomes almost unwearable. I would think it better to have fewer suits and make them fit the cloth.

On the question, Sir, raised by the Secretary to the Treasury, I would like to add a comment, as a professional accountant, on the accounting system adopted by Government. I have become converted, Sir, that the system adopted by Government is the only one that is really workable under the conditions. I would, however, Sir, say this. I think it would be profitable if there could be some way of devising a kind of carry-over balance so that although one is working essentially on a cash basis, it does not encourage spending departments to spend their entire quota before the

year is out. (Hear, hear.) Although one can contradict that and say it does not happen, but I would say it is human nature. If you are authorized to spend a certain sum of money within a certain period of time it is perfectly natural that you would endeavour to spend the whole of it before the time had run out. I believe, therefore, it would be profitable if there were a way devised of carrying over to some extent, unexpended balances so that the spending department could have some kind of priority on spending their balance in the following year and with that proviso, Sir, I still support the Government in methods of accountability.

Now, Sir, turning to the third group, which I think should follow in this order, I come to Revenue. This being a policy debate, I think it is the only opportunity when we can debate the actual heads of Revenue. Members on the opposite side have quite rightly criticized certain headings and endeavoured to offer alternatives, but there is one theme which I would like to underline and I am quite sure it has not escaped the notice of the Minister, and that is that we are at present facing very heavy expenditure. Whether you say it has resulted from previous years or whether you say that it will carry on for a number of years in the future, there is one thing you cannot avoid and that is that it is a penalty which not only people in this present year of grace carry as a responsibility and I would therefore strongly recommend to the Minister consideration of the advantage of borrowing more money, however that may be achieved, so that the burden can be spread over a greater number of years. If that could be done, I predict that people in the future would eventually turn round and see that there are virtues in the difficulties which we are at present passing through. There is virtue in everything, however bad it may seem, and I think it will come, even in my lifetime, that people will turn round and say, "We learned many lessons and we gained many advantages by our tribulations". For that reason I feel that those generations that are following, or even people that are following in a decade, should have to contribute to the expense with which we are now faced and that is the argument, Sir, for greater money borrowed—instead of loading the

[Mr. Cowie]

public with taxation—to help contribute Revenue for our present costs.

Reference has been made, Sir, to the contribution which should be made by Her Majesty's Government. I think that here is the opening, that if Her Majesty's Government could assist us—to go behind that ceiling of borrowing powers, that is where we really would derive assistance. For once we can go over that ceiling and borrow more money overseas, we can spread the burden of obtaining this revenue over a longer period.

With those comments, Sir, I beg to support.

LADY SHAW (Ukamba): Mr. Deputy Speaker, Sir, I am not going to keep the Council very long. I only want to touch upon two points in particular. It will not surprise the Council to know that the first of those is the matter of export taxes. Now, Sir, I do not regard the coffee tax—the proposed coffee tax—as in itself as bad as its forerunners, the export taxes on cotton, sisal, hides and skins and wattle. I had not any idea that cotton had suffered an export tax all these years, until I heard it across the floor of this Council to-day. I regarded those export taxes as having been imposed a couple of years ago with the object of boosting the capital balances of this country for the purpose of development. From that point of view, I regarded them as entirely iniquitous and unjustifiable. These industries should make their contribution to the general revenue of this country through the proper and recognized channels of income tax, super tax and company tax. Individuals should not be forced to make contributions to the development of the country at large from their earnings. Irrespective entirely of their individual financial position. That, Sir, shows in my view anyway, why those old taxes should not remain with us, and I myself am convinced that the Minister for Finance does not approve of them himself. It is not very long ago that when he was introducing a Budget—though in those days he was not the Minister for Finance, he had the same, or much the same functions—but his title was not so magnificent—he remarked, when he

introduced those taxes—and I hope I am quoting him correctly—that he regretted that he had to continue those taxes. I am sure he regretted it, and he was right to regret it, but I would like to point out that when he continued them, he was already under pressure due to events in the Colony. Already expenditure was going up as a result of the Emergency.

This new tax, Sir, has one justification, and one justification only, and that is that this country feels that it has got to explore every avenue for the raising of money and that—I would never like to use the expression that, "desperate circumstances require desperate remedies"—As I do not consider the state of this Colony desperate, or anything approaching desperate, but I do consider the actual avenues for finding the necessary money are difficult—I should continue the quotation to explore, but, at the same time, I cannot find any justification for that form of tax in principle and I oppose it in principle. I dislike the suggestion of a floor price for it, for exactly the same reason. The moment you suggest a floor price for a tax, you suggest it is permanent. This tax must not be permanent. I would ask the Minister for Finance to assure us that the tax will be imposed for this year, and will be reconsidered at the end of that time, and there will be no question of its being regarded as a permanent feature in the financial set up of this country.

My second point, Sir, is the Emergency. I am joining that large number of speakers who have spoken on the Emergency, and among their numbers, Sir, is the hon. Member for Rift Valley. Now, I would like to congratulate him upon his speech, I almost regard it as a maiden speech, but I should hate anybody to think I had the wrong idea about maidens. (Laughter.) It was in fact his maiden speech from that side of the Council. It struck me as extremely lucid and I would like to do a thing, which I dislike doing more than I can say, and that is to congratulate a person on his speech. I think there is a certain presumption in this congratulating people upon speeches which they have made much better than one could possibly make oneself. I was interested in everything he had to tell us, and I congratulate him on the way he did it.

[Lady Shaw]

"At the same time, Sir, I would like to raise one point, and one only, on the Emergency and that is the reason of its cost. Now the cost of the Emergency is due to all sorts of factors, but I am absolutely convinced that the cost of the Emergency can, to some extent, be controlled by proper supervision and economy, and when I say economy, I do not mean cheese paring. I mean sufficient supervision to prevent waste. We all know, Sir—and I do not suppose there is a Member in this Council who has not seen it with his own eyes—the deplorable waste which goes on in this country at the present time. Jobs for the boys, jobs for the girls, jobs for the old boys, jobs for the old civil servants, jobs for practically everybody, and there is arising in this country something very like a vested interest in this Emergency, and I myself, Sir, deplore that, and I do believe that it can be prevented by watchfulness and, to some extent, by putting it up to the country itself to put its own house in order. It can really be regarded as a crusade. Let us spend our money when it has got to be spent, but do not let us waste two of the most valuable things we have got—our money and, even more so, our manpower.

We are wasting our manpower. There are men in jobs which are unnecessary. They are paid highly, and they are not only wasting their own time, they are wasting a lot of other people's time and I, Sir, deplore this state of affairs. If we could put back into circulation, so to speak, back into commerce and back into agriculture, some of the young men at present employed on the Emergency, and put back into the jobs instead of them some of the people doing jobs which are a pure waste of time, we would save money and men. I ask the hon. Minister for Finance—and I am perfectly certain I am giving him something he would like to do—to perhaps preach this crusade. There have been other people who have preached crusades, but I can think of no one who could do this better. Preach this crusade of wise spending, do not let us call it economy—that word is so fallacy and badly used—wise spending, and the control of waste.

I beg to support.

MR. USHER: I think, Mr. Deputy Speaker, I am the last man in! (Laughter.) The present debate has been a moderate and interesting one and it has the proper character of a Budget Debate, that is we do not expect to induce any penitence in the hon. Minister, who has inflicted taxation upon us, but we do hope to give him our suggestions and also to give to the whole of the administration certain lines which we feel they ought to follow. In a sense, we are writing or hoping to write or collate the Budget for next year. With, of course, the difference of opinion on certain disputed items here, it is only too clear that the Minister is in a very strong position.

I should like to make a few observations, Sir, first, in regard to taxation as everybody else does that it is not, of course, our business here to suggest new taxation but as so many hon. Members have done so I feel that I must comment upon the suggestions that they have made. First of all, perhaps I ought to comment upon the major indiscretion of my hon. friend, the Member for the Coast. I had expected from him in view of the Emergency the surge and thunder that one might expect on these occasions. But I expect he is reserving it for a future debate. The major indiscretion was, of course, in saying that this country was capable of further taxation. Sir, not with the present population, and with the distribution of taxation as it is to-day. Now, there has been some reference to a commodity called, I think, soft drinks. (Laughter.) I deplore such expressions in this hon. Council, Sir, and I prefer the nomenclature adopted by the Commissioner for Customs—non-alcoholic beverages. (Laughter.) Now, I do not know whether it was supposed that taxation of non-alcoholic beverages was a difficult matter. I know that there are many factories of mineral waters and so on, that it would be difficult to get hold of—who may not even have got their licences from the Medical Officer of Health—but, nevertheless, I should have thought that the collection of that taxation was an extremely easy matter, either through revenue stamps or the stamping of Crown corks or some such method.

I was astonished also to hear the suggestion that cosmetics should be taxed, because cosmetics, Sir, are already 60 per cent. This is a bleak period through

[Mr. Usher] which we are passing; let us at least keep our women colourful and fragrant. (Laughter.)

Graduated poll tax. Of course, I can quite understand the Minister's point, which has not yet been made—(Laughter.)—that manpower at the moment precludes such collection. Of course, this thing has been going on for some years now—the talk about it—and all the argument before was that you must prepare the recipients so that they should know exactly where they stood and what they were facing. The preparation I suppose has taken place but now we have not got the manpower. But I do urge Government in all seriousness to introduce this as early as possible. It will not be nearly as unpopular as they think. Now I heard also the unfortunate suggestion that beer—and excise duty on beer, local beer, should have been imposed. Beer has suffered very severely, and it is a new industry in this country. I would deplore any such suggestion. The same remarks apply to tobacco—local tobacco. Now let me turn to the Minister's own proposals as to personal tax. Now, for instance, I feel that the governing factor in this is that section which empowers the Commissioner of Inland Revenue, by delegated powers from the Governor, to remit tax in suitable cases. I do make this appeal to him, though he is not in the Council perhaps, to interpret this section with the greatest humanity. Perhaps the Minister will not like too much humanity; nevertheless, I would still urge it. (Laughter.)

May I now refer to a speech—a maiden speech—really a maiden speech—made by the hon. Member, Mr. Gathani, whose knowledge of trade and economics is well known. I think I ought to apply to that speech, the words that were applied by Sir Winston Churchill to the speech of Sir Alan Herbert, then Mr. Herbert, in the House. "His maiden speech—maiden speech! It is a very brazen hussy of a maiden speech!" And so it was. (Laughter.) He put forward—I am quite sure that he did very well in arithmetic at school—but he put forward the most astonishing suggestion that I have ever heard made in this Council. He added up two taxes paid by what he called the rich and one tax paid by what he called the poor.

poor were making a greater contribution than the rich, because the total of the latter exceeded the total of the former. I do not know what to say of such argument. Then again, there was my hon. friend, Dr. Hassan, with his extremely interesting and constructive suggestions. What attracted me most was his remark that his community were thinking of setting up a hospital fund and if this iniquitous personal tax were imposed, they would find it impossible. Well, I am going to make one suggestion to my hon. friend and that is that he should try instituting a sweepstake—I think he would find rather more money coming in than would be willingly given to the Minister. (Laughter.) Now may I fire a shot across the bows by saying that when we have time to consider this I do seriously intend to consult with my colleagues with a view to bringing in a wide-spread sweepstake, perhaps Commonwealth-wide, for our hospitals, or one having even wider scope.

MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: It is under consideration already!

MR. USHER: I am glad to hear it! (Laughter.) In passing, I think I ought to make one remark upon the duty on alcoholic beverages. (Hear, hear.) Now, I do not think most people have raised any serious objections to the Minister's proposals but what dark cloud obscured his usually clear vision to make him put an extra duty on wine? We shall be having it on bread next. Wine and bread are the proper food of Man. In one discreditable period of our island story we unfortunately did that thing at Home. We killed wine and brought in gin and such-like and wine has remained far too highly taxed; it should have been reduced, as there are many who have now come to live in this country and to whom wine is their natural drink, who will have to pay another shilling or two shillings for their bottle of ordinary wine, which is already unduly expensive. I think, Sir, it is quite deplorable and I am going to say so. I hope he will think better of it and take it off next time. (Laughter.)

Now the coffee tax. I am not going to speak about it: it may be a bad tax, it may be a good tax, but one thing I think I know about it is that both that and the

[Mr. Usher] ditute. I should like to have an assurance that they will be so regarded.

I would like, incidentally, to remind the hon. Member opposite of what was virtually an undertaking, when these export taxes were introduced, in 1952, I think—that they would be applied solely to development. Now we hear, of course, that they are going into general revenue, and then heaven knows what happens to them. (Laughter.) We have not yet been favoured with the Gill Report which, I understand, has been in the hands of Government for some months now. I can understand that they have not fully digested it, but I think I must, for the purpose of the record, ask the Minister to consider the old question of section 22 of the Income Tax Management Act, and its general effect upon the economy of the country, and I would ask that the ploughed-in profits should be treated in the same way as they are at home, in practice

Tribute has been paid, and rightly paid, as always, in these debates, to the Civil Service, and, Sir, at the same time, there has been the threat of a Geddes Committee. Personally, I hope there will be no such committee. It is damaging to our morale. There are other ways in which we can secure economy, if economy is required, as indeed it almost certainly will be; and I do want to see that if there are cuts they are cuts in quantity and not cuts in quality. We shall shortly, I suppose, be faced with the Salaries Commission Report, and it reminds me that we reward, rather meagrely, those professional and technical officers who are at the head of things. We have just lost, unfortunately, Mr. Adams. I do not know that the Economic Adviser to the High Commission is more important than the Secretary to Commerce and Industry here. It may be better paid, but I doubt very much whether it is more important and I should like to take this opportunity of remembering his great services to us. (Hear, hear.) (Applause.)

Just a word on the Information Services. I do not know if we shall reach the head of the hon. Member for Commerce and Industry. If we do he

deal will be said, but I should like at this moment to say that it does not seem to be working well, either here or at home. I have put down a question about the way it is working at home, or, as I should have said, perhaps the way it is not working. I do not know whether the Minister would be able, perhaps, in case the head is not reached, to deal with the question of education fees. Sir, he did mention it in the Budget speech and it aroused some anxiety. One would like to know the extent to which these fees are not paid and I should, as usual, be very glad to know whether there is a real standard system of remission nowadays, and how it is working?

There was one remark which I made a note upon—it was made by the Member for Aberdare. I think I am correct in saying that he had been told that an indication of the prosperity of the country was the amount of indirect revenue derived from customs duty.

MR. SLADE: Indication of (inaudible).

MR. USHER: I am not quite sure that is the case because you will find this revenue is very severely affected by the fall in world prices and, above all, by the phasing from which we are suffering.

I think, Sir, I have now covered most of the loose ends, but there is one note on which I would like to end. I should like to say this: There has been discussion about responsibility for the Emergency—the suggestion that the home Government has been responsible. I should like to say for myself that I feel responsible in many ways. I think we should all face that. We have been in this Council. We have called for cuts in expenditure which proved a very false economy and I think we should acknowledge that.

Sir, with congratulations to the Minister, I beg to support. (Applause.)

THE DEPUTY SPEAKER: No other Member rising to speak; I will call upon the hon. Member to reply unless it is the wish of the Council, in its opinion, as there are only four minutes left, that the Council should adjourn.

[The Minister for Finance and Development] I do suggest, Sir, the time for adjournment is half past six; as the hon. Members opposite see, it is five and twenty past six. We should endeavour to keep to our Order Paper and our principles.

I would, Sir, like to thank the hon. Member for Mombasa for his noble and gallant effort. I would like, Sir, to particularly thank him for the last few sentences of his speech because, Sir, it takes a bit of courage on the part of any of us to get up alone and say that we have more or less—some less, some more—by our attitude in the past in this country contributed to the responsibility for what is happening to-day and we have no right, morally, to attempt to shift that completely on to the shoulders of other people. Having said that, Sir, I have no doubt at all that we are all just as anxious to see that Her Majesty's Government should assist us financially in the future as well as in the present in order that the channel of progress, and those things which must be done if the happenings of to-day are not to be repeated in the future, can be carried forward.

Now, Sir, I will endeavour to use the two or three minutes at my disposal this evening in tidying up what might be called loose ends. One hon. Member, I think it was the hon. Member representing African Interests, Mr. Jeremiah, dealt with the question of the police and African promotion and demotion. Well, Sir, I am not going to attempt to reply to that. The hon. Members opposite have put the police head down for debate and he will have a full opportunity to raise that at the time of the debate upon the police vote which I suggest is the proper place to deal with it and to answer it.

Hon. Members have asked, Sir, when the Salaries Commission Report is likely to be published. I have information that the Report will be in two volumes. The second volume is likely to arrive here towards the end of May and as soon as it arrives we shall see that it is printed and published at the earliest moment. It may not be possible to lay it on the Table of this Council before the end of this sitting, but I think the Council would agree that we should not wait

for it to be laid upon the Table of the Council but should proceed to publication at the earliest possible time.

That, Sir, deals with that. Now on the question of the Gill Report. It is right that the Gill Report has been received by the Government and is under consideration by the Government. It is a long and detailed and, in many respects, a technical report and it will take considerable consideration before the Government can express its views upon it, and upon the rather heavy financial implications which adoption of that report might entail. But I can assure hon. Members that that is under consideration and that as soon as possible we will publish it with, I presume, a Government White Paper to cover the Government's recommendations upon that report.

#### ADJOURNMENT

THE DEPUTY SPEAKER: It is time for the interruption of Council. Council will stand adjourned until 9.30 to-morrow morning.

*Council rose at thirty minutes past Six o'clock p.m.*

Friday, 21st May, 1954

Council met at thirty minutes past Nine o'clock.

[Mr. Deputy Speaker in the Chair]

#### PRAYERS

#### ORAL ANSWERS TO QUESTIONS

##### QUESTION No. 86

MR. SLADE asked the Minister for African Affairs to state:—

Now that the Forfeiture of Lands Ordinance, 1953, has received Royal Assent, how many Africans have suffered forfeiture of land thereunder?

What is the total acreage of land so forfeited?

##### QUESTION No. 93

GROUP CAPTAIN BRIGGS asked the Minister for African Affairs to state:—

Whether the law in regard to forfeiture of land by Mau Mau leaders has been implemented and if so, in how many cases?

THE MINISTER FOR AFRICAN AFFAIRS: With your permission, Sir, I will answer Questions 86 and 93 together.

Up to the present time 16 cases have been dealt with involving a total area of some 73 acres.

MR. SLADE: Would the hon. Minister please state whether this is regarded by Government as a typical example of their sense of urgency? (Hear, hear.)

MR. MATHU: Arising out of that reply, Sir, would the hon. Minister state how many of these acres have actually been put into use by Government, because it is no use forfeiting and leaving that piece of land lying there with no effect.

THE MINISTER FOR AFRICAN AFFAIRS: I will have to have notice of that question, Sir.

##### QUESTION No. 88

MR. SLADE asked the Minister for Education and Labour to state: How soon the Committee to advise on the desirability of establishing a separate European Education Authority, as suggested in his speech on the Education Vote during the last Budget Session, will be appointed?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: On the 28th April the

Minister for Finance and Development and the Minister for Education, Labour and Lands met a deputation from the Advisory Council on European Education which explained their reasons for advocating the appointment of a committee. The question is now being referred to the Council of Ministers.

#### MOTION

##### SUSPENSION OF STANDING ORDERS

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, I beg to move that, for the remainder of the present meeting Council shall sit at 10 a.m. on Tuesday, Thursday and Friday, and at 2.30 p.m. on Tuesday, Wednesday and Thursday, of each week and that the time for the interruption of business under Standing Order 10 shall be 12.30 p.m. and 6.15 p.m. respectively.

Sir, the hon. Members will note that this is the beginning of the afternoon sitting procedure which will also mean that Council will have additional time to attend to the business before it.

Hon. Members on the other side have, I think, discussed and agreed with this and I expect my hon. friend the Member for Nairobi South will, I trust, be seconding this Motion and will confirm that.

Sir, I beg to move.

MR. HARRIS seconded.

MR. COOKE: May I ask the hon. Minister if he has taken consideration of the fact—

THE DEPUTY SPEAKER: The question has not been proposed yet.

*Question proposed.*

MR. COOKE: Mr. Deputy Speaker, may I ask the hon. Minister to take into consideration the very important boards and committees arranged for next week; for instance the Road Authority is on Wednesday, I think it is. We cannot be in two places at one time.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Yes, Sir. Had it not been for the fact that hon. Members were being given time to rearrange their business, this would have been brought in during the present week, with the agreement of hon. Members opposite. It was delayed for one week in order that adjustments of the kind suggested by the

[The Minister for Finance and Development]  
hon. Member for the Coast can be made and I trust such adjustments will be made.

The question was put and carried.

### COMMITTEE OF SUPPLY

(Debate Resumed)

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, last night I rose, Sir, to begin the reply to the debate on the Budget speech. Sir, some hon. Members referred to the length of the speech that I had made on that particular occasion. Well I must respectfully submit, Sir, that at least once a year there is a need to review the economy of the country and its financial position and that is something which has to be dealt with in detail in order that it can be placed upon the records of this Council. Although I am prepared to admit, Sir, that listening to my voice for two and a half hours had, as I was well aware, at times, a soporific effect on hon. Members opposite, nevertheless, I can only say that it was what I might call a cat-nap because when I arrived at the stage where I said, "And now to turn to the measures of increased taxation", there was an immediate livening of all the faces on the opposite benches!

This time, of course, Sir, the speech was considerably lengthened by the detail of Emergency expenditure into which I went; but I do submit, Sir, that it was important that I should do so because, without that, one of the main aspects of the Budget would have been lost and, indeed, a study of the debate of the last four days shows that hon. Members paid considerable attention to the question of Emergency expenditure.

Now, my hon. friend the Member for Nairobi South, Sir, said, "Would it not be possible to separate the economic review from the general measure of taxation." Well, with all due respect, Sir, I do suggest to him that the two are inseparable: that the economic position and the review is what leads up to the pattern and measures of taxation and that one without the other would be shall I say, as Hamlet without the Prince, or Mombasa without its Usher. (Laughter.)

Now, Sir, I have got to reply to a debate which has lasted over four Parliamentary days, and a number of things do call for a reply.

As is not uncommon in a debate of this kind, a number of the points made by hon. Members opposite cancel one another out and indeed I am spared the need to reply to them all in detail. A number of details too I will leave to the Heads which is, I think, the proper place to deal with those items.

Now, Sir, the hon. non-Muslim Member for Central Area made a Maiden Speech and, by the time he had finished, he had gone on for so long that I may say the young lady was growing just a little old, but I would like to congratulate him on a Maiden Speech which, at any rate, showed that he had thought the matter out before he got here. Having congratulated him, Sir—(Laughter.)—I would like to say how interested I was when I heard him say, "This is old wine in the new bottle. The pattern is the same." Strangely enough, Mr. Deputy Speaker, the longer I listened to him, the more I was convinced how right he was, because when I was listening to him there was no question about it—the hon. Member's resumé was exactly the mixture as before.

However, Sir, in the main—with I would say some sparkling and sizzling exceptions—the debate has, I think, been a sober and responsible one. Whether 'the atmosphere' of our 'new building has had anything to do with it or not, I am not sure. Perhaps it may be that the changes which have taken place at the present moment, have somewhat restricted the violence of the tongues of some hon. Members for the time being.

Now, Sir, the hon. Member for the Coast was right. He was fundamentally right. There can of course be no large economies without changes in policies or reductions in services. That is basic and, if indeed there are to be large economies, then the Council must face up to a change in policy, or it must face up to reduction of services. I would point out that the Budget is the reflection of policy, and that in the Committee of Supply stage, hon. Members have ample opportunity to press for any

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change of policy that they wish, and if they do succeed in convincing my colleagues that a change in any particular department or aspect of Government is a wise and necessary thing, then I have no doubt they will be prepared to face the unpopularity—be it a question of increased expenditure or reduction of services.

Several hon. Members, Sir, referred to a deficit even without Emergency expenditure, inferring that there would have been a need for increased taxation in any case. Well, Sir, that of course is not correct. They are forgetting that without the Emergency, revenue, even at the old rates of taxation, would have been estimated at a higher level and would indeed have carried, in my opinion, the burden of to-day's ordinary expenditure. If hon. Members will study my original speech, they will see that I have allowed, inside these Revenue estimates, for a reduction because of the effect of the Emergency, and therefore there is no reason, no basic reason, for any assumption that the prosperity of the Colony would not have continued, and the taxation receipts from the old level would not have covered our present rate of expenditure. Even, Sir, if it had not, I think I made it perfectly clear to this Council before, that the Government policy during any interim period of recession or increased development, would have been to use the surplus balances to carry a deficit period in order to ease the burden on the taxpayer during that time. This of course, Sir, is like the argument which has been put forward from the other side—unfortunately hypothetical—because the surplus balance does not exist and the Emergency has undoubtedly had an effect upon our revenue.

I said, Sir, this was a question of the pattern as before. I heard, once again, the theme. "Let's set up an Economy Committee." Now, Sir, for people who are always calling for action, this belief in committees, at times gets somewhat pathetic. If there is a question for action, if there is a question for economies to be achieved, it is the responsibility of this Council to change the policies and effect that economy. We are a responsible body.

I remember, Sir, the unfortunate happenings in the Budget debate of 1951 when cuts were attempted—cuts for which my hon. friend the Member for Mombasa willingly accepted his share of the responsibility—for the unfortunate effects of some of those cuts. Now, those unfortunate happenings ended in demands from Members on the other side of the Council for an economy investigation. I think the words used were "Economy and Efficiency", and the Public Accounts Committee was given the task of undertaking such an investigation. They engaged an expert whom they turned on to that task of economy combined with efficiency—Colonel Asher.

Now, Colonel Asher's work was interrupted on my instructions, and he was turned on to an investigation—particularly in the Police Department—of Emergency expenditure for some months. His report has been an extremely useful one, I think, to me, and has enabled me to bring pressure to bear on certain aspects of wastage. He cannot be doing two jobs at one time. If he appears to have been buried in the Public Works Department, I can assure you he was doing some fairly good underground work in other areas. He is now back investigating the Public Works Department.

I would point out to the hon. and gracious lady, the Member for Nyanza, that she is a little mistaken, because Colonel Asher is not expected to report back direct to this Council. He has to report to the Estimates Committee of the Council, which will consider the report in detail—something this Council could not undertake—and the Estimates Committee will provide a report to this Council. And the pattern has been turned out before, I should like to reiterate it, because of course in 1949, the process had been repeated, only they had a very high-powered committee, including the then leader of the European Elected Members, Major Keyser, which was engaged in the investigation of the question of superfluous personnel in the Civil Service. Perhaps I may be permitted to quote from, I think, the final paragraph of their report, which was:

"While the Committee considers that its work has served some purpose, in carrying out an ad hoc review of



[The Minister for Finance and Development] establishments, and wishes to place on record that during the course of this review a number of reductions in establishments have occurred, it is of the opinion that the normal procedure of reviewing establishments that leads up to the enactment of the Annual Appropriation Ordinance, is more effective. The Committee has therefore concluded that its work is at best no more than a duplication of this annual process and since, in these circumstances, no useful purpose would be served by a prolongation of the Committee's deliberation, this Report is being submitted without further ado."

Now, Sir, that was a report of an investigation in which my late colleague, the hon. Major Keyser, was implicated. If I know any man prepared to push on with his point to the very last ditch, it was the then hon. Member for Trans Nzoia, and if he reached that conclusion, I think it must be agreed there must be something in what he said. I am afraid Government cannot agree to setting up a special committee to deal with this type of thing; nor can it undertake, during the present pressure of work, a review of individual departments, other than that which comes in the normal process of Treasury investigation and Estimates review. Of course we can make a continuous appeal against waste—we make many appeals, not only to departments, but to the general citizens of this country. One can only hope that those appeals awaken the conscience of the people who are spending the money of the country, because when one talks about "Government funds" one should, in my opinion, continually reiterate that they are the funds the taxpayer provides.

The hon. Member for the Coast said that certain members of the Civil Service Association had told him of people who were not pulling their full weight. I am very sorry to hear it. I am sorry to hear that members—and senior members—of the Civil Service, if I understood him correctly, do not come and tell either their heads of departments or, if they feel they cannot do anything else, they can come and speak to the Minister for Finance and Development, if, indeed, they do know of people in the Service who are not pulling their full weight—

it is their duty to tell the people who are responsible for the expenditure, and the matter will be investigated.

MR. COOKE: They have.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I can only say I know of no case of this kind.

Of course, I have now been four years—I remember the fatal day, the 1st April, 1950—when, between them, the hon. Members on this side of the Council and hon. Members on that side of Council persuaded me to come and stand where I am standing now, and I have come to realize one strange thing. That, just as in every business that I ever ran, one department complained about the fact that it was making profits, and the other department was really slacking and using up the profits the one department was making. Strangely enough, the same thing happens in Government. Every department I speak to in Government is convinced it is the "other department" which is not "pulling its weight". After all, we have at the head of each department responsible officers, and it is their job to let us know where slackness lies, and I would say that, as a whole, the heads of departments fulfil that responsibility very well.

MR. COOKE: Am I to understand that the Minister contends that it is not the duty of hon. Members on this side of the Council to draw attention to slackness in Government departments?

THE MINISTER FOR FINANCE AND DEVELOPMENT: If the hon. Member had listened to what I said, he would know this: I did not mention anything about hon. Members on that side of Council drawing attention across the floor of Council. I referred to the fact that senior members of the Service should come to Government with any complaints they have got.

MR. COOKE: The Minister is saying that now.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I will challenge the hon. Member—that was what I have said in the last five minutes. I am prepared to challenge him on the records of HANSARD. I have made no attempt, because I value their criticism. Now the hon. Member has raised this point, I

[The Minister for Finance and Development] would say this: it is essential in this new development of the Constitution which we have entered into that we should realize fairly quickly that whatever the shape of Government, the future administration and solidity of this country rests upon the loyalty and integrity of the Civil Service. Its loyalty must be to whatever Government is in office at that time. Its integrity must be unchallenged. In return, it has the right, and in so far as I am Acting Chief Secretary and Minister for Finance and Development I will defend that right, to remain insulated against any political pressure from any source whatever—(Hear, hear.)—for without that standard of service governments may come and governments may go, but this country cannot continue upon a path of peace and progress.

Now, Sir, I have heard some very strange theories advanced in this debate—economic and accounting—and I want to deal with all of them.

I agree as much as anybody else—probably more than most people—that production and more production and still more production is the answer to our problem, but hon. Members who use that word should know that that needs money—money fairly heavily—although I must say that one hon. Member opposite, who really shook my economic soul, seemed to think faith and finance were exactly the same thing. I have heard some startling theories about development, but the theory that no consideration of finance should count in development—is, I must say, a completely new one to me. After all, where do we get the money to develop crops until the harvest of development—industrial and agricultural—comes in? Loan charges have to be met, development means staff, staff means salaries, salaries mean recurrent costs in many ways, and the bills have got to be met. I do not know of any business that could approach development on the basis of saying to the Bank, "Have faith in me", and a cheerful Bank Manager then turning round and saying, "Boy, go thou to it and do not worry about the cash". (Laughter.) I can only say that businesses which are run on cheerfulness and credit usually meet with a sticky end. If the hon. Member who

made the suggestion does not believe me he had better ask the hon. Member for Aberdare, who gave such a good explanation of what happened to the fellow who took entertainment out of the bill.

MR. CROSSKILL: Mr. Deputy Speaker the Minister is referring to my speech and I should be grateful if he would give way. I explained the point I made, know, extremely badly, but I believe it to be a sound one. I recommend that the plan should be made on basic wealth such as human requirements and commercial requirements, and financial resources should be considered at the end of it; and, Sir, in answer to my prayer it was laid on the table of this Council yesterday, unknown to me—that was in the form of what I referred to, the Swynnerton Report. In this Report—in his terms of reference—Mr. Swynnerton was asked to make a development plan—

THE DEPUTY SPEAKER: I think the hon. Member is going beyond the explanation. He is introducing fresh argument and fresh matter.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I am interested to hear the hon. Member's explanation and correction of the theory he put across the floor of Council, because undoubtedly he used the words "finance should not count".

Now, Sir, let me suggest to the hon. Member that Government is far too busy to have to produce large numbers of development plans which, because of lack of finance that they know cannot be provided, are incapable of achievement. The plan that the hon. Member is referring to—which will be debated at a later stage in this Council—is an outline of what could be done. It was, however, dealing with a grant from the United Kingdom. It was not dealing with funds which could be made available from our own resources. Hon. Members will be long in seeing the Development Committee's Report with suggestions for the next three and a half years. In that report they will see how the lack of finance has had to be taken into consideration in no small measure, but the point is that, if you are going to borrow—whether it is from the City of London

[The Minister for Finance and Development] or whether it is on a private basis—you have got to say to the people who are going to lend you the money, "These are the reasons for borrowing", or they just will not listen to you at all. They have not got very much faith in plans that are founded only on faith.

Now, the hon. Member also said that our development policy had failed. I deny that completely. Really, the hon. Member must, I think, have some regard for the facts. The development policy of this country has succeeded remarkably well, and the national income of this country, in its rapid and phenomenal growth for a country almost entirely based on agriculture, tells the story of success. It shows, indeed, that the money for development purposes has been directed into the right channels—(Hear, hear.)—and I cannot agree that the development policy of this country—with which hon. Members opposite have been associated as much as hon. Members on this side of Council—has not succeeded. It is, indeed, a remarkable story of achievement with limited finance. We cannot go faster than the finance available will allow.

Sir, I cannot leave development with out making some reference to the hon. and gracious lady from Nyanza. The hon. and gracious lady referred to me, I think, as "Pooch Bah". If I may follow her: Gilbertian allusion I will not say "Pish Tush". I will, as a tutorial "Pooch Bah", say to my little "Yum Yum" on the opposite side that finance, economics and development are inseparable; they must go hand-in-hand like the three famous, or notorious, maids from school.

Now the hon. Member for Aberdare raised the matter of accounting and he was, I think, answered to a very great extent by my hon. friend, the Secretary to the Treasury. Of course you cannot run Government accounts on the basis of a commercial concern. In the first place, the customers are somewhat different. They often want what they do not want to pay for. The Government is not allowed to make a profit and so it is a little difficult to run our accounts on exactly the same lines as the commercial accountants, who I imagine must have been advising him, seem to assume.

The sinking fund point—well, of course, if Government did not work on the assumption that there was continuity in a nation—if it did not work on the assumption of being able to refund the debt from time to time—the burden of the Public Debt would be intolerable on present taxpayers. After all, Governments all over the world—and they have tried systems—inevitably come back to this Government accounting system. They cannot be run like businesses and if they were, let me assure hon. Members opposite that they would be out of business—I mean not only the Government but the businesses of the country as well.

The hon. Member for Aberdare too made the point about direct and indirect taxation—about choice and discretion. I agree with him, of course, that that is one of the advantages of indirect taxation, but I would ask him to remember the important fact that the impact of direct taxation is obvious and that it is a very wise thing sometimes, in a country of this kind. The impact of direct taxation, which reminds people that they have to meet a bill for the services that they demand, is sometimes a very good thing for them to have to face.

Now a number of suggestions which have been made with regard to indirect taxation in this debate, would hit the poor of this country much harder than the personal tax would have done. They would have led to increases in prices of necessities, which, although they would not have been so obvious, I admit, as the impact of personal tax, would nevertheless have been extremely hard in their accumulative effect on the poor of this country. Quite apart from the fact, of course, that I could not get at the revenue even if I allowed an increase in the tax, the hon. Member who made that suggestion should think what an increase in the cost of petrol would mean and the impact that it would have right throughout the costs of production and business in this country. It would, indeed, prove to be much harder on many of the poor people than this direct impact which we are feeling now. Because it is not so obvious, it does not mean to say it is not so harsh.

Now, Sir, I must thank hon. Members opposite for many, many fruitful suggestions. I must say that they have turned

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my mind into many channels for the future—(Laughter.)—and indeed, as my hon. friend from Mombasa suggested last night, that we "were now listening to next year's Budget debate", I could not help leaning over to my friend by my side and saying, "Well, at least whatever kind of tax I have to bring in in the future, I shall be able to point to one hon. Member on the opposite side and say—you suggested it, you support it". (Laughter.)

Now, Sir, the question of the High Commission was raised and the question of whether one gets value for money. Now, Sir, I regret to delay the Council, but as remarks have been made which throw some doubt upon the High Commission it might be a useful thing to remind hon. Members what the High Commission is, what it does and how the money goes. I would merely like, in order not to anticipate a debate which I believe may come at a later stage, to read out to hon. Members every item over £5,000 in the £1,103,000 that we spend on the High Commission. Central Assembly and Administrator's Office—£30,000. East African Agricultural and Forestry Research Organization—Agriculture and Forestry—£19,000. Desert Locust Survey—£38,000. Industrial Research Board—£13,000. Lake Victoria Fisheries Services—£8,000. Meteorological Department—£4,000. East African Navy—£35,000. East Africa Office—£13,000. Production and Supply Council—£14,000. Statistical Department—£35,000. Tsetse and Trypanosomiasis Research and Reclamation Organization—£20,000. Veterinary Research Organization—£12,000. Directorate of Civil Aviation—£55,000. Now here are the two big items. Customs and Excise Department—£231,000. Income Tax Department—£196,000.

Now I suggest that most of those items—even if you abolish the High Commission to-morrow—you would have to spend money on inside your territorial organization and it might be that it would prove a more expensive method of doing the same work. However, I can but express my own opinion—and this is not a political opinion, it is an economic opinion—that the move towards co-ordination must continue—that on an economic basis these territories cannot

drift apart—and whatever the difficulties and whatever the need for compromise, we must endeavour to move together, whatever the political future.

The hon. Member for Nairobi South asked me a question about the cost of Vampires. The cost of the Vampires—as I have it at present—is £11,000 a week or £44,000 a month. He asked how would that compare with the cost of an infantry battalion. I can say the extra King's African Rifles Battalion now in Kenya appears to work out at £23,000 a month but I would say, as I have always said with military and what I would call external figures, I cannot guarantee that that is the true cost of an infantry battalion in operation. The hon. Member must accept it as the best estimate I can give him in the present circumstances.

Now the hon. Member for Nairobi South and for the Aberdare thought that taxation of amateur sports associations was undesirable and pointed out that elsewhere in Africa they were exempted from income tax, and he recommended a similar action. I have discussed this with the Income Tax people and the Deputy Commissioner for Income Tax confirms that where a sports association—or anyone else for that matter—asked the public to pay entrance money to watch an event, the net profit arising from the gate money less expenses was assessable. Ordinary clubs in Kenya, of course, are not liable to income tax in that any trading operation is mutual trading—the members trading with themselves. Now the Deputy Commissioner informs me that this point has been raised in the United Kingdom, but the Chancellor of the Exchequer in the United Kingdom has not given way to the idea that profits which are intended for, say, further development of a sport, should be free from taxation. It may be that it would then involve him in greater dangers of loss of revenue than it might involve me at this present stage in this country. However, I have very great sympathy with him. I promise him I will examine it at an early date and in great sympathy.

The hon. Member for Nairobi South and others asked for a fiscal review. Well quite frankly, Sir, I could not support or accept that at the present moment, because I cannot agree that there is a need for another outside investigation at

[The Minister for Finance and Development] The Government keeps the position continually under review during the period of what is, at the moment, fluctuating circumstances, whilst we are proceeding steadily with the collection of statistics which are vital to fiscal policy and which are, indeed, vital to any review if it is to be soundly done.

MR. HARRIS: Mr. Deputy Speaker, the Minister used the words, "At the present time". I never asked for a fiscal survey at present—I suggested when we had time to get over the Emergency.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I did say the hon. Member for Nairobi South "and others". Others asked for it straightaway. (Laughter.)

Now the hon. non-Muslim Member for the Central Area, Sir, made some suggestions about banks and insurance companies. Well, I rather felt like a celebrated General saying, "I do not know what they do to the enemy but, by heaven, they frighten me"—(Laughter.)—and I have a distinct feeling that if there is anything calculated to drive any investor, investment house or finance house away from this territory, it is suggestions such as those made by the hon. non-Muslim Member for the Central Area. I will not go into detail but I will merely ask him to look at such things as re-insurance—statutory liabilities, moral and legal, to insured persons—to depositors, etc.—and to remind him that the Government cannot move to the confiscation of money that is rightfully the property of others, whatever my hon. friend, the Member for Nairobi West thinks tax policy does.

Now I refer, Sir, to the point made by my hon. friend the Member for Nairobi South—and to others in a different context—about the new taxes being annotated for Emergency expenditure. Now, Sir, I am afraid I could not accept that, nor can I commit the Government; that the present taxes are for the period of the Emergency alone. The danger of that, Sir, is shown by the hon. Member's own reference to what the Financial Secretary said in 1940 and trying to persuade us that the Government to-day is held by a pledge made 14 or 15 years ago when the Government had changed its face and its personnel since then. I cannot, therefore,

give that commitment, but this I can do; I can give hon. Members the assurance that the position will be reviewed yearly—that it is the intention of Government to afford the greatest possible opportunities inside this Council for an annual review of taxes and that, for instance, the coffee tax will be on the basis of an annual Ordinance. It is my hope that the day will come when almost every financial tax will have to pass through the machinery of this Council every year in order that hon. Members shall have a full opportunity of expressing their opinion upon it, but I must say that seems a little distant at the present moment.

Now several hon. Members said—was the deficit £2,000,000 or £4,000,000? In fact a number of hon. Members used the phrase "Posterity must be made to pay"—posterity being, of course, our children and our children's children, yet they seemed frightfully worried by a financial statement which, indeed, carried that policy into effect, because the bringing of the £2,000,000 into the General Revenue balance—the £2,000,000 loan—was, indeed, loading posterity with the cost of some of the expenditure of the Emergency to-day. Posterity will meet that burden. I must remind hon. Members that that £2,000,000 was given as a loan for the definite purpose of restoring our General Revenue balance. I suggest that some hon. Members opposite, perhaps not used to the simple system of Government accounting, got a little confused between the General Revenue Balance and the annual Budget. Of course the deficit on the annual Budget is £7,984,524. That part of that deficit being met by loan raising is, I believe, no unusual feature in many budgets of this form. It certainly creates no startling precedent in Government finance. The £2,000,000 will appear on the Schedule of the Public Debt of the country.

Now, Sir, I must turn to the question of compensation. I have stated several times in this Council, Sir, that it is the firm policy of Government not to allow European agriculture to be made bankrupt by the present terrorist activities. We recognize the need to maintain that, but I must adhere to the policy stated several times in this Council before—which I do not intend to state again—that whilst

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we will consider severe financial hardship and be generous on that basis, the taxpayers have not the capital to involve themselves, and the Treasury could not involve them, on the wide scope that some hon. Members suggest. It just cannot be done. There have been two visits by a Treasury representative to the area which the hon. Member for Mount Kenya—who incidentally apologized to me for not being here this morning—represents. The reason for the delay, in my opinion, is that instead of recognizing this willingness to assist on the most generous basis possible on policy laid down, they would resist the policy and twice, indeed, he had to return to the Treasury because the argument was on the policy and not on how we can get on and do something on the basis of what is possible. I am sorry that the hon. Member is not here to hear that.

Now, Sir, I must turn to the criticisms of the new measures. I will not go over the export tax arguments; they have been repeated so often in this Council from both sides. I will merely repeat my promise that the export taxes will be reviewed year by year in the light of existing circumstances and that the same process will certainly be applied to the coffee tax. I do agree with the hon. and gracious lady, the Member for Ukamba, that the danger of putting a floor price in is that it could well go into an Ordinance and might well be regarded as permanent, and I think the hon. and gracious lady has made a very good and wise point in that respect. On the question of the coffee tax, Sir, whilst I can offer no concessions in general, I can only promise—and by hardship I do not mean where people are driven to starvation or anything like that—I mean where the imposition of the tax might be taken to endanger their present position. More than that I am afraid I cannot concede at the moment.

The hon. Member for Nairobi North said that whatever I said he would say that I was under pressure from the United Kingdom. Well, of course, when an hon. Member says whatever you say he is still going to say the same thing—it does not really seem very much sense saying anything—does it, Sir?

(Laughter.) Nevertheless, being—I was going to say almost as obstinate and pigheaded as my hon. friend, but perhaps that is not correct Parliamentary language—being as determined and stubborn as my hon. friend the Member for Nairobi North, I will say that I have not been under pressure from the United Kingdom. I stated, before going to the United Kingdom to ask for financial assistance, that the people of Kenya would be willing to bear a burden as much as was possible and as much as was wise. I offered to the United Kingdom what I considered was the limit of taxation that we could go to and the United Kingdom accepted that offer and they have not pressed me to increase that in any way at all.

Now, Sir, I am sure that the hon. Members of this Council will accept—the majority of them with little more than what I will call a natural grumble—that measures at the present moment and circumstances at the time called for sacrifice from all. Some hon. Member started talking about figures of income tax in the United Kingdom. He said, I think, that a married man with two children earning £1,000 only paid £50 more than the man in this country. Well, Sir, percentages and figures quoted at random can be most misleading. If, for instance, Sir, I only pay Sh. 1 and the other man pays Sh. 2, you can put it two ways; you can say that he only pays a shilling more than I do or you can say that he pays double what I do; those, of course, are the ways in which they can be put.

Now, Sir, let me read out the figures, which I have received from the Income Tax Department, of comparison between the United Kingdom and Kenya. The United Kingdom figures have been calculated after allowing earned income allowances based on total income, the amounts payable would be correspondingly increased were the whole, or part, of the income unearned. Let me take first of all £1,000. The single man in Kenya, on £1,000, would pay £120. The single man in the United Kingdom would pay nearly £220. The married man without children in Kenya on £1,000 total income would pay—I am working it back from shillings—£59. In the United Kingdom he would pay £175 as against fifty something. Now it is correct he only pays £100 more—that is quite correct but, of

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course, he pays three times as much. If the hon. Member will let me finish I will come to him in due course. A married man with two children in Kenya on £1,000 total income will pay Sh. 746 which is £37 6s. In the United Kingdom he will pay Sh. 2,029 which is £101. Now it is quite correct that he only pays sixty-something pounds more but, of course, if you were looking at it from the point of view of the United Kingdom, he would say "I pay two and a half times what that fellow does". The thing is a matter of the point of view—the figures are there and I think must be accepted as accurate. Now I will only deal with the other groups in—what I will call the higher—£2,000 and £3,000 total income groups. In the £2,000 income group, a married man with two children in Kenya would pay Sh. 4,673—£234 shall we say. In the United Kingdom he would pay £451. I admit that he only pays £200 more but the argument continues and when you come to the £3,000 total income—the married man with two children in Kenya pays Sh. 11,902 or £600, shall we say, whereas the man in the United Kingdom pays £1,100 about Well, Sir with all due respect, figures can be taken in more than one way. (Laughter.) Of course I am quite prepared to admit—and I have indeed argued this one in the United Kingdom on our behalf—I recognize that irrespective of what the hon. Member for Nairobi West says, no welfare state exists in this country at all; that, indeed, in return for this, many of the taxpayers of this country who are paying this tax get very little benefit in return other than the general economic or social benefit. That, I recognize, but I just think the argument has to be used in more than one particular way.

MRS. SHAW: I should be glad if the hon. Minister could tell me if we do not pay a higher proportion on indirect taxation in this Colony.

THE MINISTER FOR FINANCE AND DEVELOPMENT: That is a completely separate issue. We will move steadily to the question of indirect taxation.

Now, perhaps it might, too, be interesting to take the income tax assessments in order to show the spread of the tax which I have had to suggest to Govern-

ment should be imposed this time. Now, these are the numbers of individual income tax payers based on the 1950 assessments raised up to August, 1953, which is the latest information, and they are in income groups. Incomes up to £499 a year: Europeans—4,109; Asians and others—1,656. £500 to £799 group: Europeans—3,353; Asians and others—1,158. £800 to £999: Europeans—1,688; Asians and others—565. £1,000 to £1,499: Europeans—2,234; Asians and others—613. £1,500 to £1,999: Europeans—790; Asians and others—254. £2,000 and over: Europeans—852; Asians and others—356. I think if hon. Members will study those figures of income tax assessments, they will learn some very useful economic lessons about this country.

Now, Sir, I must turn to personal tax, which has, of course, been the main theme of this debate. Now, Sir, I agree that the personal tax may be severe; I agree it may be hard on some people; but I refute with all the strength at my command the word used by the hon. Member for the Coast—"vindictive". There is nothing revengeful about this tax at all. There is nothing vindictive about this tax. The tax has been applied on the grounds of necessity, recognizing with all the hardship that it might and will undoubtedly inflict—

(Interruption from Mr. Cooke.)

Well, I am sorry, Sir, but the hon. Member used the word. He may be going to quote Webster's at me, but I studied this morning the Oxford Dictionary and I suggest that the Oxford Dictionary—

MR. COOKE: Does the hon. Minister mind giving way? Webster's Dictionary—a little bird having told me that my hon. friend might bring this up—

THE MINISTER FOR FINANCE AND DEVELOPMENT: A little bird?

MR. COOKE: A little bird, yes. You gave the name to yourself. I find in Webster's the secondary meaning is "punitive" or "penalizing" and I suggest that this is punitive and penalizing, and I may say that the antonym—if the gentleman understands what the word "antonym" means—is "magnanimous", and your suggestion is very far from being magnanimous.

THE MINISTER FOR FINANCE AND DEVELOPMENT: The hon. Member is now, of course, in his usual sweet, Hibernian manner, managing to try to get the best of both words. (Laughter.) He had to look very seriously before he found that it meant punitive. If the hon. Member is now withdrawing the word "vindictive" and substituting the word "punitive", I accept his apology graciously and with thanks. (Laughter.)

Now, Sir, I stand by the words which I uttered in 1947—which were quoted by the hon. non-Muslim Member for the Central Area—but in this particular instance I must demand from all some measure of sacrifice—at any rate for the present year.

I should like, Sir, to give some analysis of personal tax payers because it has been suggested, quite irresponsibly, that I have directed this at one people or the other. I am endeavouring to show in the figures that I am putting forward, that I have tried to make the taxes spread. Personal tax payers in 1953: exceeding £120 per annum: European men—15,621; women—3,201. Asian men—40,329; women—204. Exceeding £60 and not exceeding £120: European men—514; Asian men—2,502; no women paying tax at that level. Not exceeding £60 per annum: Europeans—387; Asians—9,679. Now that, Sir, gives the composite figures and I hope it will be recognized that I am not hitting at tax evaders, nor am I hitting at any particular race. I have endeavoured to take a tax which spreads the burden as widely as possible.

Now, Sir, the criticism generally was that the lower income groups were asked to pay an additional £420,000—African poll tax £120,000 and personal tax £300,000—well, Sir, as I said when referring to remarks made by the hon. Member for Nairobi North, arithmetic can say almost anything if you like to quote it to suit your particular case—they said this was the case, whereas the higher income groups had to pay an additional £250,000 only in income tax. In the first place they ignored, or were unaware of, the fact that there had to be an adjustment of income tax receipts, because the burden of the coffee tax would fall upon people normally paying a high level of income tax. None of the critics, of course, mentioned the fact that

the £120,000 of African poll tax was paid by round about 1,000,000 Africans and the personal tax was paid by over 70,000 taxpayers, whereas the income tax is paid by approximately 18,000 individual taxpayers. Furthermore, all the 18,000 payers of income tax bear their share of personal tax and it will be at the highest rate. The criticism, of course, that the impact of these taxation proposals falls heaviest on the lower income group, does not take into account the fact that much of the new indirect taxation proposed is aimed specifically at the higher income groups—such things as spirits and—with due apologies to my hon. friend, the Member for Mombasa—wines.

Now in the measure, Sir, that I have put forward, which will be debated through the financial Resolution in this Council and through the Committee of Ways and Means, I made a concession about women in receipt of less than £60 a year, and I consider that that will lift a great deal of hardship from the Asian male taxpayer who has a family to consider. I can go no further than that this year. I can only say that cases of hardship will be treated sympathetically; indeed, I have a note from the department responsible for this and it says "the circumstances of widows, the infirm and aged, are always given consideration and as the tax is a personal tax it is the circumstances of the taxpayers, and not the income of any relatives who may assist with their maintenance, that determine the tax due". I can assure hon. Members that the same reasonable attitude which has been adopted by the department in the past, will be continued in the future if hardship is shown and can in any way be proved.

Now I must say, Sir, that I am attracted very much by the suggestions of graduations. I like this idea, very much, of a graduated personal tax going up—if I may say so—into the higher regions. It appeals to what I believe is my reasonable mind, but what my hon. friend from Nairobi West calls my "ghoulish soul". I like it. I certainly will go into it before next time. Of course, if the same revenue is to be maintained, the level may be a little lower in the bottom sphere but it will have to be compensatingly higher in the higher spheres; but I will, if possible, make adjustments

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on that basis in the future in the light of the financial position in the Colony. But I must repeat—this year I regret I cannot make a concession and I must, for this year, ask for the sacrifice from all.

Now in comparison of sacrifice, it is, I suggest, only right to consider the burden already being borne by other groups of direct taxpayers—a fact which is forgotten by some. I agree that the rich must contribute to services for their less fortunate brethren, but I would ask hon. Members who have raised that point to remember that they are already doing so to the tune of some fairly heavy additional burdens. Indeed, in the race to pay taxation, the rich are already near the winning post—or the losing post, if you so like to describe it.

Now on African poll tax, I cannot agree that an increase should not be made, but I agree with all Members who have spoken on this point, that the tax in its present form is reaching the limit of application. It is obvious that we are reaching a point where, on the peasant grade, the pressure of the money we are asking for is becoming too heavy. It is equally obvious, that if I am to find some way of reducing the pressure at the lower level I must find some way of increasing pressure at the higher level, and under those circumstances I would say that I am strongly in favour of a graduated African poll tax. (Applause.) The only reasons why active steps are not being taken to introduce graduated poll tax at the present moment—and I must ask hon. Members to accept this—are reasons of manpower and the occupation of the Administration with Emergency matters. Indeed, when I raised this question it was obvious to me that I could not ask for a greater effort from the Administration in areas like the Central Province at the moment. But as I cannot increase the level of the burden without hardship on the poorer Africans, I must be given some system of graduated poll tax at the earliest possible moment. It is Government's intention that that should be so, but I must place Emergency things first. (Hear, hear.)

Now I did enjoy the hon. Member for Mombasa's speech. It was, if I may say

so; a light wine of good taste with much to be savoured. I assure him I will keep my eye on wines in case there should be any danger of the disaster his forecast.

On the question of education fees, I think also—I have the figures here—that they would be best given to him when the debate on the Education Head comes up.

I would support the hon. and gracious Member for Ukamba's appeal, Sir, to prevent waste. I have asked time and again through this Council, through the columns of newspapers and over the wireless, every citizen to assist, for every citizen is paying the bill. The gentleman of the Kenya Police Reserve—which point was referred to by several hon. Members—who thinks that he has got away with something at the cost of the Government, has got away with something at the cost of his next door neighbour who may not be able to afford the burden which is being inflicted upon him.

The hon. Nominated Member, Mr. Cowie, raised the point of what I think one might refer to as "the last month rush". Now the Treasury does examine this particular point. It examines the expenditure which is undertaken by a department in the last month in an attempt to eat up its Vote. But after careful consideration we believe that the disadvantages of that system are outweighed by the advantages of operating on a cash basis. The Treasury expects and I will say, in most cases, gets a standard of responsibility from the heads of departments on whom we must very largely depend. We can exercise control of the Vote but it is the head of department who has the responsibility to see that the money is not being wasted.

On the question raised by my hon. friend, Mr. Cowie, about borrowing more money—well, Sir, I can tell him that the new development phase will rely almost entirely on borrowing. I cannot agree that where our borrowing is to be limited, it is wise to use it for what I would call short-term recurrent expenditure such as the Emergency. If it is possible to avoid it, that, I think, must be done. A better and proper use for borrowed money is the long-term development purpose which should bring us a return in cash and increase of wealth.

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Now, Sir, there comes a time in every Budget debate where, sitting back on the front bench, Sir, I hear the dull roar of an angry sea. Well, perhaps "dull" is the wrong word. Shall I say—I hear the distant roar of an angry sea and then, Sir, I say to myself—"what is the Wild West saying?"—because then, Sir, I know that the Wild West has arisen in all his thunder—(Laughter.)—my hon. friend, the Member for Nairobi West, Sir, I must say I found it a little difficult this time to see the wood of wisdom through the trees of great verbiage. He referred to a "jungle of arithmetic". There are other jungles. There are jungles of exaggerated language. It is easy to get lost in both those jungles. The hon. Member said that there was a welfare state in Kenya. I must reiterate that for all races in Kenya the minimum of service only is provided, and repeat what I have said in this Council time and again—we are engaged in laying the foundations of services which other countries have established and paid for years ago, and the restrictive factor is that we cannot afford to lay those foundations at the pace which we should like.

The hon. Member referred to this Budget as a day-dream. I could almost hear the hon. Member saying the words of Dryden—

"I strongly wish for what I faintly hope,

Like the day-dreams of melancholy men.

I think and think on things impossible,

Yet love to wander in that golden maze."

And sometimes, you know, I am afraid the hon. Member gets lost therein. He is so afraid to day-dream that he persuades himself to nightmares and nightmares which really have no existence.

Sir, people who talk about the bankruptcy of this country, people who talk about our insolvency, they have no reality in them. This country is passing through a difficult phase, but that is all. It has great powers of recuperation and it is showing, during the present Emergency, a terrific power of resilience in the maintenance of our economy—(Hear,

hear.)—and I cannot accept statements of that particular kind.

But, of course, I discount them. I discount them. They come from an hon. and gallant Member, who, during the whole of my time in this country, during a period of steadily increasing prosperity, during a period of great development and expansion, has continuously harped upon "the dance of the goats in the setting sun," and has told us, "a few more civil servants and the end of Kenya's world would come", whereas in fact, we have known that with a little more increase in the administration on the ground of this country we perhaps would not have been in the position we are in to-day.

However, Sir, I will move to conclusion. The hon. Member for Nairobi spoke about the Stock Exchange. I, too, Sir, welcome the advance which has been made in the past few weeks, in the advance to the setting up of a Stock Exchange in East Africa, and I hope, I hope they will move to London recognition at the earliest possible moment, because that is of importance, too.

The hon. Member for Nairobi South spoke, as did the hon. Member for Nairobi West, about local loans because they are sure it is the true act of faith in ourselves and our country. Well, Sir, our new loan operation will close to-morrow. But I am now in a position to state that the conversion side of the loan has gone far better than I ever hoped, and that the new loan will undoubtedly be over-subscribed; without the use of any Kenya Government funds at all. (Prolonged applause.) That is faith in ourselves. That answers the pessimists. That answers the people who talk about bankruptcy, insolvency and people fleeing. That is no daydream. That is an expression of solid faith in Kenya by good men of solid and sober judgment.

Sir, I beg to move. (Applause.)

The question was put and carried.

## BILLS

### FIRST READING

*Plant Protection (Amendment) Bill.*—(The Minister for Agriculture, Animal Husbandry and Water Resources)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

**Local Government (County Councils) (Amendment) Bill.**—(The Minister for Local Government, Health and Housing)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

**Local Government (District Councils) (Amendment) Bill.**—(The Minister for Local Government, Health and Housing)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

**Public Roads and Roads of Access (Amendment) Bill.**—(The Minister for Local Government, Health and Housing)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

### COMMITTEE OF SUPPLY

#### MOTION

THAT MR. DEPUTY SPEAKER DO NOW LEAVE THE CHAIR

**THE MINISTER FOR AFRICAN AFFAIRS:** Mr. Deputy Speaker, Sir, Vote 2, Head 2, Vote 2 concerns the Administration and I need hardly remind hon. Members that the difficulties that have confronted the Provincial Administration during the past year have been in direct ratio to the difficulties of the Emergency, because it is these Administrative Officers, whether they be of the permanent establishment or temporary District Officers, who have been perhaps at least as much, or more, directly concerned with the conduct of the Emergency on the ground than anybody else. I would take this opportunity, Sir, of paying a tribute to the distinguished conduct, devotion to duty and to the outstanding personal courage shown by the Administrative Service, both regular District Officers and temporary District Officers handling the Kikuyu and homeguards on the ground. (Hear, hear.) With this, Sir, I would also—visualizing, as I do, the work on the ground in the districts and locations of the troubled areas—wish to associate a tribute to all the Government officers who have given themselves to the task of defeating *Mau*—the Agricultural officers, the Veterinary officers, the Health officers and the Education officers—who at a moment's notice, and frequently for long

periods, abandon the work of their departments for this battle. They are, indeed, one team working with a common object. The difficulties facing the Administration have, indeed, been great. They have been the greater because of the shortage of regular experienced staff; it is, Sir, a remarkable thing that in all the districts of the Colony there are serving now only 23 District Officers with more than one tour's experience. To have to face an Emergency, already short of staff as we were, and to have to re-deploy the experienced staff that one has had into the troubled and difficult areas, has been a serious drain on the resources of the Administration. I would gladly say here, Sir, that they could not have carried their responsibilities in the way they have, without the assistance that has been so willingly forthcoming from all members of the community and those, in particular, who have taken on the arduous duties of temporary District Officers with the Kikuyu and homeguards and in the Administration in the Divisions, particularly in the settled areas. (Applause.) The debt that we owe these people is very great and I would gladly pay tribute to them here.

If, indeed, we had more experienced District Officers on the ground now, I should be a much happier man.

**THE DEPUTY SPEAKER:** Order. Council will now suspend business for fifteen minutes.

*Council adjourned at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock.*

**THE MINISTER FOR AFRICAN AFFAIRS:** I was referring to our great need for experienced administrative officers on the ground. We should, of course, have been in a better position if we had seen this need in the years past. It is no good crying over spilt milk now, but I do urge hon. Members to appreciate this need and to assist the Government in forestalling it for the future and for making provision for increases in the staff.

The Provincial Commissioners, District Commissioners and the District Officers, in their various spheres, are, indeed, key men on the ground, both in their executive and their co-ordinating

[The Minister for African Affairs] capacity. By this I do not mean that the members of the district team are not complementary—complementary they are indeed, because the District Officer relies very much on his departmental assistants in their various spheres of activity. If the agricultural officer is not up to the mark, it means a serious gap in that part of the activity of the district team. Equally, if the District Officer is not up to the mark, the departmental officers will find they are seriously short of their spear-head of activity in the district team.

Hon. Members will note that an increase in the permanent staff of the administration of 20 is asked for and an increase in the numbers of temporary District Officers, most of whom are employed on Kikuyu homeguard work. I am giving most serious attention to the question of recruitment to fill these posts. The Administration at the present time, apart from the 20 additional asked for, are approximately 20 short, so that, if Council approve this additional staff, we shall need, urgently, 40 additional Administrative Officers. Some of these will be recruited overseas; some, I hope, will be recruited from the existing temporary District Officers, many of whom have done extremely well on the ground during the past year; and some may be recruited from those members of the Sudan Civil Service who may be available towards the end of this year and who we would welcome here with their experience of administration in other and similar fields.

I would mention, Sir, the chiefs and headmen who play such an important part in the work on the ground of the government in the districts. Last year, the hon. and gracious lady representing Utamba District drew particular attention to this and the need for improving their organization and their conditions of service. It has been possible, Sir, to do a considerable weeding out of redundant members of this sometimes cumbersome staff on the ground, and, as so doing, provide for a regrading and upgrading of the more active members. In addition, we are asking for provision for extra headmen in the Nyanza districts which the Provincial Commissioner considers to be essential, particularly in

the very large and rather overcrowded area of North Nyanza.

The Provincial Commissioners have reviewed the staff of chiefs and headmen and their grades in each province and this has now been correlated into a complete picture with recommendations which are only awaiting the Salaries Commission Report so as to fit into such grades as they will recommend.

We are pursuing the policy of closer administration through the development of sub-stations. During 1953, 12 sub-stations were established—these were largely in the Utamba and Central Province—during 1954-55 we have planned the development of a further eight sub-stations: five of which will be in Nyanza, two in the Southern Province and one in the Coast Province.

The increases shown in the Estimates of certain staff are mainly concerned and mainly linked with the development of these sub-stations and the development of closer administration, such as we envisage. We do feel that it is very important to maintain the development of Administration in those areas outside the troubled areas. There is a danger that, on occasions, has been difficult to avoid, of pushing staff into the troubled areas that should really have been employed elsewhere. If we are able to achieve this increase of staff by recruitment, I trust that these difficulties will not recur because we do regard that close administration, firm handling and progressive development of such areas as Nyanza and the Coast as being of the highest importance, and equally important in future policy with the development of the Central Province.

It is difficult, Sir, to see into the future, but I do foresee that there will be a necessity, as the complexities and difficulties increase, to increase some of the ancillary staff of the Administration, particularly in the sphere of Revenue Officers, Magistrates, Office Superintendents and development foremen. This type of staff will take, in certain spheres, some of the growing paper work off the shoulders of the District Officers and some of the more tedious work of development. This I merely forecast, Sir, because I have been reviewing and drawing up a plan to try and envisage



[The Minister for African Affairs] the staff that will be necessary for the future administration in so far, as I say, Sir, one can foresee it. One thing I am certain, that a strong administrative framework is, and will be, absolutely essential—a framework in which the African staff must be developed to take an ever-increasing part and play an ever-increasing role in the greater development of their own people and of their own lands.

I beg to move, Sir. (Applause.)

THE MINISTER FOR FINANCE AND DEVELOPMENT seconded.

Question proposed.

MR. COOKE: Mr. Deputy Speaker, the hon. Minister has paid a tribute to the officers in the country and I would like to pay a tribute to the hon. Minister himself. I do not often throw bouquets to that side of the Council, but I would congratulate him on the sturdy manner in which he has conducted and borne the very heavy responsibilities he has borne. (Hear, hear.)

I know that certain Africans rather look upon him as a brute but they all think he is a just brute which, I think, is a very good thing—if you will excuse me for putting it that way.

With regard to the administrative officers—I happen to be on the small committee that appoints administrative officers in Kenya—now I would say that, in my humble opinion, a very fine lot of people are coming along and applying for these jobs and several of them who have been appointed recently are Kenya born. I also welcome what my hon. friend has said about recruiting administrative officers from the Sudan. That sounds a magnificent idea. I suppose they would be on contract if they are older men? Those men might be extremely good in the Northern Frontier where it is difficult, I understand, to get young married men to go. In fact, one of the applicants at a recent Appointments Committee we had frankly said he was not prepared to go to the Northern Frontier—I think we appointed him in spite of that because his other qualifications were so good.

It is a truism, of course, to say that quality is what we need and not quantity.

I am sure that there are one or two, at any rate, of the administrative officers who might be weeded out at the moment. I do not want this to be distorted—as some of my speeches since this session began have been distorted from the other side by people who have not listened to what I said, or have not been here—I do not want this to be distorted as an attack on the Administration, but I do think that we should go through with a fine comb, later on at any rate, and see that only those who are really suited, and properly suited, in every respect are retained in the Administration. I think there probably will not be very many combed out, but still, we cannot afford in that particular branch to carry any people who are not pulling their weight. There was one point I made which Mr. Okwirry very kindly replied to. I think actually, so far as I could hear him, he rather bore out my contention. My contention was this: If one looks at page 261 of the Draft Estimates you will see that the proportions of travelling allowance in the Central Kavirondo and Northern Kavirondo do not bear the same ratio to local travelling and transport—they are different ratios and there I drew the conclusion that in Central Nyanza administrative officers were spending more time on *safari* because they were drawing more travelling allowances. I believe Mr. Okwirry more or less bore that out. That, of course, everyone will admit is a very important matter. The administrative officers should stay out for several days and keep in touch with the people as they did in the old days.

I think that most people admit now that a lot of the *Mau Mau* movement drew its strength from the fact that we were not in touch properly with the ordinary—if I may call them common—people in the reserves. In the old days, people used to go on *safari* and remain on *safari* for days and talk to the old people and so on, and in that way kept in touch with them.

I have no further comments to make on the actual Estimates, but, with regard to the chiefs, many of whom have been doing extremely well recently, I think a very unfair burden has been put on them by permitting so much exodus first from the farms and now from the towns into the reserves. I remember reading, a few

[Mr. Cooke] that Chief Muhoya said—he is a very fine chief—that he was immensely embarrassed by the number of immigrants coming to his district and I am afraid the same thing is happening to-day.

I was appalled to hear—although I felt that the numbers might be large—yesterday that 35 per cent of the people who have been captured in the forests—I think that is people who have been actually identified in the forests—had recently come from the farms. That emphasizes what some of us have been saying for 18 months that it was a tragedy that exodus from the farms was allowed to take place. If it did take place, the emigrants should have been drafted into useful work. To hear that figure yesterday—35 per cent of the people who have been captured in the forest had come from the farms in the last few months—is a most tragic position and must have prolonged the Emergency, but as I am going to deal with that in a Motion I hope will come later on the Emergency, I will say nothing further about it now.

The Administration is going through a very difficult time at the moment. Most of their time must be occupied, I imagine, in chasing rebels, being on *safari* and shooting and so on, but I do hope that they will be able to give a little more time now to proper administration and visiting the people in their villages and keeping really in touch with them.

Sir, I support the Motion.

LADY SHAW: Mr. Deputy Speaker, I want to ask a question which I would be very grateful if the hon. Minister could give a reply to now. That is the whole question of the pay and emoluments of the sub-chiefs—people which in the Kamba country are called *Musilis* and people of that kind. I spoke on this at the last meeting of Legislative Council and, looking at the figures, it does not appear to me that the emoluments of those people have been raised. They are lumped here together in a single number—all I can do is a sort of general division sum, but it does not quite satisfy me. I would be most grateful if I could be told if something has been done about bringing the sub-headmen, *Musilis*, and people of that kind, on to what I consider a proper scale of emoluments.

The Minister himself knows perfectly well the reasons for my feeling very strongly on this subject and I am not going to repeat everything that I said last year, it would be a waste of everybody's time, but I would like some information on the subject and if nothing has been substantially done in this matter, I would like, once again, Sir, to urge the high importance of paying and treating the people on whom a very great burden of responsibility must lie, properly from a financial and every other point of view. In spite of the fact that I probably dislike, more than anyone else, coming to the Chamber during the Estimates and pressing for further expenditure, this, Sir, is not the type of expenditure which I regard as wasteful expenditure. I not only do not regard it as wasteful expenditure, but I believe it is most unwise and unfair and entails a great risk in the future if such people are not properly rewarded.

MR. GATHANI: Mr. Deputy Speaker, I would like to join in the compliments that the hon. Minister for African Affairs paid to the administrative officers and other ranks throughout the Colony. On this occasion, Sir, I would like to express the country's deep appreciation of those who, while working in the disturbed areas, have lost their lives. I think their sacrifices should be placed on the top list and to them I think the country owes a great debt of gratitude. (Hear, hear.)

Now, Sir, we have very wisely accepted the principle of multi-racial government in this Colony. I think it would be equally wise if this principle is extended to the Civil Service throughout the Colony. I, Sir, do not propose that there should be a redistribution of all the Civil Service posts throughout the administration on the basis of three, two and one, but I do suggest that when men and women, with merits and ability, come forward, they should not be denied any post in the Civil Service because of their race.

Now, Sir, the hon. Minister for African Affairs has mentioned something about the pay and the other emoluments paid to headmen, sub-headmen and African assistant district officers. I would urge that these people should be paid according to the responsibilities they discharge. If we really want to inspire public

[Mr. Gathani]

confidence in them and allow them to work with dignity, we should see that they are paid adequately and according to the responsibilities they discharge.

Now, Sir, we have moved from the old system of Government to one of Ministerial responsibility and in that system there is a possibility of changes every four years, or if there is some political storm, before that period. We should therefore see that permanent under-secretaries and capable civil servants are given responsibilities in each and every Ministry under the control of a Minister drawn from the Unofficial side. At least every four years when an election takes place, there is the possibility of some Ministers not returning to the Council and those posts or departments which were under their care would suffer if there were not continuity of service which could be provided through the establishment of permanent under-secretaries in their departments. Kenya is a hot-bed of politics and we know that it is difficult to forecast a change in the fate of Ministers. They may be on that side; they may be on this side; we may even see some of them in the galleries and at that time, I think, it would be desirable for us to have qualified permanent secretaries, so that continuity of work and knowledge of the department is made available to anyone coming in that department.

Now, Sir, regarding the posts of Provincial Commissioners and District Commissioners and Assistant District Officers, I would suggest that a beginning should be made by giving a chance to members of the other races in participating in such services. I hope one of these days we will see an Asian or an African Provincial Commissioner, District Commissioner or Assistant District Commissioner. I think we should also see that the local government here recommend to the Colonial Office the inclusion of members of other races in the Colonial Service.

I have noticed, Sir, that recently there have been promotions in the Asian Civil Service and these are very much appreciated throughout the Colony, but I think the process is rather slow and this should be accelerated whenever applications are made by people with ability and merit.

Now, Sir, I personally feel that if there is a conference—as we had recently of the Provincial Commissioners in Nairobi—held frequently in Nairobi of District Commissioners, as well as Assistant District Commissioners, they would be in a position to exchange views and work they may have done in the various districts and such information would be beneficial to other districts where progress may not be on the same scale.

I do not know, Sir, whether I am right in discussing this item under this head, but if I am so, I would like to draw attention to travelling allowances. This figure you will find appearing everywhere throughout the Budget. I understand the travelling allowances are paid at the rate of Sh. 1/25 per mile. I mentioned this in my Budget speech, but I would repeat that this question requires reconsideration and the option should be given to officials using their own vehicles to accept a lower rate or use the Government vehicles.

Now, Sir, I would like, in conclusion, to pay a tribute to the team work that we saw during this Budget session from the opposite side and I must, Sir, congratulate the hon. Minister for Finance for I should say the most noble way in which he received all the accusations which were hurled at him from this side. I am particularly impressed on account of the fact that even though some of the Members on the other side may not have conscientiously agreed to some of the measures and policies, they also, like loyal pupils, obeyed the master. I wish the chairman of the Unofficial Elected Members' Organization would do likewise, so that we may also have that kind of team work wherever it is necessary. I was rather surprised yesterday to see that the last speaker from our side nearly crossed the floor. He was, I think, taking briefs on behalf of the Government than on our side.

Sir, I support this Motion.

MR. JEREMIAH (African Representative Member): Mr. Deputy Speaker, Sir, I also join in congratulating the hon. Minister for African Affairs on his speech. I believe, Sir, that the Council will agree with his plea that we should do what we can to help him to get more staff because I believe it is in the Administration staff that the African

[Mr. Jeremiah] hopes to progress better than he has been doing.

There is a phrase, however, Sir, that was used of closer administration and that more people are wanted to work especially in the African areas to have the areas more closely administered, and in his saying that he also mentioned firm handling. Now, Sir, that is a word which I would not have liked to hear, but the fact that I am in contact with many of the administrative officers and I have seen their work, I appreciate that they are there, not to close administer the people or firm handle the people, but they are there to help the people and for this reason I think the phrase of firm handling is likely to be misunderstood and therefore we should especially say that we want more officers to help the Africans forward which, in fact, is what I think they are doing.

In saying that, Sir, I also would like to mention what I have been mentioning for many years in this Council about the Coast Province. Sir, many improvements with regard to administration are taking place in other provinces but not in the Coast Province as I would like to see and in this, Sir, I refer particularly to the employment of Africans in more responsible posts. I find, Sir, that the newly-created province of Southern Province has already been provided with three posts for African assistant district officers, but the Coast Province which was in existence long before any in this country still has only two and the second one was only appointed recently.

Now, Sir, I have been requesting that Government should take into consideration the question of having more Africans employed in the posts of assistant district officers. Perhaps the hon. Minister will this time at least tell me the reason why this has not been possible in the Coast Province.

Also, Sir, one thing which has been mentioned in Council for years is continuity in the administration officers in the districts they administer. I am sorry to say that the district officers especially are being moved out very frequently, more than is necessary, and I think Government should find a way of posting the administrative officers in a place for longer than they do now. I think it

will be of benefit not only to the officer to get to know the people well, but also to the people themselves. I have seen it in some places where the district officer has been posted and tries to plan for the development of the country and before anything is done, he is moved and another one is brought who will have to start afresh. That, Sir, Government should consider and have them posted at a station much longer than they are at present.

Sir, I beg to support the Motion.

MR. SLADE: Mr. Deputy Speaker, I do not quite know how far the question of rehabilitation of Africans falls within the province of the hon. Minister, but I think it does, to some extent, involve the welfare of those for whom he is responsible.

There are one or two points I have to make in that respect.

First of all, is the very obvious point, which I know is already in his mind, that it is quite essential that all Africans that we have to detain, and we are detaining very large numbers, are given employment at the earliest possible moment after their detention. That, of course, includes the occupants of so-called works camps where there has not been always an awful lot of work going on. The reasons for this are obvious, but they are so important that I would ask the indulgence of this Council to repeat them once more. Without steady work, we have no hope of preventing the further demoralization of these people. Without steady work, we have no hope of contributing towards the cost of their detention, and without their being fully employed, we are missing a golden opportunity for getting some compensation, from the necessity of detaining so many, in the form of development of the potential resources of the Colony. It does appear to me, Mr. Deputy Speaker, that we have not yet fully explored the ways in which these detainees could be employed. The possibilities of stone quarrying, or quarrying simply for building of roads. The possibilities of bush-clearing and the possibilities, as I mentioned in another debate a month or two back, of developing irrigation schemes in those desert areas where there is water now running to waste, and which must sooner or later

[Mr. Slade] developed. We shall not easily see again so much labour so readily available for that purpose nor, in their own interests, such an opportunity for them to develop areas which they may perhaps inhabit later—subject to payment of suitable rents and other conditions of that kind.

One or two more points—again with regard to rehabilitation. I should like to emphasize, Mr. Deputy Speaker, the importance of paying particular attention to the adolescent either who has gone astray himself, or who is a member of a family who has gone astray. I understand, for example, that during "Operation Anvil" a lot of boys of the ages of 14 or 15 belonging to families who have been taken up, have been simply repatriated to the reserves without anyone being really responsible for them, or paying any particular attention to them. Now that is a very dangerous state of affairs, in my submission, Sir. These boys belong to the age group which has been indoctrinated right from the very start. These boys are the seed of future mischief in this Colony or the seed of future good, and we must get hold of them more than anybody else, and make sure that they come the right way and give up the doctrines that they have been taught for most of their thinking years. I am quite certain that the majority of them, left free in the reserves, will go and join the gangs, and that will be the end of them—morally if not physically. It will be, I am afraid, a question of further expense again, but anything in the nature of reformatories or special camps for children of this kind will, I am sure, be worth the expense.

There is another point which struck me recently, Mr. Deputy Speaker, with regard to the detention and movement of Africans who have given trouble during the Emergency, and that is the terrible lack of discipline which is enforced among them. One reads in the newspapers and there are accounts over and over again of how in transit they are allowed, in the most public places, to sing their rebel songs, to reject food, throw it about, to have oath administration ceremonies, and so on. It cannot be, Mr. Deputy Speaker, that that discipline cannot be controlled, and we must show that we can control

indiscipline of that kind. Those who want to make demonstrations of their indiscipline must be deprived of the opportunity of doing so.

There is one last point which arises more from the question of screening than from the question of camps. The importance, in view of what I have seen stated recently, of the suggestion that if an employer vouches for his employees as having served him many years—and faultlessly—it may not be necessary to screen him so carefully as others have been screened. Mr. Deputy Speaker, I have learned the fatal error of that point of view, and the tragic fact that it is so often the employee of very long standing, and of very good behaviour, who is the deepest in this trouble, and the last person to realize it—and the last person you would expect to realize it, naturally—is the employer. You cannot rely on the employer's recommendation in that respect—however conscientious, and however honest it is. We have seen too many cases of the dreadful disappointments of those employers, who had faith in their staff and who eventually were found to be mistaken.

Leaving that subject, Mr. Deputy Speaker, I would like to refer, for a moment, to what the hon. Member for the Coast said with regard to the necessity of combing through the Administration. I would point out that one can never comb too often, I think, through any organization, but on this occasion I believe there is one thing we have particularly got to look for with our comb, and that is the slightest suspicion in the Administration of Communistic tendencies. There is a danger of officers of Administration, like anyone else here and there, having ideas, which they put across to those whom they are governing, of a Communistic kind—very possibly with the best intentions. We simply cannot allow this in the Colony, and we have got to watch it very carefully all the time.

The last subject that I want to deal with, Mr. Deputy Speaker, is the subject of closer administration, which the hon. Minister touched on himself; in fact more than touched. He showed very clearly how he appreciates the necessity of closer administration. Indeed it is vital, if we are to hold the ground that we have made in clearing up this Emergency. I think it is generally recognized

[Mr. Slade] that closer administration will be required, both in the African Land Units, and in the settled areas and towns. I only want to speak about the rural settled areas, as the areas I know best. In those areas we are working at present mainly on a system of screening, which is combing out the mischief-makers. But as we progress, it should become less and less necessary to comb, and become more and more important to establish something that will hold, the improvement that we have made, and secure us against future lapses into a state such as developed in this Emergency. I do believe that this Emergency was first developed, to a great extent, in the rural settled areas. To that end, I urge very strongly the hon. Minister to consider some system of developing quickly closer administration in these areas, and I would suggest that particular attention is given to the necessity of Government officials being brought in closer proximity with Africans within a limited area, and the need of continuity of people in such positions is always emphasized by speakers in this Council, and of their being in a position to secure the personal confidence of a number of Africans in that limited area. It is equally important to develop a good system of intelligence so that we may be well informed of what may be developing.

For all those purposes, I believe that the best answer is to call upon the help—and I am sure it will be readily forthcoming—of the resident European, and to look more to a basis of honorary service, both in administration and indeed in justice on a small local level; and, in view of their great success of late, as screening officers, temporary district officers. They could, I believe, be used equally as well as district officers in this scheme of closer administration on an honorary basis, and paid sufficient to cover their expenses. I believe you will find a host of men coming forward for those jobs, and they must have with them Africans who again are respected by the locality, and these Africans, I think, would have to be paid full time, and with a combination of local European residents and full-time paid Africans, you would have a set-up in each ward that would be invaluable to

the development of this closer administration, and would preserve a proper relationship between Government and the local Africans. It would also ensure a better system of intelligence from day to day and would increase the confidence of the local African in the power and sympathy of Government.

I do not want to elaborate any further the detailed ideas of how this might be set up; if only the hon. Minister could consider the desirability of some development, to give effect to those principles.

MR. HARRIS: Mr. Deputy Speaker, Sir, I would like to follow on what the hon. Member for Aberdare has just said about closer administration, in so far as it affects Nairobi, and here, Sir, I would like to pay a tribute to the Administration in Nairobi during the last few months, particularly to the Officer in Charge and the District Commissioner.

Now, Sir, Nairobi has been chosen as the guinea-pig for the issue of the new passport. I hope, Sir, that that passport will be issued in such a way that, as soon as a person is in possession of a passport, he can be assured of living the life of a normal citizen from then on. I hope that the conditions of issue will be so stringent that it will no longer be necessary to herd passport holders with all the other riff-raff of Nairobi, and take them off to screening camps, or any other herding place, but, in fact, the holders of those passports will be metaphorically waved on in their motor-cars, just as the Europeans and Asians are with the present cordon round Nairobi. I feel, Sir, that this is a great step in trying to make it possible for the Government to hit the bad man harder and allow the good man to live the life of a normal citizen.

That, Sir, brings me to the whole question of the future administration of Nairobi. It has always been considered, I think rightly, that Nairobi has been, not only the breeding ground, but also the recruiting ground for much of the trouble that we have been experiencing during the last two years. Therefore, Sir, it seems to me that when our present troubles are over, we must never again allow Nairobi to get into the state which it was up to three or four weeks ago. I would suggest, Sir, that it would be a good economy to divide Nairobi, if

[Mr. Harris] necessary all the areas of Nairobi, into a hundred sections and put a district officer in charge of each, making them responsible for geographical areas bounded by certain roads or rivers, so that every man knows his exact area, and every resident of that area knows the person responsible for the administration of Africans in the area. Now that man should, in the course of time, get to know the faces of all the Africans regularly employed in the area; he should know who were the good householders in the residential areas, and who were the bad ones. He would also get to know where the drinking parties habitually went on on pay night and, in fact, get to know, in the course of time, every single thing that went on in his area. In that way, Sir, it would be impossible for the unemployed and hangers-on to penetrate into Nairobi, as they undoubtedly did between 1951 and 1953.

Now, Sir, the hon. Member for Aberdare suggests that in the settled areas this kind of work might be done on an honorary basis. I am afraid in Nairobi we should not be perhaps quite so altruistic and pay would be necessary, but if you take my figures of a hundred district officers, Sir, and average them out at, say, £1,000 a year, an expenditure of £100,000 a year, to eliminate the possibility of a second Mau Mau Emergency would, to my mind, be a very cheap price to pay. That, I believe, Sir, would be the answer to the administration of Nairobi and the consequential impossibility of another Emergency being developed from Nairobi as a base. I commend this suggestion to the hon. Member.

MR. TYSON (Nominated Member): Mr. Deputy Speaker, perhaps I may be allowed to add something to what the hon. Member for Aberdare has said in regard to the question of rehabilitation. We have, it seems to me, a wonderful opportunity of doing a job that will give good results in this concentration in camps, under discipline, of large numbers of Africans, and it is an opportunity of which I think we should take the fullest advantage.

The hon. Member for Aberdare referred to the danger of leaving these people in idleness and I feel that an

opportunity like this presents an opportunity for technical training on the lines which were adopted prior to the Emergency by the prisons. The prisons turned out some quite good tradesmen after a period of imprisonment; fellows who, afterwards, were able to earn an honest living.

In carrying out the suggestions which I have made, Sir, I do think that far more use should be made of the information services. I particularly refer to broadcasting and the cinema, and it does seem to me worthy of consideration, that advantage should be taken of these large concentrations of men which may lead to fruitful results.

Mrs. SHAW: Mr. Deputy Speaker, Sir, I do not want to take up the time of the Council, but I would merely like to add my tribute to that paid to the administrative officers serving in the troubled areas, and with special reference to those who laid down their lives in that service.

I would also like to add a very sincere tribute to the Minister for African Affairs. We all realize the strain that the Emergency has placed on administration and it is good to know that a large proportion of the temporary District Officers who have been enlisted to help the Minister in his present difficulties, are Kenya-born lads. I believe that they are doing an excellent job, and I would also like the Minister to know, that they are not only keen and interested, but extremely happy in their work. I feel too that I must pay a very high tribute to the administrative officers of my own province of Nyanza. Although it is not a troubled area, I do feel that through the work they are doing and the confidence and respect they have won, in the densely populated African areas in Nyanza, is largely due to the fact that the trouble has not spread to the Nyanza tribes. The discrepancy in travelling allowances has been brought up two or three times in previous debates, and this discrepancy may be accounted for in North Nyanza by the fact that that area is served by two centrally situated administrative centres, which does make it necessary for the officer to stay out on safari for long periods. I would like, however, to dispel any idea that the officers in North Nyanza are not going

[Mr. Shaw] out and about in their district in the province, for that is entirely incorrect.

I ask to be forgiven, Mr. Deputy Speaker, for bringing up again the subject of continuity of service, and I realize fully that the Emergency is making this well-nigh impossible, but I would again plead the cause of continuity of service when the position regarding the Emergency eases.

I would like to support as well the suggestion made by the hon. Member for Aberdare, that help could be given in closer administration by Europeans living in settled areas on the perimeter of the reserves. I consider that to be a most valuable suggestion, because I do think that in this Colony, we all tend to live far too much in water-tight compartments, and, until we understand and realize the difficulties of those people round about us, we shall never really build a nation in spite of the multi-racial Government we have now introduced.

DR. HASSAN: Mr. Deputy Speaker, I wish to pay a tribute to the administrative officers in this country, who have done a magnificent job of work during the last two years, particularly during the state of the Emergency. It is not only those who have been working in the affected areas who have been hard put to do the work placed on their heads, but also those away from the affected areas, because large numbers of those were transferred to the affected areas and the administrative officers have been working with short staff.

The Minister for African Affairs has told us, there are only about 23 administrative officers who have done more than one tour of service in this country.

THE MINISTER FOR AFRICAN AFFAIRS: Sir, what I really meant to say was, there were only 23 District Officers exclusive of District Commissioners now in the second tour of service.

DR. HASSAN: But that really indicates, Sir, that we have not a very large number of District Officers in this country, having first-hand knowledge and experience of the spheres of Kenya.

The administration services have been relying chiefly on the people of the Colonial Service to be appointed to this

country. In Kenya we have a very large number of local youths of all communities and now that we are going to have self-government one day, it is essential that we should try to raise the administrative services from Kenya upon a long-term project.

This country, as we know, is populated by three major communities and having administrative officers to deal with all three communities, it is quite evident that in the major towns the administrative officers have frequently to consult with the wise men of the communities before they can understand some of their complaints. I must say that every time they cannot get the first-hand knowledge that is necessary to solve those problems. With a view to helping and assisting the administrative machinery of this country, it is essential that the youths from Kenya, irrespective of their race, should be picked out for the administrative services, based on their qualifications, families and their standards, and so on. It will bring all the communities nearer to each other. It will make them understand, know each other's point of view. It will be to the interest of Kenya that the foundation of that service should be laid.

Regarding the rehabilitation that some of the previous speakers have spoken about, I feel, Sir, that for the women and children to go back to the reserves, of those who have been detained is not a step towards the good of the rehabilitation which we expect to work after the Emergency.

I am of the opinion that those people who are going to be screened and properly tested should be put into Crown lands in different areas. Those areas are not properly developed. There are agricultural possibilities in those areas, the clearing of bushes from tsetse, and such other matters. If these women and children were allowed to join their husbands there and allowed to carry on agriculture and the clearing of those areas, it would not only help and assist in preventing those people from going back into the infected reserves, but at the same time it would make them get accustomed to a life different to that they were used to in their own reserves. In the course of time it will make things very much easier for the administrative

[Dr. Hassan]— departments without persuasion to have a larger number of people shifted to those areas to satisfy their land hunger. I feel it is one of the matters which should receive the very serious consideration of the Government.

I beg to support. (Applause.)

Mr. LETCHER: Mr. Deputy Speaker, Sir, I would like an assurance from the hon. Minister that the temporary District Officers who are serving in the troubled area do not take unnecessary risks, as they appear to have done recently. I would like to know what protection is being afforded these young men when they go about the reserves. One hears reports of them roaming around in jeeps with one tribal policeman and so forth. I think they should be better protected.

Mr. MATHU: Mr. Deputy Speaker, Sir, I would like to make a few remarks on this policy debate on Administration and in doing so, I should like to join other hon. Members in paying a tribute to the administrative officers, chiefs and headmen, all over Kenya, in particular in the trouble areas.

I think they, in spite of the troubles that we are facing, and in spite of the tremendous danger that exists in the Mau Mau-ridden areas—I think these officers that I have mentioned have served this Colony a service that will never be forgotten in the history of the Colony. (Hear, hear.)

I agree with the hon. Minister on this question of closer administration and in doing so, I should like to put it to him, as I have done these last ten years, I think, to the Government, that we have an opportunity now of bringing our African population closer to the administration by creating posts that these Africans can fill in the districts. There is no other area of Government activity which is so important in the establishing of confidence of the common people in Government as that area of administration. I do think, Sir—and I agree he has said he would like, he thinks African staff will play a greater part in the administration of their own people—but I do think that that is a principle which should advance more rapidly, more quickly than at any other time before.

In this closer administration I think that when sub-stations are set up, if they happened to be near a special headquarters of a district, I think it would be possible to place these sub-stations under capable Africans to run them, responsible naturally to the district commissioner of the district. That would be one way of creating confidence in Government, to see that the Government has a group of men in the African community that they trust to accept responsibility for their own people without necessarily referring details of a minor nature to a senior European officer.

In this closer administration I suggest that also when these sub-stations are being put up—I agree we should start with the Central Province where we have most of the trouble—so that the administration should be closely associated with the local people, I suggest that consideration also should be given to that section of the Southern Province occupied by the Masai people who have the habit of moving about all over the countryside. I think they should settle down permanently for the development of the country and I do think, with water supplies in certain areas, and sub-stations in the areas, the Masai will not find it necessary to move about long distances with their herds of cattle. I think it would be easier for the Administration to improve the life of the Masai, in the way of improving their herds of cattle, their water supplies, getting them settled in areas where they can do some permanent development. I put it to him that he should not lose sight of that possibility in those areas. It will perhaps apply to other tribes in Kenya who have that habit of leading a nomadic life.

One other point I would like to mention on this closer administration. It is the place that the Administration put the African women. I do think that when you talk of administrative officers coming closer to the people, the tendency has been up to now to forget the African woman. We have found in the troubled areas how the African woman can become helpful and can become dangerous. I do think that if in the Administration set-up we can have women of all races to be closely associated with the African women, to influence them in the direction towards which we are working, it would be a tremendous help. I would

[Mr. Mathu]— like to pay tribute to what some of the European women are doing to develop women's clubs in the African areas. (Hear, hear.) (Applause.) That is a development we should encourage, and I do not think we should grudge any funds we may spend to develop that line of development for the future of the country. (Hear, hear.)

Now coming to a few things on chiefs and headmen, I should like to endorse every word that my hon. and gracious friend, the Member for Ukamba, has said in regard to headmen and sub-headmen and members of the lower ranks in the Administration service. I do not want to go into details on that one but I do agree with every word she said. I do think there is still more room for grading, giving responsibility to these men who are actually on the ground and in touch with the men, women and children in the locations. They are an important factor in the Administration set-up and we should not neglect them. I hope also in that grading, chiefs who have a higher position in the Administration will not be forgotten. I think when you start having senior chiefs, I think that rank should not only be an honorary rank, but should carry certain responsibility with it as well as some extra pay.

Finally, Sir, I should like to mention what the Minister has said in regard to the future—that he would like more staff so that he can employ revenue officers, magistrates, development foremen, office superintendents. I suggest that he will get the support of the African people when he starts to separate the judicial and the executive functions of the district commissioners at the present moment. The judicial functions in African districts should be done by magistrates, trained for that particular purpose, to release the executive officer, in the form of the district commissioner, to do his proper job: I think they are appointed for that ordinary development of the country. Magistrates should deal with the judicial functions. That would be a move in the right direction.

I beg to support.

THE DEPUTY SPEAKER: I propose to interrupt the debate now. I understand that the Leader of the Council has a statement he wishes to make.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, Sir, the Government is desirous that the business of the Council should be known to the Council and the business next week is intended to be as follows:—

On Tuesday, 25th May, 1954, at 10 a.m.:—

Committee of Supply.—The votes which are to be dealt with, in order: Administration, Police, Information, Agriculture, Labour, Commerce and Industry, Public Works, Prisons, Forests, High Commission Services, Judiciary, Education, Medical, Treasury.

At 2.30 p.m.:—Second Readings—Piant Protection (Amendment) Bill. Local Government (County Councils) (Amendment) Bill. Local Government (District Councils) (Amendment) Bill. Public Roads and Roads of Access (Amendment) Bill.

And at not later than 3.30 p.m.:— Committee of Supply.

On Wednesday, 26th May, 1954:—

At 2.30 p.m.:—Second Readings—Mining (Amendment) Bill. Municipalities and Townships (Private Streets) (Amendment) Bill. Municipalities (Amendment) Bill. Supplementary Estimates.

And at not later than 3.30 p.m.:— Committee of Supply.

On Thursday, 27th May, 1954; at 10 a.m.:—Committee of Supply (Continued).

At 2.30 p.m.:—Private Members' Motions, followed by Committee stages of Bills given Second Readings on Tuesday and Wednesday; Supplementary Estimates.

On Friday, 28th May, 1954—9.30 a.m. Committee of Supply. (Continued).

#### MOTION OF ADJOURNMENT— AERIAL SURVEY WORK

Mr. HARRIS: Mr. Deputy Speaker, Sir, I beg to move that the Council do now adjourn and take this opportunity of bringing to the notice of hon. Members a matter where I believe abuse of normal rights of persons trading in this Colony may result, unless action is taken quickly.

(Mr. Harris)

It is only because of the need of speed that I would take up the time of the Council this morning.

I would like to give a little history of three companies engaged in the work of air survey. In 1947 company "A", a local company with a capital of £15,000, was formed and obtained a licence, amongst other things, to do air survey work. Subsequently, another comparatively large international company was then formed in Kenya and also obtained a licence to do air survey work. In 1952, a third company, also of international repute, through a subsidiary company in Rhodesia, made application for a licence for aerial survey work. The Transport Licensing Board refused the application, apparently in the belief that the two previous companies were sufficient to cover the field. This company, "C", the third company, made a subsequent application which was again refused. In the meantime, company "C" has been carrying on aerial survey work in East Africa on temporary *ad hoc* licences which have been granted by the Director of Civil Aviation and at any rate, even if they have been before the Transport Licensing Board, which is doubtful, the procedure for objections was not followed.

Now, Sir, a few months ago the two companies, "A" and "B", heard there was to be a very considerable air survey job, amounting to 43,300 square miles of country and this contract was to be let in due course by the Crown Agents. About the same time there was a very large survey rumoured, a survey of the northern and southern shores of Lake Victoria, being a compensation survey for the Government of Egypt.

Subsequently company "B" received an invitation to tender for the lake survey work. Neither of the companies heard anything of the 43,300 survey plan, until on the 12th April, 1954, under Government Notice 962, pursuant to the provisions of Air Services Licensing Regulations, 1948, a notice was published inviting objections to the granting of a licence to company "C" to, in fact, perform these two large survey jobs for which in one case neither of the two licensed companies had been invited to tender and in the other case, only one. Subsequently with this, the City Council

of Nairobi also wished to have a survey of the city. They invited tenders more properly, Sir, being local government, from all three companies. In fact, when the tenders were eventually opened, the price of company "A" was £9,000, "B" £12,000, the unlicensed "C" £10,000. But on the advice of, I believe, the Director of Surveys, the Council decided to place the contract again with our old friend "C". In fact, the unlicensed company now has the contracts for several tens of thousands of pounds—a company which has twice been refused a licence.

The need for speed is this: in the Government Notice 962, 12th April, 1954, the date for objections to granting of a licence as the 22nd of May, 1954—to-morrow. The objectors did not get at all worried about this because by previous precedent they have always been given some six to eight weeks after the last date for lodging objections before the objections are heard by the Licensing Board, but on this occasion it is interesting that the objections are to be in by the 22nd of May but the contracts presumably have already been placed, by the Crown Agents, for the work to commence on the 15th May, showing that in fact the company has already got the contract but no licence for the last six days. The objectors have to appear or put in their objections not later than to-morrow. Instead of the usual six to eight weeks in which to prepare their case, after having received notification to appear before the Board. On this occasion the date for objections is Saturday. The day following is Sunday. The day following that is Bank Holiday, the Board will sit next Tuesday, the 25th. It sounds to me, to put it at its best, that there is undue haste to see that the objectors have very little opportunity of entering objections on this occasion. Then already the position has been prejudiced by some agent of Government in fact placing the contract which has been given to a company which has been refused a licence by the licensing authorities.

In view of all this, I would ask the hon. Minister for Commerce and Industry, who I believe is responsible for this matter in this Council, if he would try and make representations to the High Commissioner or the Licensing Board to see that the normal period of six to eight

(Mr. Harris)

weeks is given in which to prepare objections. Also I think this Council in view of my remarks should demand from the Director of Civil Aviation a full explanation of these most peculiar circumstances.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, Sir, first of all, I want to thank my hon. friend, the Member for Nairobi South, for his courtesy in ringing me up late last night when these facts were drawn to his attention and giving me notice that he was going to raise this very important matter. The matter was referred, as the facts have been given by the hon. Member for Nairobi South, to the Director of Civil Aviation at half-past eight this morning. I have no doubt that the facts as put forward by the hon. Member are being considered by the Director.

I have no hesitation in giving the hon. Member an assurance that I will undertake to see that those facts—the case put forward by the hon. Member—is being examined. On the point of extension of time, from next Tuesday to a more appropriate date—I will also make representations, but the hon. Member knows that I answer for the Directorate of Civil Aviation in this Council—it is an inter-territorial undertaking—and the hon. Member is aware that I, in common with others, can make representations, but I believe that on the face of it, the case put forward is one which certainly merits examination. I cannot, however, say this on the point about the time for objection. Having studied the Ordinance myself, the case coming up on Tuesday has been given the statutory period during which objections can be lodged. I am certain, too, in exercising his delegated powers to issue temporary licences, the Director of Civil Aviation was again acting within his powers. I do not wish to say more at this stage except to say the matter is being thoroughly examined. I will make representations with regard to the date of the Licensing Board's meeting.

Mr. Cooke: It seems strange to me that the hon. Member is not acquainted with these strange goings-on in the last few months and why he did not perhaps take some action in the matter. He has promised to go into it now but that is not promising that something will be done—he has promised merely to use his

influence. I think the Council should record its very strong feelings on this matter, on how it has been handled.

THE MINISTER FOR COMMERCE AND INDUSTRY: May I give a personal explanation? The personal explanation that I have to give is that, as I said when speaking, and the hon. gentleman well knows, I answer for the High Commission services in the sense that I answer for Railways or Post Office in this Council. I do not think by any reach of the imagination, while accepting Ministerial responsibility in this Council, I can possibly accept administrative responsibility for a body with which I have a slight connexion. (Applause.)

#### ADJOURNMENT

THE DEPUTY SPEAKER: No other hon. Member wishing to speak, I will now adjourn the Council until 10 a.m. on Tuesday.

*Council rose at forty minutes past Twelve o'clock.*



Tuesday, 25th May, 1954

The Council met at Ten o'clock.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWER TO QUESTION

QUESTION No. 107

LT.-COL. GHERSIE asked the Minister for Internal Security and Defence:—

(1) The circumstances under which the firm known as May and Company, Ltd., which had traded in arms and ammunition in the Colony for the past 32 years, was given notice by the District Commissioner, Nairobi, on 13th October, 1953, that the Company would not be granted a renewal of its Private Arms Warehouse Licence in 1954, and further instructed the Company to dispose of all stocks of arms and ammunition by the 31st December, 1954, the value of which amounted to over £50,000?

(2) The circumstances which necessitated the Officer-in-Charge of the Criminal Investigation Department to inform May and Company, Ltd., by a letter dated 13th October, 1953, that a Governor's Import Licence No. 738, issued on 7th October, 1953, for 25,000 rounds of Cox Humane Killer ammunition was cancelled?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE:—(1) The District Commissioner, Nairobi, did not consider it was in the public interest to permit the firm of May and Company, Ltd., to continue business as a firearms dealer in view of the very serious irregularities disclosed by the Police investigations, which led to the firm's conviction on 34 counts under the Arms and Ammunition Ordinance in the Magistrate's Court, Nairobi, in August, 1953. Accordingly, in exercise of the powers conferred on him by Rule 16 (i) of the Arms and Ammunition Rules, he advised May and Company, Ltd., that the firm's licence would not be renewed in 1954.

As a corollary to this instruction it followed that May and Company, Ltd., would have to dispose of their stocks of arms and ammunition before the end of 1953.

(2) On receiving advice that the Private Arms Warehouse Licence held by May and Company, Ltd., was not to be renewed in 1954 the Assistant Commissioner of Police 1/c C.I.D. cancelled the Governor's permit in respect of 25,000 rounds of Cox Humane Killer ammunition after first satisfying himself that the firm's existing stocks of this type of ammunition were sufficient to meet immediate needs and the arrival of the consignment in respect of which the permit was issued was not expected until 1954, when the Company would not be permitted to take delivery.

LT.-COL. GHERSIE: Mr. Deputy Speaker, arising out of that answer—I have two questions, perhaps you would answer this one first. Does the Minister consider that ten weeks is a reasonable period in which to dispose of such large stocks of arms and ammunition without incurring a colossal loss, more particularly when one regards the restrictions on dealers of arms and ammunition?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Yes, Sir.

LT.-COL. GHERSIE: I am surprised.

The second one, Sir, is the Minister aware that when the case was before the Courts, the prosecution asked that the arms licence be cancelled and the magistrate refused as he considered the fine of £835 sufficient. Does not the action subsequently taken appear to be victimization on the part of some person in authority?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: No, Sir. The magistrate only considered the facts of the case before him; the District Commissioner considered the general security position of the Colony.

LT.-COL. GHERSIE: Mr. Deputy Speaker, Sir, I think this is most unsatisfactory and, in view of the financial loss suffered due to the unreasonable period allowed for the disposal of arms and ammunition, and the financial loss in regard to the goodwill attached to this business, will the Minister call for an inquiry with a view to examining the whole position with a view to renewing the licence and considering the question of compensation?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: No, Sir.

BILLS

FIRST READING

*The Mining (Amendment) Bill.*—(The Minister for Commerce and Industry)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

*The Municipalities and Townships (Private Streets) (Amendment) Bill.*—(The Minister for Local Government, Health and Housing)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

*The Municipalities (Amendment) Bill.*—(The Minister for Local Government, Health and Housing)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

COMMITTEE OF SUPPLY

Debate resumed.

MR USHER: Mr. Deputy Speaker, Sir, may I avert my face from the Chair in order to help HANSARD?

MR. DEPUTY SPEAKER. I would prefer it if you approached the microphones and faced the Speaker also.

MR. USHER: Sir, I have two points to make upon this head. During the early part of the debate on it, my hon. friend the Member for Nairobi South spoke of the possibility of having as many as, I think, a hundred district commissioners in Nairobi, and, indeed, I do wish to support that principle and to urge the necessity of it in all urban areas and particularly the one which I happen to represent. We are very apt on the Coast to feel that "this kind of thing cannot happen here". Now, Sir, I do not wish, of course, obviously, to suggest increased expenditure upon this head during the present debate, but this is a debate in which we are planning and it is in that spirit in which I ask the Minister for African Affairs to consider to what extent he is able to provide for closer administration in Mombasa.

The second point I wish to make is in regard to the pay of chiefs and headmen. I should like to endorse every word that was said by my hon. friend the gracious lady Member for Ukamba. There is a question, however, which I should like the Minister to consider in his reply and that

is this. The appointment of chiefs and headmen. I should like to endorse every word that was said by my hon. friend the gracious lady Member for Ukamba. There is a question, however, which I should like the Minister to consider in his reply and that is this. The appointment of chiefs and headmen is largely an experimental matter and their suitability and aptitude for that sort of work only emerges after a certain period of time. Therefore I should be glad to know if it is possible for such arrangements to be made as to ensure there could be appointments on, perhaps, a lower salary and that the performance of the appointee could be observed and his emoluments increased if he proves worthy of the post.

THE MINISTER FOR COMMUNITY DEVELOPMENT: Mr. Deputy Speaker, before the Minister rises up to reply to the Debate, I think there are one or two questions that have been raised by speakers opposite which concern my particular case, and I should like to deal with them before he replies. They are both very short.

The first one is about rehabilitation. The hon. Member for Aberdare did refer to the question of rehabilitation in our detention camps. He stressed very much the need and the necessity for carrying out this work carefully, as he considered that the future of the peace and prosperity, including welfare, of the Colony depends very much on that state of mind with which those now in the detention camps go back to ordinary community life. I should like to say that I agree with every word that he said, and that it is the plan and the policy of the Government to carry out rehabilitation in detention camps and works camps before any of the detainees who, it is considered, desire that type of treatment, can be allowed to come back to ordinary life. If we were to refer, at the moment, to the appropriate sub-heads, Head 2—2, sub-heads 12 and 13 which concern me have got an item in there for 12 European rehabilitation officers. Now, Mr. Deputy Speaker, that is not entirely a thing of the future. Already a portion of those officers are in the field and are doing rehabilitation work. If I am rightly informed, there are no less than four officers there at work doing all they can to re-educate the mind of the Mau Mau-infested

[The Minister for Community Development]

Kikuyu. In addition to those four Europeans, carefully selected Africans, with the necessary type of education, have been recruited and given the necessary preliminary training at the Jeanes School for doing that type of work which most people appreciate is special and so important. These twenty have already been trained and have completed their course, and have been sent out into the field and are now busy doing all they can to assist in the rehabilitation of the detainees at our camps.

The second point which I should like to refer to, was raised by the hon. African Representative Member, Mr. Mathu, whom I am afraid does not appear to be here this morning, but I thought I should like to pay a compliment to him for having referred to the work of the Women's Institute in the reserves in such a way as he did. I am very glad that he appreciates, like all of us do, that the correct development of the African people in the country, if it is going to have foundations, must begin with the women and their homes. That was realized long before, and in planning the work of the community development emphasis was laid, not so much in homecraft and scientific courses which would be given at schools and centres, but the actual work which could be done in the field where the people live. They were well advised to get those women who have been fitted from the courses planned for them in the Jeanes School to go out but not to go into schools and to begin teaching in a sort of a formal school giving formal education, but into what are generally known as voluntary women's clubs to which they come only if they like. Because they are voluntary and they find it useful to go there, very many women have turned up to join these clubs and I am glad to say that those of them who have attended meetings and functions of the clubs are well satisfied that their time in those clubs and in club meetings have been well spent.

In 1952 there were 172 clubs formed in the Colony. This year there will have been quite a little bit of an increase, but it is true to say that generally speaking, the affected areas in the Central Province do not find it so easy to operate,

particularly in Kiambu, Fort Hall and Nyeri. The clubs still exist, but there are times when they find it difficult to meet freely. The reasons for that are obvious and do not need explanation.

Mr. Deputy Speaker, those are my remarks. (Applause.)

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Deputy Speaker, Sir, in rising to comment on the main points made by hon. Members opposite, I should like to thank them for their expressions of appreciation of the work being done by the Provincial Administration, particularly under the difficult conditions of these times. The morale of these district officers is high, and I am grateful that they should receive support in their efforts—and be fortified in their efforts—by hon. Members of this Council, because I believe that in the years to come this will become even more important every year.

My hon. friend, Dr. Hassan, referred to the desirability of close consultation and contact between members of the Administration and members of all communities of the general public. I am sure that he will remember some twenty years ago that I used to receive the most valuable advice from him as a young district commissioner on the Tana River, and I trust that since then many others have benefited by following his advice, particularly because I believe that the closer the contact, consultation and co-operation there is between all members of the community and the Administration, the more harmonious and the more successful will be the Government of Kenya, provided that it is realized that the provincial and district commissioners, who are the executive officers of Government on the ground, cannot agree with all the members of the community all the time, although it may be expected that they would agree with some of them some of the time. I am sure many hon. Members opposite will have the same sort of difficulties in their constituencies, and will be sympathetic with this.

It is the responsibility of the provincial and district commissioner to give advice to Government freely, frankly and without fear or favour on policy and then, when the decision on policy has been given to them, they are required to carry it out firmly, but tactfully—and in this

[The Minister for African Affairs]

respect their lot is not always a happy one.

The hon. Member for the Coast referred to the desirability of weeding out officers who, for one reason or another, may prove to be unsuitable or out of place, particularly in the probationary period, and I should like to assure him that this certainly is my view, and this policy is carried out as strictly as it possibly can be because I agree that, during the probationary period, it is most necessary—particularly in the Administration—to weed out those who, in future years, may become a liability. This is being done now, although I would assure the hon. Member for the Aberdare that so far I have not had to weed out anybody for being a Communist, although I should be grateful to him if he would wish to enlarge personally to me his statement concerning the danger of Communists in the Administration. I should be most interested to hear his views because I certainly think that if ever it occurred it would be one of the most serious dangers we could possibly conceive.

The hon. Member for the Aberdare also referred to closer administration in the settled areas, and the need to follow up the screening operations now taking place with adequate supervision and adequate personal attention to the African labour in the farming areas. I entirely agree with him on this, and I also welcome his suggestion that it will require a fair measure of voluntary assistance. This is indeed forthcoming at the moment, and I would welcome its continuance in the future, provided that it is realized that where we are fortunate to have this voluntary assistance, it must conform to a pattern of Government policy. We cannot have each volunteer assisting or each ward of a county or district council prancing on moonbeams of their own independent ideas.

The hon. Member for Aberdare also expressed some feeling of vagueness with regard to my portfolio, which I should like to assure him has recently—in the new set up with which hon. Members opposite are faced—been defined, and is somewhat less vague than it was before, although in the nature of things it is bound to be somewhat nebulous. I will certainly show him the re-definition for

his information. It does define me as the Governor's principal adviser on African affairs; as the executive officer of Government responsible to the Governor for African land; and also as head of the Provincial Administration, for which I carry direct responsibility to the Governor. There is a good deal more of it than that, but that is really the bones of the matter, and so I can assure him in any matter concerning African policy—policy concerning Africans, I should say—I do have an active, even if sometimes indirect, participating interest.

My hon. friend Mr. Ohanga has already stated Government's policy concerning other matters which the hon. Member for Aberdare raised in connexion with rehabilitation, and I fully support all that he said in this matter. There is between the hon. Minister for Community Development and myself a rough division in the matter of rehabilitation. He is directly responsible for rehabilitation in detention and works camps and prisons and, at the present time, rehabilitation in the Reserves is still the responsibility of the Provincial Administration, although there is a close tie up with the organization of Community Development.

I certainly agree, Sir, on the matter of the importance of developing youth camps. This is being done now on an experimental basis in the Kikuyu districts—and I think I may say with some success. I still foresee an urgent urban problem, particularly in Nairobi, for youths who are brought up here in the town without discipline, without education, very often of uncertain parentage. This is a matter that is receiving close attention, and I believe must be dealt with if we are not to develop a class of young thieves—of young men brought up to live on their wits.

The hon. and gracious lady representing Ukamba, supported later by the hon. Member for the Coast—for Mombasa—I beg your pardon, raised again the question of the pay of Chiefs, and in particular for Kamba Sub-Headmen. The hon. Member for Ukamba was, I think, absent when I spoke first on this Motion, but I did make it clear—and I will repeat that we have made some progress during the last year in weeding out a number—a

[The Minister for African Affairs] good deal of dead wood, and in regrading in the existing scales those of the more deserving cases who really have been pulling their weight. This has been going on, and gradually, and in so far as it has been possible to do it, a complete review of the actual scales of pay themselves has been made in all the Provinces by the Provincial Commissioners, and it is now tied up, but awaiting one more link—that is, the Salaries Commission Report—that may upset or alter the whole thing. We felt, rather than take two bites at the cherry now, we would await this Report when it will be finally tied up for consideration by this Council, but something has been done to alleviate the position which I know—and I entirely sympathize—has been rather poor.

There have been comments from several hon. Members opposite on the subject of continuity of service. This, as hon. Members will be aware, is a continual problem. It does exercise me very considerably, and I do assure hon. Members once more, in dealing with postings I do give this a high priority in my consideration but necessarily, with the Administration as under strength as it is, the problem is extremely difficult. When we get up to strength again I believe it will affect the situation considerably and, in addition to all the usual factors which affect continuity, such as service in unhealthy stations and the necessity to move people for health reasons, the necessity to train young cadets by giving them experience, etc., there is now yet another factor we have found in that those who serve in the worst parts of the troubled areas do require a rest—even those who have done exceptionally fine service will on occasions have to be moved, and that will affect continuity, and I trust hon. Members will appreciate this difficulty.

The hon. Member for Nairobi South was a firm advocate of closer administration, particularly in Nairobi, and in this he knows that he has my full support, although I felt perhaps he went a little far, in view of the staff difficulties, in recommending one hundred or more European district officers. This was closer administration to the nth degree. I, Sir, would not go quite so far, partly owing to my ingrained respect for the taxpayer's pocket and partly owing to my

belief that much of this can be effected with African staff.

MR. HARRIS: If I may make a point, Mr. Deputy Speaker, the administration I wanted in Nairobi was for the whole of Nairobi, and not just for the African locations.

THE MINISTER FOR AFRICAN AFFAIRS: I would certainly sympathize with that point, although there is little doubt that certain parts of Nairobi—according to their content—will require different treatment.

The hon. Member for Nairobi South also rather stressed the necessity for discrimination in our actions to try and clean up areas such as Nairobi. That, indeed, has my full support. That we should—as he describes it—hit the bad to make life—I think he said good—a good life for the normal citizen. This is our aim, and I still emphasize, as I have done repeatedly in this Council before, the need for discrimination in our actions to clean up the thugs. In an operation such as "Anvil" that has recently occurred in Nairobi, it has not always been possible to be quite as discriminating as we would have wished, but I think hon. Members will agree that we have made every effort to rectify the mistakes that were made on occasions.

The hon. Member for Trans Nzoia referred to the risks being taken by the district, or temporary district, officers in the troubled areas, and he hoped that these would be reduced to a minimum. I would assure him that in the really bad parts of the troubled areas there are rules of conduct covering a minimum of guards—covering convoy systems and the like—but that he must appreciate that the administrative officers in these areas are operational in the fullest sense—that they share these risks with every other member of the Security Forces; that one of the pre-requisites of service there, for an administrative officer, must be personal courage, and I am proud to say that no member of the Administration in these areas has yet been found deficient in that. (Hear, hear.)

The hon. Member for Mombasa did also stress the need for closer administration at the Coast, particularly Mombasa, and with this I have every sympathy, and I should like to assure him that expanded African staff, which we believe to be

[The Minister for African Affairs] most suitable for this purpose in Mombasa, is under consideration. Some has already been expanded, and a sub-station on the mainland is likely to come into being during the next six months.

The hon. Member representing African Interests, Mr. Mathu, raised several points with which I am in full agreement concerning increased use of African staff, which I have already referred to, decentralization of sub-stations and also the need for developing the progress and education of African women, with which I am in full support of the policy outlined by my hon. friend, the hon. Minister for Community Development, but the hon. Member did also ride an old hobby horse of his, when he gave vent to the cliché concerning the separation of the judicial and executive functions of the Administration. I do not know whether he has a clear idea of what he means by this but if he means the taking off of additional routine magisterial work of the Administration, I would fully support this and there is, indeed, in this respect a need for more magistrates. But I would like to assure him also that Government has no intention of divesting district officers of one iota of their authority or disciplinary powers which are essential, particularly in dealing with the human problems of the widely diverging stages of development such as exist in Kenya to-day. But, nevertheless, these administrative officers must be trained to use these powers humanely and with consideration and with justice. (Applause.)

MR. JEREMIAH: Would the hon. Minister tell us what is the position of African administrative officers for Mombasa, as I asked during the debate?

THE MINISTER FOR AFRICAN AFFAIRS: I think, Sir, I did refer to the increase of African staff in Mombasa which has, in many respects, been done and which is under consideration. I cannot give him any firm promise at this moment of more African district officers—that, I think, is what he was inquiring.

The question was put and carried.

#### COMMITTEE OF SUPPLY

Committee of Supply—Order for Committee read. Mr. Deputy Speaker left the Chair

#### IN THE COMMITTEE

[Mr. E. N. Griffith-Jones, Q.C., in the Chair]

#### VOTE 2-2—ADMINISTRATION

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that a sum not exceeding £1,126,280 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 2-2—Administration.

Question proposed.

THE CHAIRMAN: May I remind hon. Members that these Heads are set out on page 51 of the Draft Estimates.

Sub-heads 1 and 2 agreed to.

Sub-head 3

LADY SHAW: I have already asked a question on the way in which the Chiefs, Headmen, etc., appear—in other words in No. 5 of (3) A. Now, Sir, the Minister gave me a reply to this whole question of Sub-chiefs, Headmen, and so on which I am afraid has not quite satisfied me, and I should like some more information before I move—as I think I am going to move—an amendment on this point.

I should be grateful to him if he could tell me the scales of pay of these people. At the moment it is lumped up in one big total every time it appears and one gets very little idea as to what the Chiefs, Headmen, *Musulis*, etc., are getting. It is my belief that the lower ranks of this service only get about Sh. 40 a month, and if this is so I do not think we can wait for the Salaries Commission or anything else before we express our views on this subject, and I should be grateful if we could be told the pay and emoluments of these lower ranks. I am not so interested in the Chiefs because I am sure they will be considered carefully by the Salaries Commission and I know they have, in fact, had an increase in pay, but unless these *Musulis* and the lower ranks of the African Administration are properly paid, I do not see how we can expect them not to take bribes and to exercise the authority which they should exercise. I am not suggesting that they take bribes—I am saying that I do not think one can expect them not to. I should like to know the facts and if the facts do not satisfy me I should like to move an amendment.

MR. MATHU: Mr. Chairman, I think the point which my hon. friend and gracious lady wants to emphasize is that under the Item which we are discussing you have 217 sub-chiefs. Now the other people—their scales are laid down on page 4 up to C IV in the Draft Estimates; but the 217—the number put down here—we do not know what scale they are in at all. That, I think, is the point of the hon. and gracious lady and I support her very much indeed.

LADY SHAW: It would have been easier to have taken this up on the Southern Province, which I know about, but this is the first occasion when it appears so I am taking it up now rather than waiting for the Southern Province as I am not prepared to pass all these without mentioning the matter.

THE MINISTER FOR AFRICAN AFFAIRS. The point raised here by the hon. and gracious lady does, of course, go through each province, and I entirely appreciate the point she is getting at. I cannot give her details here and now of each district—which I have not got with me—but I agree there are cases where the salary may be Sh. 40 a month, but that is somewhere about the bottom of the scale. There are, of course, in each district, differing conditions; in the part of the world she knows best—Asili, Kapitewa, etc., in Nyanza, Olugowgo. There are varying conditions and I am quite certain that a number of these traditional retainers are redundant and that is what we have got to get at—to weed out the redundant and leave those who do perform a function. Efforts have been made to do that and to push up in the existing scales—as I tried to explain to her—those that have been found to be worth their weight. That has been going on during the last six months in every district. As I said before, the Salaries Commission is on its way and before we revise the complete scale for these people, which are shown earlier at the beginning of these Estimates, we must, I think—and my hon. friend the Minister for Finance agrees—wait for the report, but he does assure me that he is in full sympathy.

LADY SHAW: I should like to move a recommendation in this Council that the fullest possible consideration should be given to the whole question of the scales of pay of these lower-ranking—

if they should be called that—African district staff in all provinces now.

THE CHAIRMAN: May I interrupt the hon. and gracious lady? She is not entitled to move a recommendation. She may only move a reduction or the rejection. She is not entitled to attach a condition to any title in the Estimates.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, although the hon. and gracious lady cannot move a recommendation of that kind, I assure her it is totally unnecessary. Government will go into it. The Salaries Commission Report—the first stencil copies have been received and, indeed, I spent a pleasant week-end poring over them, so there will be no great delay. The Minister for African Affairs and myself have great sympathy for the point she has made and will do our best to deal with it at the earliest possible moment.

THE CHAIRMAN: She may make a recommendation in the course of speaking, but she cannot move a resolution because this Council is not competent to attach a condition to any title in the Estimates.

LADY SHAW: I would much rather make a recommendation than move one, but if I may just say one or two more words before I quit this subject; I return to the charge, Sir, because a year ago—perhaps it was not a year ago, perhaps it was six months ago, I get mixed up with these Budgets—but a long time ago, anyhow, I first raised this question and I do feel that the months are slipping by and time is a matter of great importance over the whole question of the proper rewards paid to African administrative staff, and I would urge upon the Minister and upon the Treasury, that whatever the Salaries Commission may recommend in this matter, special attention is paid to it. It is possible that a Commission such as the Salaries Commission may go through the old figures and say that somebody is not paid enough or that the Cost of Living Allowance is to be altered, but they may not take the whole question from the political and every other points of view into their minds completely as the hon. Minister himself can do, so that I do hope, Sir, and I recommend most strongly to Government, that a salary such as Sh. 40 a month should not be considered sufficient for a man holding

[Lady Shaw] great responsibility in the matter of the numbers of people he looks after. Sh. 40 a month is infinitely less than that paid to a young African agricultural officer going out for the first time. The authority of those people cannot be maintained unless they are properly paid. I feel very strongly about it, Sir.

Sub-heads (3), (4), (5), (6), (7), (8), (9) and (10) agreed to.

#### Sub-head 11

MR. MATHU: Mr. Chairman, might I ask for information on the point—I have asked it many times—about Kibera, whether the scheme which was agreed on sometime ago of setting aside of a piece of land, in fact, pieces of land, for African housing—for Africans to build their own houses across the stream in Kibera—whether that is still under consideration by Government, because I think it is an opportunity now, when we are cleaning up Nairobi and so on, that those who are able to put up their own houses in that part of Nairobi should be given facilities to do that. There is an order which sets that out plainly and perhaps the Minister for Local Government, Health and Housing might give us an idea of what is happening.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: This matter has just come to me for consideration and as the hon. Member says, it has been under consideration for a considerable time. I have already had a meeting with the City Council over it; I shall have to discuss the matter with the County Council and the Administration, because the area does not lie within the City boundaries. It is a difficult subject and I assure him it is being given the highest priority.

MR. COOKE: I was astounded to notice that the first cleaning up took place only a few weeks ago. I should have thought Kibera would have been one of the first places to come under the notice of the authorities and of course, many illegally squatting Kikuyu were found there. Is Government satisfied that Kibera is being administered properly and firmly.

THE MINISTER FOR AFRICAN AFFAIRS: I would like to assure the hon. Member that there have been, in fact, a fairly large number of sweeps through Kibera

but the last one the other day was given a lot of publicity because it picked up a fairly large number of escapees from the locations in Nairobi and that is why it achieved the prominence it did, but a continual eye is kept on this.

Sub-heads 11, 12, 13, 14, 15, 16 and 50 agreed to.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report progress and ask leave to sit again.

*Question proposed.*

The question was put and carried.

*Council resumed.*

[Mr. Deputy Speaker in the Chair]

### REPORT

MR. GRIFFITH-JONES: I beg to report that the Committee of Supply has considered and has approved a Resolution that a sum not exceeding £1,126,280 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 2—Administration.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move that the Council doth agree with the Committee in the said Resolution.

*Question proposed.*

The question was put and carried.

### COMMITTEE OF SUPPLY MOTION

THAT MR. DEPUTY SPEAKER DO NOW LEAVE THE CHAIR

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: I beg to move that Mr. Deputy Speaker do now leave the Chair.

Vote 2-4—Police. First of all, Sir, may I, on behalf of all hon. Members on this side of Council and also, I hope, of hon. Members on the other side, offer a warm welcome to Colonel Young, the new Commissioner, and say how pleased we are to have him with us, even if only for a very short time. (Hear, hear.) At the same time, Sir, I should like to express our gratitude to Colonel O'Rourke for all he has done for the Kenya Police and wish him well in his retirement. (Hear, hear.)

[The Minister for Internal Security and Defence]

The financial position, Sir, is set out with such admirable clarity in the Note on page 76A of the printed Draft Estimates that it would be folly for me to attempt to improve upon it. I therefore propose to confine myself to matters of policy and to a general forecast of developments in the Kenya Police in the coming year.

In the past 18 months, the need for expansion has over-ridden all other considerations and under the able guidance of Colonel O'Rorke the authorized establishment of the Force has been increased from 93 gazetted officers, 419 inspectors and 5,600 men, to 205 gazetted officers, 1,485 inspectors and 9,500 men. An expansion of this sort naturally brings many problems in its train. It is not easy to ensure that the number of officers and of the Inspectorate and of the men is increased in the proper ratio. Enormously heavy demands are made upon our training facilities and the whole business of equipping the Force and of operating and maintaining vehicles and wireless sets and so on, becomes very much more complicated.

Now, however great the foresight and skill with which this type of work is planned—and here I must pay a tribute to Colonel O'Rorke and his staff for the way they dealt with the matter—there is bound to be some kind of delay in the recruitment of men, and there are bound to be hold-ups in the delivery of equipment. Most of these problems have, I am pleased to say, been ironed out. We are now in sight of what we think is the establishment best suited to our needs and we are, therefore, in the happy position of being able to apply all our energies to the problem of consolidation and of improving standards of efficiency and discipline, and in the development of what Colonel Young describes as "police-manship".

I trust that what I have to say can in no way be regarded as implying any criticism of the devoted and over-worked field officers under whose command come the majority of the African ranks. They have overcome in a most remarkable way the great difficulties which the Emergency has imposed upon them and have maintained high standards of organization and

performance. Indeed, Sir, if it had not been for their initiative and their many triumphs of improvisation in the field, we should have been unable to play such a large part in operations and at the same time take this expansion of the Force in our stride.

Nevertheless, it would be idle to pretend that one can bring about a sudden and large increase in a self-contained force, such as the Kenya Police, without some dilution of quality. The effectiveness of a police force depends primarily upon the quality of the individual policeman himself, and the best results can never be obtained by sheer numerical strength alone. The Commissioner has, therefore, directed that a very high priority should be given to our training needs—a priority as high as that directed to Special Branch development. As from 1st July, the Police Training School will abandon the three months' training course which has been imposed upon it by the pressure of the Emergency, and will revert to the six months' course, which was in operation before the Emergency started. Gradually all those constables who have received only three months' initial training will be recalled to the Training School and will undertake a further three months' course. To enable this to be done, the capacity of the School is to be increased to 1,000 men. In addition to the further training of constables, refresher courses will be organized and advanced training courses will be arranged for Non-Commissioned Officers and for the Inspectorate. Further we have in mind a series of—as it were—post-graduate courses for specialist officers and Criminal Investigation Department officers.

The other difficulties which have been created by the expansion of the Force are being tackled by changes in organization at both Command and Administration levels. The division of responsibility into two branches—administrative and operational—has been made, and a Civil Secretary, who will relieve the Commissioner of much of his duties which are not of a strictly police nature, is already at work. This is the officer referred to in the Police Commission Report.

On the Q side, the Commissioner has prepared a comprehensive scheme of workshop and maintenance services and for the next two months we shall be in

[The Minister for Internal Security and Defence]

the fortunate position of having a distinguished officer of the Regiment of Electrical and Mechanical Engineers to advise us upon transport and ordnance matters generally. I refer to Colonel Henchley who, through the courtesy of the military authorities, will stay in Kenya for some two months and devote the wealth of his Malayan experience to helping us deal with our particular technical problems here.

To revert to more general matters, hon. Members will be aware that the Kenya Police Commission Report has now been published and that certain of its recommendations have been accepted by this Council. The remainder of these recommendations—and they are many in number and very varied in scope—will form the subject of a White Paper which I hope to present to Council in the very near future. Hon. Members will then have an opportunity of debating the many points, both of policy and of detail, which will arise from it.

There is one further matter, Sir, which I feel it my duty to report upon to Council. I refer to the question of relations between the police and the public. A good deal has been said and written of late about instances of brutality and malpractices generally, and of the injurious effect this has had upon the confidence of the public in the forces of law and order. Now, Sir, the police are only too well aware that there have been cases of brutality and corruption. The Commissioner is determined, firstly, to deal rigorously with those members of the Force who have abused their office and, secondly, to do all in his power—by longer training and by the establishment of a better chain of supervision and command—to ensure there are no further disgraceful incidents. But, Sir, without, I hope, appearing to condone these incidents, I must point out that the number of cases of irregularities is very small indeed in relation to the number of police in daily contact with the public and that when a man has seen many of his comrades murdered and mutilated, his charitable feelings are apt to wear a little thin.

THE DEPUTY SPEAKER: The time for the suspension of business has arrived.

Before I suspend business I would remark that I have reason to believe there is one hon. Member carrying a firearm in this Chamber and I therefore remind hon. Members of a ruling I gave the other day—firearms will not be carried by hon. Members in this Chamber. Business will now be suspended until a quarter past eleven.

Council adjourned at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Before the interval I was referring to instances of brutality and corruption. I do not attempt to justify these matters, but I am resolved that the slur on the reputation of the Force must be removed; but I cannot accept an indictment of the whole Force, most of whose members are serving the public in conditions far more arduous and more dangerous than any we shall ever have to endure, merely on the evidence of the faults of a small proportion of their number.

To summarize, we are concentrating on the consolidation of the recent expansion of the Force with special emphasis on training and on the maintenance of the traditional Kenya Police standard of efficiency and discipline. There has been an extensive reorganization of the headquarters machine, and special measures are being undertaken to deal with the problem of transport and equipment. The Police Commission Report is being studied with a view to the preparation of a White Paper and, lastly, the question of relations with the public is constantly before us and every effort is being made to ensure that the concept of the Kenya Police as a service and not as a Force is recognized by all ranks. May I express the hope that the public too will play its part.

Sir, I beg to move.

THE MINISTER FOR COMMUNITY DEVELOPMENT: Sir, I beg to second.

Question proposed.

MR. MADAM: Mr. Deputy Speaker, Sir, I would like to join the hon. Minister in extending a warm welcome to Colonel Young and also wishing Mr. O'Rorke a happy retirement. I feel certain Colonel Young's experience in other parts of the world and in particular the

[Mr. Madan]  
Metropolitan Police, should be of immense assistance and value to this Colony.

The hon. Mover has referred to a point which is rather a touchy one as far as the public of this Colony is concerned, and it is the behaviour of the members of the police force in relation to the public. Now, I am aware, Sir—I think it was Mr. O'Rorke—who introduced a courtesy week as far as the police force is concerned. That drive seemed to have a beneficial effect on the minds of the police, but I thought that it was a matter for regret that the Commissioner of Police was induced, or compelled, to introduce a move of that kind because it did indicate to the public and to the world outside that there was something seriously wrong with the organization, the behaviour and conduct of the police force in this Colony. It is my submission, Sir, that that kind of courtesy drive should not have been necessary, and that when police officers are engaged, be they of any race of this Colony, they should realize and practise that their first job in life is courtesy towards the public, and they have to exercise and put into practice the behaviour based upon "policemanship" if I may call it that as the hon. Mover has termed it, and nothing else. But we have a precedent, Sir, of having introduced a courtesy drive in this Colony. I would only ask the hon. Minister to see that it is constantly drummed into the minds of the police officers of all ranks that the least that the public is entitled to from the police force is courtesy. That is the least which the public can expect from them.

It is, in my submission, Sir, futile to refer to the small number of irregularities which come to notice because we have to bear in mind that a very large number of irregularities are probably not reported in a large number of cases out of fear and the possibility of reprisals from the officer concerned. Now, I know, Sir, that that can easily be denied in this Council, but it is not a thing which cannot happen. The fact that such irregularities do take place is a serious matter and that takes me back to my earlier argument that if these officers were properly trained in the initial stages and if it were constantly drummed into their

minds that the least the public is entitled to is courtesy and proper behaviour, then such irregularities would not take place. The hon. Mover has suggested that he is not prepared to accept the existence of such a few irregularities and an indictment of the whole force. With respect I would not agree with him. We have only to bear in mind that one dirty fish can pollute the whole pond and in so far as the reputation is concerned which travels upon the wind of public opinion it is quite easy, even though the whole force may not be at fault, for the blame to be attached to the whole force. But at the same time, Sir, it would not be right if I were not to pay my tribute also to the police force of the Colony. I know that they have been working under very trying conditions and a very large number of police officers of all ranks and races have done sterling service to this country in our hour of need.

Now, Sir, there are two specific questions I would like to ask the hon. Minister. Some three years ago, I think it was, Sir, on representations being made—and on the matter being raised in this Council—the Commissioner of Police agreed to promote certain Asians to the rank of Assistant Superintendents. I think, at that time, two Asian police officers were appointed as Assistant Superintendents and, I believe, although I am not sure of this, after that only one other promotion has taken place. I would like to know, Sir, if the practice is still in force. Secondly, how many Asian officers altogether have been promoted to the rank of Assistant Superintendent and if the number is not more than three, what is the reason for the non-promotion of other officers to this rank? I would also like to know, Sir, if the Assistant Superintendents appointed some three years ago have received any further promotion in their ranks.

The second question I would like to ask the hon. Minister is this—whether he is satisfied in so far as the African and Asian police officers are concerned if the rate of their progress in promotions is satisfactory and is carried out on a basis which does not introduce frustration in their minds in the discharge of their duties. I may not be aware of African cases, but I am certainly aware of Asian cases where a large number of Asian police officers of the type, capacity

[Mr. Madan]  
and capability, with service going into 25 years are still stuck as Inspectors and Chief Inspectors only. Now, Sir, that is the state of affairs which I submit is not very conducive to sincere effort, though in spite of all their handicaps and in spite of all the discouragement, these Asian police officers have never hesitated to discharge their duties as efficiently as required, and I am sure, to the satisfaction of their superior officers.

Sir, I beg to support.

MR. COOKE: Mr. Deputy Speaker, the hon. Minister referred to the police and he said it was gratifying, or words to that effect, that the number of complaints did not bear much proportion, or a very small proportion, to the number of complaints that might be, or words to that effect. Now, one reason is that people do not bring forward all the complaints because for one reason or another they have not the time or are too lazy to do so, but there are still a lot of complaints going round. Now, I am going to give my hon. friend one specific example and if he asks for details later on I will give him the full details. It was reported to me the other day by a very prominent Nairobi person, whose word cannot possibly be doubted, that one of his boys was wrongly arrested the other day and put in a cell. Now he was released the next day and he reported to his master, who as I say is a man of unimpeachable honour, that while he was there three people in the cells were released by the *askaris* and they each paid Sh. 60 to be released. Now if the hon. gentleman wants details about it I will be very glad to give him details afterwards. There is too much of that going on and I say this with a very clear conscience as I was the first in this Council, as long ago as 18 months, to draw attention to the indiscipline of the police and if we had taken action then I think a lot of these unpleasant incidents might have been avoided. Now, Sir, I have met Colonel Young several times and I think he is a man who will stand no nonsense whatsoever from the public or from the police, but in the meantime while he is getting sure in the saddle I think we must not pass over any complaints that are being made. It is a matter of intense importance in relation to the police and

the public that relations should be improved.

Now I drew the attention of Colonel O'Rorke more than once and he took action on the matter of the slackness of the *askaris* one sees in town. They carry their rifles slung right over their shoulders and could not disengage the rifle if they had to do so all of a sudden. You see them riding on bicycles and offering great opportunities to thugs to rob them of their rifles. I have also seen them and also drawn Colonel O'Rorke's attention to these facts and he has taken action—I see Africans being interrogated in and near the town by two or three *askaris*, two of the *askaris* standing about slishod with their rifles completely unprotected and not pointed at the people who are under interrogation. Those people might turn out to be *Mau Mau* and turn on the *askari* interrogating them—I think it is intense stupidity in these days where everyone—every Kikuyu—is a potential enemy.

There is just one small point as a matter of interest and that is the welfare of the police. They have at the moment one welfare officer and that is the same number there was a few years ago when the police was only half the strength. I would like to recommend that possibly the number might be increased to two. I think it is very disappointing to see, if I may touch on this subject, that the police turn out very few athletic sides in Nairobi and the big towns. For instance one would think it would be possible to turn out a good rugby or cricket side as they once did with fewer police, and I do think that perhaps if their welfare side, or more consideration was given to the welfare side, then we might see the police playing a much more prominent part in the athletics of this country and so earning perhaps a little more prestige. I am sure, my hon. friend, who was a great athlete in his day, would agree that it is a desirable development.

Sir, I beg to support.

MR. GATHANI: Mr. Deputy Speaker, Sir, I would also like to congratulate the whole police force in the Colony in discharging as efficiently as possible the duties connected with their department. I know, Sir, that due to the Emergency and the unexpected rise in work that the Police Department was called upon to



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perform there has been some inefficiency and, perhaps, a cause for complaint as far as the general public is concerned. However, in spite of all that I think it should be said to the credit of the police force that they have discharged their duties as efficiently as possible. I am, Sir, personally very happy about the arrival in Nairobi of personnel from London to join the Police Department. Those of us who have visited London are fully aware of the courtesy of the Metropolitan Police there who are very affectionately and very popularly called by the public as "Bobby". I hope these "Bobbys" will, before they leave, create in the police force here the same sense of responsibility, courtesy and discipline.

After saying this, Sir, I would like to refer to some points, not in the way of criticism as far as the Police Department is concerned, but merely as suggestions because in the expanded size of the Police Department, there are certain aspects which may not have been brought to the notice of the higher authorities.

In the beginning, Sir, I would refer to several burglaries that have taken place recently in Nairobi, and I would like to inquire in how many cases it was possible to recover goods and to catch the persons responsible.

Now, Sir, besides the public paying for the maintenance of a large police force, indirectly the public have also to pay in several other ways. One could notice in practically all commercial streets of Nairobi, night watchmen engaged for doing the work which generally should be the responsibility of the police. In addition to the above precautions, many commercial firms have to take out policies against burglaries, and on account of the recent rise in cases of burglaries, the insurance premiums have risen from Sh. 5 per £100, to as much as Sh. 20 per £100. People are paying quite a big premium and this could be avoided if there was better patrolling in Nairobi.

I have come, Sir, across certain cases where insurance companies are even refusing these risks. In my opinion, if the police could organize proper patrolling of the city at night, the commercial firms could easily do without so many night watchmen and make a contribution

towards the cost of this patrolling at night under police supervision.

Now, Sir, I have recently read in the papers about cases of corruption. This matter is of great concern now in the public mind, and I hope something will be done so that we may see considerable improvement in the cases of corruption. I would, Sir, suggest that as the police have got the system of 999, they should also make some such arrangements whereby through a certain post office box number, members of the public can address their complaints to the highest authorities without being victimized by persons involved in such complaints.

Now, Sir, turning to the Central Firearms Registry. During the first fortnight of April, when this system started, there had been numerous complaints regarding injustice in the issue of licences. This matter was personally looked into by Colonel Young, and also the Minister took an interest in those complaints, and I must say to the credit of all concerned that the position has considerably improved. However, during the first fortnight, due to the great rush, all applicants did not receive the justice that they should have received, and those who have made an appeal to the authorities, will, I hope, receive justice.

My hon. friend, Mr. Madan, mentioned about Asian Assistant Police Superintendents. I think the number was two and no promotions have since been made. This matter I believe has been raised several times in this Council and in that connexion, I sincerely trust that something will be done. Regarding other ranks, which also my hon. friend mentioned during his speech, I would certainly request the authorities to do something.

About the Asian Kenya Police Reserve on part-time duties, I received some complaints recently. These are small matters, but they create a lot of ill-feeling amongst others who have voluntarily agreed to help the police during the period of the Emergency. I also hope that in that respect, the hon. Minister would also do something.

About townships and trading centres, particularly in the Central Province, there are complaints about the complete absence of police protection or other

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facilities that they should have, particularly during the period of the Emergency. I would urge upon the Minister to look into these matters, particularly in the case of those trading centres which are situated in the disturbed areas. At each such trading centre, I would request the authorities to establish a police post and facilitate access to a telephone nearby. I also would suggest that persons living in the disturbed areas should be given firearms more freely than may be the case in big centres where police protection is adequate.

I have noticed, Sir, in the Budget an expense of £2,100 for the maintenance of police dogs. I know these dogs are doing a very good job, but I wonder if the expenditure of this amount is necessary.

Now, Sir, regarding the police officers' mess, and police inspectors' mess, I find that the sum allocated is £20 and £50 respectively. This, in my opinion, is too small a sum for the maintenance of these messes for the benefit of police officers and inspectors. I think in the light of the large number of people who would now be taking benefit of these messes, a larger sum should be allocated.

Regarding Asian inspectors and other ranks, Sir, so far there is no provision either in Nairobi, Mombasa or any other big centres for similar messes. I think the Minister should look into this thing and see that these Asian officers and others, are also provided with similar facilities.

I would also urge upon the Minister to appoint a police welfare officer for the welfare of all who are serving in the Police Department.

As far as the African constables and others are concerned, if it is not very expensive and not too inconvenient, I would urge a system of paying either weekly or fortnightly, and I think this would help the situation considerably.

Now, Sir, about the senior Asian Inspectors. Practically all of them are given Grade 2, while new recruits from Europeans are immediately given Grade I. The senior Asian Inspectors have a cause for dissatisfaction in this respect, that I hope the Minister will do something about that. As far as Asian Inspectors and others are concerned, there is no provision as far as they are concerned

for supplying uniforms. I think they should be given the same facilities as are being enjoyed by others.

Now about the Asian Assistant Police Superintendents, I understand that they have not been given responsible work according to their merit and ability. In my opinion, these two, and others who may be later on promoted to this rank, should be placed in charge of police stations in up-country centres, and, as far as Chief Inspectors are concerned, they should also be given responsible jobs and posts.

With these remarks, Sir, I beg to support the Motion.

MR. HARRIS: Mr. Deputy Speaker, Sir, I had intended to intervene for about half a minute, but I am afraid the last hon. Member who spoke makes it necessary for me to speak for about a minute now.

He did mention the London policeman. As a Cockney, Sir, I would remind him that the reason why the London "Bobby" has the respect that he has is because in London and, I hope, in the rest of Britain, about 99.9 per cent of the population are on the side of the police when there is trouble. I wish, Sir, that the same could be said of this country. That is the reason, Sir, why there may be more watchmen per head of the population in Kenya than there are in London. It has certainly contributed to the cause why the premia on burglary insurance should be higher in this country than in Britain and I believe that what we have got to do is to improve the morals of the police force to the extent that they, too, will be able to command the full support of the population of all communities in this country. Until we can get to that stage, I am afraid that premia will be high and watchmen will be expensive. But, Sir, the remedy is not with the police nearly so much as with the general public.

Having said that, Sir, I would like to confine my remarks almost entirely to page 83 of the Estimates, dealing with the Kenya Police Reserve. There is considerable disquiet in the country, Sir, that the Kenya Police Reserve are costing more than they should. I would draw hon. Members' attention most particularly to an item of £14,000 for travelling

[Mr. Harris] expenses. When the Emergency was young, Sir, I think all of us believed that to have an almost separate force in the Kenya Police Reserve was probably a good idea, but as the Emergency has got older and older, there are certain people in this country who, undoubtedly, are deriving a benefit from the Emergency which they would not otherwise have received. I am afraid, Sir, some of these people are in the Kenya Police Reserve. It is a general belief now, Sir, that what we should do is use the Kenya Police Reserve strictly as an auxiliary to the regular police. If the members of the regular police force are not the right people we must get rid of them and get the right people; but, Sir, you can only have one police force in a country for any length of time. When one sees £33,420 in personal emoluments to what, virtually, is a police staff headquarters of the Kenya Police Reserve, plus an additional £22,440—making nearly £56,000 altogether—one realizes that perhaps there is room in the administration of the Kenya Police Reserve for one of the Minister of Finance's candle ends, in fact it must almost be a candleabra, I would say. Sir, if the extent is £56,000!

I would suggest, Sir, that there might be a very considerable comb-out of the Kenya Police Reserve and that responsible members of the regular police force should be asked which of those senior members in the Kenya Police Reserve are really doing a job of work worth the money they are getting and should be retained and the others, if necessary, should be reduced to one stripe if required in order to make up the number that the Kenya Police Reserve have to have in the field.

Also on the same page of the Estimates, Sir, there is an item Air Field Guards—£14,635. I would be grateful if the Minister could inform us what is the meaning of this item, because when I was ten years younger it was the responsibility of the Air Force anyway to guard its own airfields. I would like an assurance that none of this £14,635 is being spent on giving a police force to a service which should be self-sufficient and self-contained as it certainly is in time of war.

Just one final word, Sir, on page 84, I see that there is a token £10 for the Police Emergency Manpower and I would strongly recommend that the remarks I made on the personal emoluments on page 83 should also apply to that item.

THE DEPUTY SPEAKER: I would remind hon. Members that in this debate on the Motion that Mr. Deputy Speaker do now leave the Chair, prior to going into Committee, it is general principles of policy that are before the Council and not individual items. Individual items are more properly dealt with in Committee.

DR. HASSAN: Mr. Deputy Speaker, Sir, I rise to pay tribute to the police force as a whole for doing magnificent work in Kenya throughout the Emergency.

There is no doubt that the police officers have to be rough and tough to keep peace and order and it is quite in order for some of the people to complain about their handling of the situation they are called upon because they have to deal with the law-breakers, black-marketers, thieves, and house-breakers. It is human nature—some of them deal with such law-breakers leniently and some of them like to treat them a bit roughly.

The police force, like any other Government department, is open to criticism—even more than others because they have a very unpleasant task usually to perform.

Looking into the Estimates I find the lot of assistant inspectors needing a little more consideration than what appears to be given to them. I am not able to understand that the assistant inspectors, when they are taken into the police, they are expected to serve about 23 years before they can have the maximum salary of £20 to £25. I take it it is a policy of the police to get youths from Kenya, educated, intelligent and the type of people who should be expected to rise in the Police Department to be of some use to the Kenya Police Force. With prospects of this type, it will be extremely difficult to encourage and attract youths to undertake jobs in the police force. I would suggest, Sir, that some more liberal terms should be offered and I hope, Sir, the Police Commission Report may be offering some better terms for

[Dr. Hassan]— Now, with regard to corruption, which has been mentioned, Sir, I think perhaps our law is a bit defective because corruption does not concern one side only, but there is one side which corrupts and one side which is corrupted, but the only person who is punished is the one who is corrupted, and I think the one who corrupts should also be punished. This should go almost with everyone.

Now, Sir, in saying that African police—the lower ranks as well as the higher ranks—are improving their character, I would like the hon. Minister to tell us when replying whether it is a fact that when African police improve, their ranks are being lowered. I refer to the fact that according to what I see in the Estimates, unless I am mistaken, because the number of Chief Inspectors have risen, yet I am afraid that amongst the number, no Africans—as we expected—have been promoted to Assistant Superintendents. These are minor points, but there are points which affect the general well-being of the African police force. These are points which affect the Africans, and serious consideration should be given to the staff of any department of any race for equal treatment. I think when people complain about the police, it is because in some cases some of the police constables instead of following what they should do, that is in the case where someone has committed a breach of the law, instead of taking him to the place where he should be properly dealt with, they, in some cases, take the law into their own hands, that is starting to slap the people, even young children who cannot be considered as trying to resist, and then release them. They think they are teaching them, but in my view it is the wrong procedure to adopt. If someone has broken the law, it is the duty of the police to arrest the person and take him to be dealt with at the proper quarters.

One of my friends questioned the vote of £2,000 for the police dogs. I do not think this item needs any consideration at all. I feel, Sir, that the dogs—merely because they are called dogs—I should not be considered that they can be kept on air. They have got to be looked after, if not like human beings, at least like good animals. They have been doing some magnificent jobs of work in the Police Force ever since they came and I would point out to my friend that it is very costly to keep good dogs in a country to do useful business.

I see another item of cadets provided in the Police Estimates, but their number is so small that I do not know if it would serve the useful purpose for which this item was included in the Estimates. I would suggest the number should be increased so that willing, intelligent and educated youths could come in greater force in the Police so that one day we should be able to draw intelligent people to man the police locally from Kenya.

I beg to support the Estimates.

MR. JEREMIAH: Mr. Deputy Speaker, I also rise to support the Police Vote, and in doing so I have to refer to the words mentioned by the hon. Minister about the importance of the quality of the police in general and the individual policeman.

Now it is almost customary for us on this side to try and criticize the Police Force as a whole, especially with regard to their conduct and more so with regard to the conduct of the police ranks—the lower ranks—but I myself, Sir, who have this matter also in my mind, I must congratulate the Police Force on the fact that their attitude of three years ago is changing gradually and changing for the best. The conduct of the ordinary policeman, which used to be practised by many of the African police constables, is very much improved now, and I can say that I am very happy to see that improvement is taking place. (Hear, hear.) What I would like, Sir, to add, is that the course suggested of six months should be resumed as soon as it is practicable.

Now, with regard to corruption, which has been mentioned, Sir, I think perhaps our law is a bit defective because corruption does not concern one side only, but there is one side which corrupts and one side which is corrupted, but the only person who is punished is the one who is corrupted, and I think the one who corrupts should also be punished. This should go almost with everyone.

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The Police Estimates figure, Sir, has risen considerably, but I think it is mainly because there were so many reforms which were necessary and which were needed years ago, and which were not accomplished. Now I think this figure is quite right and perhaps it will be found not to be quite enough for a few years to come. We need more police and we are talking about closer administration, which in my view is necessary, but that will cost money and, as long as you want

[Mr. Jeremiah] that, we shall have to prepare for money to pay for the services.

Sir, in speaking about the police, I am particularly referring to the Regular Police, but not with regard to the Kenya Police Reserve. However, I think, as soon as the Emergency is over, we shall have no need for more retention of the Kenya Police Reserve as I think they will be more wanted in their usual work in the city and commercial area.

Sir, I beg to support the Motion.

THE DEPUTY SPEAKER: If no other Member wishes to speak, I will ask the hon. Member to reply.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Sir, in replying I apologize in advance for any inadequacies. First of all, as regards the question of police relations with the public, I agree there has been some disgraceful incidents and I have already said that we are determined to punish those who have taken part in such incidents and to make certain there is no repetition. There have been cases of corruption. In this Colony, Sir, there is, I fear, a tradition of corruption which spreads throughout the whole country. When a man puts on the police uniform he does not immediately change his character, but we know that by good police training and good discipline he can be turned into a very fine officer.

Relations with the public—I agree entirely with what the hon. Member for Nairobi North said when he referred to the tradition in London.

Mr. HARRIS: Nairobi South.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: South, I beg his pardon.

May I cite two examples. The other day, in Pumwani, two constables were attacked by two gunmen. The guns were passed from hand to hand amongst the public. The gunmen escaped and we were unable to recover the weapons. In 1922, Field Marshal Lord Wilson was murdered on the steps of his house in the middle of London by two Irish gunmen. The members of the public flung down their bowler hats and brief cases and chased the gunmen, who held their ground and fired at them, until they caught them. It is not only the police who are responsible for the maintenance

of the peace. Every citizen also has a responsibility. (Hear, hear—applause.)

Several hon. Members mentioned the question of promotion, both of Asian police officers and African police officers, and I should like to say that there is no bar to promotion in the police except a bar which may be imposed by lack of the requisite qualities. These are the qualities we require in the police for promotion: loyalty, ability, integrity, education and courage. Any man who has these virtues may be assured of promotion.

The hon. Member for Nairobi South also referred to the question of airfield guards. The position is, Sir, that these airfield guards were established and are maintained by us at the request of the Royal Air Force and their full cost is reimbursed to the Government by the Royal Air Force.

I agree with the hon. Member for the Coast that there is room for an expansion in welfare services and I agree very strongly that there is room for a development in the field of sport—but not at the present day when policemen have far more important jobs to do and have very little spare time. I do recall with pride the time when the police raised the best football side in the Colony and had, in addition, a boxing side and a polo side and at Christmas used to run a pantomime.

The hon. Mr. Gathani mentioned the question of burglaries in Nairobi and the increase of insurance premia, this is really a question of how citizens wish to spend their money—whether they wish to be taxed to pay for a much larger police force or pay additional insurance premia or engage a corps of watchmen.

A number of rather vague allegations have been raised concerning complaints by Kenya Police Reserve Officers, and the excessive expenditure upon dogs and the inadequate expenditure on officers' messes. I will not do more than mention them and say that I have taken note of what has been said.

Finally, may I thank hon. Members for their many generous references to the police. (Applause.)

Question proposed.

The question was put and carried.

## COMMITTEE OF SUPPLY

Committee of Supply—Order for Committee read. Mr. Deputy Speaker left the Chair.

### IN THE COMMITTEE

[Mr. E. N. Griffith-Jones, Q.C., in the Chair]

THE SECRETARY TO THE TREASURY: Mr. Chairman, I beg to move that a sum not exceeding £1,999,176 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955.

THE CHAIRMAN: Vote 2-4—Police.

THE SECRETARY TO THE TREASURY: Vote 2-4.

THE CHAIRMAN: Police.

THE SECRETARY TO THE TREASURY: Under Vote 2-4—Police. (Laughter.)

THE CHAIRMAN: Thank you.

Question proposed.

THE CHAIRMAN: The Clerk will read the sub-heads.

Sub-head (1)

Mr. JEREMIAH: Mr. Chairman, Sir, may I be informed, in Head (1) Administrative and General—amongst the 70 Chief Inspectors—how many Africans are included in that number?

THE CHAIRMAN: This is on Vote (1) A?

Mr. JEREMIAH: Yes, Sir.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: No Africans.

Mr. JEREMIAH: Is it not a fact that there were four Chief Inspectors and what has happened to them?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: I think, Sir, there has been a recent re-naming of all the ranks of the police force in accordance with the Police Commission Report.

Mr. JEREMIAH: There were eight Asian Chief Inspectors. Are they now something else or are they Asian Chief Inspectors? If they still are, could the hon. Minister tell us why Africans had changed their identity?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Let a plain statement suffice. I do not know.

Dr. HASSAN: Item No. (1) A. Item 17. I want to know if it is not a mistake. It is given—Assistant Inspectors £144 by £8 to £192 and then by £2 to £210. Is it that they have to do nine years to get £18 increase? Is it a mistake?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: By £12.

Dr. HASSAN: It is very difficult to make out from £192 by £12 to £210—how could it be divided up in a couple of years I wonder?

THE SECRETARY TO THE TREASURY: It is a misprint for "by £9".

Dr. HASSAN: Thank you.

Sub-heads (1) to (11) and (50) agreed to.

Question proposed.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report back to the Council.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Deputy Speaker in the Chair].

## REPORT

Mr. GRIFFITH-JONES: I beg to report that the Committee of Supply has considered and has approved a Resolution that a sum not exceeding £1,999,176 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 2-4—Police.

THE MEMBER FOR FINANCE AND DEVELOPMENT: I beg to move that the Council doth agree with the Committee in the said Resolution.

Question proposed.

The question was put and carried.

## COMMITTEE OF SUPPLY MOTION

That Mr. Deputy Speaker Do Now Leave the Chair

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, I beg to move that Mr. Deputy Speaker do now leave the Chair.

[The Minister for Finance and Development]

In the absence of the Chief Secretary, it is my privilege to move the Vote of the Department of Information. As hon. Members opposite have asked for a debate of this kind, I imagine it is the policy of the Department of Information with which they are concerned. First of all, before we move really to the consideration of what the Information Services are doing in this country and for this country at the present moment, we should, I think, take our minds back to 1952. 1952, at the beginning of the Emergency, when, as a result of cuts which had been made in the Information Services, the Information Department was what might be called at a very low ebb—both in manpower and in funds and, indeed, a great proportion of its work had almost ceased as a result of no funds being made available to it. That, Sir, was the position in 1952 and during a considerable portion of 1953. It was, indeed, only with the advent of the Emergency that apparently we woke again to realize that information had become an essential part of the development of Government in almost any country and so, Sir, we started in the review of any information services policy and any information service activity from the zero level almost, which existed in October, 1952.

The Vote and the work of the Department should be viewed against that background and the early part of 1953 when there was no Press Officer. Then there were the very, very small African Information Services available, when, indeed, there was no provincial staff and the Community Development Officers, who had been one of the outposts of the Information Services, had been struck from off the authorized expenditure of the country. So that, Sir, the organization now existing and the organization for which funds have been recently, and are now being, authorized and asked for is an organization which, in fact, should have existed before the Emergency. We have to remember that the whole of this organization and the whole of its work has been built up during a period of emergency, at a time of great strain, and at a time of shortage of manpower and that it has been so successful is indeed a tribute to the staff and the enthusiasm

and energy which they have thrown into this work. (Hear, hear.)

A Director of Information was appointed in 1953 and the first task to which he was assigned and to which he had to set himself was indeed the building up of a Department of Information. Now, Sir, you can have all the publicity ideas you like; you can have all the desire in the world to put policy over, but unless there is an organization in existence to put the policy over, unless there are channels of information organized and in existence to enable that information to reach the people, all your ideas are of little value. That indeed was the position that the Director of Information faced when he was appointed in 1953 and it is to the task of creating the organization that he has had to devote his energies during the period of this appointment and the proposals which are now put forward are, in his opinion, and I would say certainly in my opinion, the minimum that are necessary if the Department is to perform all the tasks which from time to time it is suggested should be undertaken or should be increased.

Now Sir, it is also a very shall we say—simple thing to make the mistake of thinking that, because so much money was authorized additionally in the Estimates of the first half of this year, that meant that the staff was on the ground. Information officers and the people who have the aptitude for work of that kind are not very easy to find and the Department of Information has had a great problem in obtaining a suitable staff, especially on the European side. A lot of the staff—it has been necessary and will be necessary to recruit in the United Kingdom, particularly on the film and photographic side and, indeed, it is probable that some of the district information officers will have to be recruited from the United Kingdom because there is a great shortage of potential local candidates who have local experience and would have been invaluable. These are "the years the locusts have eaten". These are the people that we should have been training before the Emergency. If, indeed, we have to face the fact that we have to go to the United Kingdom for district information officers and train them in the habits, the customs and the thoughts of the people

[The Minister for Finance and Development]

to whom they will be conveying the information and the ideas that hon. Members of this Council, no doubt, now wish to be conveyed to them, it will be remembered, that we do so—not from choice—but purely from shortage of local people.

I think hon. Members may not be aware of this, that only recently there has been published in the United Kingdom a report from the Drogbeda Committee on the British Information Services. There has been a very good resumé of that Report in the Economist which says what I think we probably are now beginning to realize in this country, "that information work, as an activity of Government, has come to stay. That it is harmful if poorly done and useful if well done and to do it well will cost more money". It also says something that I would like hon. Members of this Council, perhaps, to remember when, not this morning I feel, but this afternoon, Sir, when they rise to make some comment upon this Department. "That information work must be judged by its results both short and long term".

Now, Sir, when I, at various times in my business career, had something to do with publicity and the conveying of information to the public, I knew that there was nothing so difficult to judge as information work. The results are abstract. The expenditure of money of this kind does not give hon. Members or the public generally the satisfaction of seeing a building of concrete, something which can be seen; it does not give the public the satisfaction that it is felt when a motorist rides along a tarmac road. It cannot be judged in the concrete sense. It is an abstract thing, but it is important to realize, as I think we have realized now, that unless it is being done and being done continually, there is a lack of knowledge of Government policy in the minds of the people which can prove troublesome and, in some cases, almost disastrous.

Now, Sir, I would like, having opened in that way, to deal first of all with the amount of funds that we are now being allowed for the Department of Information. From almost nothing, by 1954, that is the first half of this year in that Bud-

get, we had reached an annual rate of £118,000 and the proposals now placed before the Council show that we shall be reaching a rate of about £152,000 in 1954/55. That shows an increase of some £33,000 which is a fairly heavy increase in one year, but against that let us remember that the Department vote even now, is still less than 1 per cent of the whole of our Budget expenditure. The Department has been doing, I think, exceptionally good work in the past few months.

I will deal later with its African information side, but at the present moment perhaps deal with the overseas side. We have some 15 or 16 months ago, I think, established an office in London. An office which has had again to start from scratch to establish its reputation with the people in London for accuracy, for reliability and for up-to-date information, and you have to establish these contacts and this reputation before people are willing to accept, as it were of the Government, the statements you make. The Department has now direct links with New York, with New Delhi and Johannesburg. It is supplying continually feature articles not only dealing with the Emergency, but dealing with general aspects of Kenya's life and Kenya's development in all those countries. Only recently, for instance, some illustrated feature articles were published in the United States of America, one by an agency covering some 300 newspapers and another in papers with a circulation of 10,500,000. To have got across and, to be getting across as we are now, to those people, the fact that there is not only a destructive side, an Emergency side to Kenya, but that the work of construction which has been going on for many years, is continuing, is indeed, a great thing—extremely useful, I believe, from the point of view of Kenya and its overseas reputations.

#### ADJOURNMENT

THE DEPUTY SPEAKER: Council will now suspend business until 2.30 this afternoon.

Council adjourned at thirty minutes past Twelve o'clock and resumed at thirty minutes past Two o'clock.

Tuesday, 25th May, 1954

(Evening Sitting)

Council resumed.

PLANT PROTECTION (AMENDMENT) BILL  
Order for Second Reading read.

THE DIRECTOR OF AGRICULTURE: Mr. Deputy Speaker, I beg to move that a Bill entitled an Ordinance to Amend the Plant Protection Ordinance be read a Second Time.

Under section 8 of the parent or principle Ordinance, Sir, provision exists to make orders to prohibit the importation of certain plants, or classes of plants and also to give power to destroy plants if the need arises, but it is doubtful, under the existing legislation, whether those who contravene this Ordinance can, in fact, be prosecuted and this small amendment simply puts that right.

Sir, I beg to move

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT seconded.

Question proposed.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-morrow.

THE LOCAL GOVERNMENT (COUNTY COUNCILS) (AMENDMENT) BILL

Order for Second Reading read.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Deputy Speaker, I beg to move that a Bill entitled an Ordinance to amend the Local Government (County Councils) Ordinance, 1952, be read a Second Time.

I must admit, Sir, that since the re-organization of Government there seem to be a few blank faces opposite—of course I do not refer to the hon. Member for the Coast or the hon. Member for Trans Nzoia!

The objects and reasons of this Bill set out the main principle for the Bill being brought before this Council, but, Sir, I merely comment that, under section 2, the advantage has been taken of the further amendment which comes under section 3 to simplify and clear up a matter which is really one of procedure and clarification.

At the moment under the County Councils Ordinance, the Minister declares a County Council a Preparatory Authority and, under the Town Planning Ordinance, the Governor appoints a Preparatory Authority. This amendment keeps both powers as they were, but the Governor cannot appoint, under the Town Planning Ordinance, a Preparatory Authority without consultation with the County Councils and therefore it tidies it up.

With regard to section 3, this is a matter that has been requested by the County Councils for a considerable time. It is the addition of the power, the authority to regulate, control and licence itinerant contractors. I think hon. Members will agree that it is not only to the benefit of the County Councils themselves to control these people, who have been, up to now, uncontrollable—and, indeed, nobody really knew what they were doing or why they were there in many cases, but also for the contractors themselves. It is a very good thing they should be licensed and have some basis of operation, because, in fact, they have been getting quite a bad reputation in the settled areas and this, I think, will rectify that so that employers will realize and know that anyone they take on is a reliable man and proficient at his work.

Sub-section (k) which is proposed is merely to allow for the imposing and recovery of fees in respect of licences and permits which is a power which the local authority generally has in other areas. It is entirely in line with the other local authority ordinances.

I would, Sir, just add that the County Council, in being given this power of regulating and controlling itinerant contractors, are being given no further authority than the African District Councils who already have that power and, indeed, their powers are even wider than those under the County Councils Ordinance.

Sir, I beg to move.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT seconded.

Question proposed.

MR. MATHU: Mr. Deputy Speaker, Sir, I would like to—I do not know how to do it, Sir, but I would like to support

[Mr. Mathu] Under the proposed amendments provided for in section 2 of the Bill, but I am afraid I have to oppose the proposals of section 3 of the Bill where it is proposed, under sub-section (j) to licence itinerant contractors.

Now, this matter, Sir, is a subject that I have been associated with for many years—in fact I think it is about five years—as a member of the Board of Commerce and Industry, but during those days, and later as I am now a member of the Labour Advisory Board, and with a very few exceptions, Sir, my views are held by quite a number of very important members of those two bodies opposing this licensing of itinerant contractors. The main reason, Sir, is that we feel that it is a piece of legislation that will be very difficult to administer. The principle may be sound, but, when it comes to the administering of this, I think it will be very difficult indeed to administer without causing hardship both to those who want to offer services and for those who want to hire those services.

I would like to quote, Sir, an example. During the time these negotiations have been going on in the years in getting the Government to bring this legislation to this Council, we proposed in the report, Sir, that there should be a pilot scheme where the employers would register the prospective contractors with the Labour Officers of the areas and Eldoret and Kitale, I think, were the two main areas chosen, I think some three years ago, for his purpose, The Labour Officers, I think it was, reported to us—anyway the Labour Commissioner—because there was very little co-operation from those who wanted to hire the services, because they were the principal people concerned, to make sure that those who come in the area to offer services did not default in any of the terms of contract that the two parties would register with the Labour Officer in Eldoret and the other place. As I say, Sir, if we were to base the introduction of this Ordinance on the result of that experiment, we could not have done so, because the response from the employers whom, I think, are mainly required to be protected by this law, and those who wanted to offer services, was extremely poor and I suggest, Sir, that personally I think—as my hon. friend, the Minister for Local Govern-

ment, Health and Housing, knows very well because he has been in these negotiations—that my views are held and supported by very important people of the European community who were in this area as well, and even some farmers who are also on this Board. I know of only one member of the Labour Advisory Board who has been persistent in pressing this legislation. Only one, and it may be, perhaps, that it is only one whose views have to be accepted by the Government in introducing this amendment to the Local Government (County Councils) main Bill.

Therefore, Sir, looking at it from a democratic point of view, this has the least support of the people of the country and on those basis, Sir, I oppose section 3 of the amendment.

MR. GATHANI: Mr. Deputy Speaker, Sir, I beg to support the opposition expressed by the previous speaker, particularly in regard to that part dealing with a clause of section 3.

Now, Sir, the County Council Bill came into operation before we agreed to this principle of multi-racial Government, and I think the Minister should give an assurance to this Council that these County Councils will not later develop into what I would call "foreign pockets within a multi-racial Government".

Now, Sir, as far as the County Councils are concerned, all races are not adequately represented and it would therefore be unwise to give the County Councils powers more than could be utilized in the interest of all races in this country.

With these views, Sir, I would certainly ask the Minister in charge of these County Councils to give the assurance that I ask for.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT: Would the hon. Member repeat the assurance he requires?

THE DEPUTY SPEAKER: The assurance which you seek is not understood on the Government side.

MR. GATHANI: The assurance for which I asked was to the effect that the County Councils would not develop later on as a foreign pocket within the multi-racial Government.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Deputy Speaker, Sir, in regard to the hon. Member representing African Interests, Mr. Mathu, he will see that from the objects and reasons of this Bill that it has put before the Board of Commerce and Industry who have accepted it. I realized and experienced the arguments that have gone on for a number of years in the Labour Advisory Board and, in fact, I myself have often wondered whether it was practical to licence these contractors, especially in view of the activities of contractors in my own area of Kiambu, which the hon. Members know so well, and the difficulty of controlling and, indeed, knowing who they are and where they are and where they come from. But I have given thought to this matter and the pilot scheme that the hon. Member refers to was one that was under no particular umbrella but was completely voluntary and one whereby employers were asked to register with the Labour Officer.

I personally, having had discussions with the county councils on this matter, am quite happy that they will be able to put this properly into effect. It is their by-law and it is up to them to see it properly administered and I am quite sure it will be—otherwise this Bill would not have come in its present state in front of this Council.

I can assure the hon. Member that I will keep a very close watch on that particular aspect which he knows I have had a lot to do with and to see that this particular amendment is put into force both fairly to the itinerant contractors and to the employers.

With regard to the hon. Acting Non-Muslim Member for Central Area—is that correct—I really think, Sir, that the assurance he has asked and the remarks he has made are rather outside the scope of this rather short amending Bill for the County Councils Ordinance. I understand his feelings and I would merely say this, that I feel that the County Councils Ordinance, as it is to-day, has a very good chance indeed of being a great success and not leading to what the hon. Member has fears of, and that it is certainly my intention to travel round the country and see how they are working and from all the people I have met in the county councils, those I have met

before taking this position, and lately, I am quite sure that there will not be any foreign pockets within a multi-racial Government. (Hear, hear.)

I beg to move.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-morrow.

#### LOCAL GOVERNMENT (DISTRICT COUNCILS) (AMENDMENT) BILL

Order for Second Reading read.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Deputy Speaker, I beg to move that a Bill entitled an Ordinance to Amend the Local Government (District Councils) Ordinance be read a Second Time.

Mr. Deputy Speaker, this particular amendment is of course, as hon. Members can see, exactly the same as the amendment we have just passed, but applies to district councils rather than to county councils. I would only like to say here that my regret is that I have to move such a Bill at all because I hope, in line with the remarks that the hon. Mr. Gathani made, to see all district councils become county councils in the very near future, and therefore there would be no need to bother this Council with a second Bill. My remarks may be slightly outside the scope of this Bill, but, Sir, the hon. Member may know that the Aberdare District Council has now submitted a plan to form themselves into a County Council and that is near fruition. Hon. Members probably read in the Press, that Nyanza District Council are also intending to do the same thing. There remains only Trans Nzola and Uasin Gishu, and I would ask for help from the hon. Member for Trans Nzola and Uasin Gishu to persuade all their Councils to come into line.

Sir, I beg to move.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT seconded.

Question proposed.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-morrow.

#### PUBLIC ROADS AND ROADS OF ACCESS (AMENDMENT) BILL

Order for Second Reading read.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Deputy Speaker, I beg to move that a Bill entitled an Ordinance to Amend the Public Roads and Roads of Access Ordinance be read a Second Time.

This matter, Sir, has been under consideration for a very considerable time—at least two or three years—and it is fairly complicated, but really the main principle of the Bill is to allow for registration of roads of access on title deeds. It is a matter that has been requested for, both by the public and by the local authorities, so that anyone who wishes to buy a farm or property, can see by checking with the Register of Titles what there may be entailed as regards roads of access through the particular property. Sir, section 22 merely covers both district and county councils and the definition of Member being deleted is just because it is redundant. Hon. Members will notice that in this particular Bill the word Member appears in a number of places, but I think that will be rectified at the committee stage.

Hon. Members will see that the Road Board, which might be a county or a district council, will have to keep a register themselves. They will also have to take the fees before any procedure can be gone on with and then they will have to send the fees to the registrar to enter on the title, but a register must be kept at the council or district level and that of course is a convenience to the public because those registers can also be searched on payment of a fee.

One section, Sir, which is of importance, is section 5, and that lays down that at the discretion of the Road Board, there can be retroactivity in this matter of registration of roads of access, etc., but no fees can be charged if it is a retrospective registration, as it happened before this Bill was passed, or, as I hope, it will be passed.

Sir, I beg to move.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT seconded.

Question proposed.

Mr. HARRIS: Mr. Deputy Speaker, Sir, I am glad to see that in the

Memorandum of Objects and Reasons, it is not anticipated that there will be any additional strain on public money involved if the provisions of this Bill become law. I hope the Minister, Sir, will remember that when county councils, or other bodies, ask for additional staff to keep up the necessary registers, there is, Sir, in this measure one slight danger and that is that there may be additional work necessary by the local authorities. I hope the Minister will remember that no additional public expenditure is necessary if we agree to this measure.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT: The Minister, Sir, will certainly remember that point, and I judge, Sir, that if this Ordinance becomes law, there will be less work for district and county councils staff than there is at present and therefore less expense. It is a source of great vexation that over the course of years, many roads of access have been granted of which no adequate record exists. Registration will save time-consuming and vexatious searches and so avoid rather than cause expense. There will also be revenue collectable for this service. I beg to support.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-morrow.

#### COMMITTEE OF SUPPLY

Debate resumed.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, when the Council adjourned this morning, Sir, I was endeavouring to explain the policy of the information services of the country. I had tried to point out, Sir, that in any criticism of the present effort of the information services, it was important to remember that in 1952 they had, as it were, started from scratch. It might be of interest, if I went back over some of those figures and showed how much, as it were, from scratch they started. For instance—when the Press Office was abolished although it was restored in supplementary estimate No. 1 about May, 1952—there was no provision for the Press Office until May, 1952—when about £4,000 was made available, a lot of it was directly tied up to expenditure



[The Minister for Finance and Development] on the visit of Her Royal Majesty, then Princess Elizabeth, so that when the Emergency began, there was no Press Officer in London. Indeed, the Press Officer was not appointed until May, 1953, and the Kenya Public Relations Officer in London was appointed in January, 1953. The total expenditure on African Information Services was for the year 1952 estimated at £32,000. By 1953, we had moved to spending some £5,000 on our Press Office, and on our African Information Services some £58,000 which was an increase—a considerable increase—of £26,500 over the previous year, but, of course, a lot of that increase was due to the fact that we moved £15,000 of the community development vote from mobile cinemas across to the African Information Services, and therefore the actual increase was something in the nature of £11,500.

By 1953, we were, of course, deep in the Emergency and we were spending some £49,000 on Emergency information services. The first half of 1954, we budgeted for some £59,000 of expenditure on the information services, and some £28,000 for Emergency expenditure on the information services. We have, of course, begun to absorb a little of the Emergency cost into the regular budget. Therefore, we have, Sir, moved, since 1952, some £36,000 to £40,000 on information services, to a figure in the present estimates of £151,000 in one year.

I would remind hon. Members that the voting of funds or increased establishments, does not in fact fill the appointments; nor does it mean that personnel is available. As I pointed out this morning, we had got rid of a number of our experienced personnel, and it has taken some considerable time to replace them—indeed, as I said, we have had to go to the United Kingdom for District Information Officers, even though we would prefer to have people with the local knowledge which is so valuable in matters of this kind. The Council might like to know what is the present position with regard to the staff of the Information Office. At the present moment, we are short of 3 District Information Officers (European), 1 Assistant Accountant (European), 3 Clerks (female), 1 Asian Information Officer,

and 10 senior African Information staff, so that although the figures may appear in the estimates, it does not mean that the department has yet been able to recruit that staff. The estimates—now under discussion—provide new posts which will also have to be filled, and particularly in the group of film and photographic staff.

The administration in the districts and in the provinces, of course, give the information department a great deal of help and assistance, but, at the present moment, particularly in the vital areas, it is busily engaged in other matters.

I pointed out, Sir, that the department has direct links with New York and Johannesburg, and I gave one or two instances of the way in which illustrated feature articles have now been pushed across to the public, and gave instances in particular of America.

A weekly—what I should call a back-ground sheet—called "Kenya Calling" which is a three- to six-page issue, goes out to over 100 editors and publicists in the United Kingdom, the United States of America, South and West Africa, Sweden and the Continent of Europe and we have proven evidence that this service is being more and more used by editors and publicists in those countries.

The question of newsreel and television publicity through photographic materials supplied by the Department to the United Kingdom, to the United States of America and to the Continent, is one which I am sure would interest Members because it is one in which quite a considerable progress has been made and the material is increasingly used.

In so far as the Press is concerned, Sir, I will not touch the question of European Press in Kenya or the Asian Press in Kenya at the moment, but in the absence of an independent African vernacular Press of stability, the Department of Information, through the African Information Services, directly produces or assists in producing 36 weekly or monthly publications in which nine vernaculars are used. In addition to that, there is the issue of Emergency publications, leaflets, pamphlets, etc., for Central and the Rift Valley Provinces. In addition, throughout the whole of the Colony, the Department distributes a considerable amount of material received

[The Minister for Finance and Development] the Central Office of Information in the United Kingdom.

Hon. Members will be aware that a Press Liaison Officer has been appointed recently and will be arriving shortly.

Now let me turn to another sphere of activity, Sir, to broadcasting. Hon. Members will know, of course, that there has recently been in the country a commission to investigate the future of broadcasting in Kenya, and I can make, of course, no comment upon the deliberations of that committee until their report is received. Nevertheless, hon. Members will be well aware that the six and a half hours' period of African broadcasting which we are able to undertake each day is limited by transmitter shortage. If there is to be an extension of time of broadcasting for African services, it can only be achieved by additional expenditure and the increase of transmitting facilities, but we have every reason to know that the African broadcasts are becoming more and more appreciated by the African listeners; indeed, the average of letters received by the African Information Services daily is between 80 and 90 letters of appreciation for the programmes and also requests for particular items. I think that does show that there is a considerable interest being taken by African listeners in the broadcasts effected. The limited time available for transmitting African broadcasts means that the maximum use has to be made of Swahili as the general language. Nevertheless, in addition to that the Information Services broadcast in Kikuyu, Kamba, Luo and English and are now considering broadcasting in Lulua.

The question of the film side, Sir; we are paying increasing attention to that, and indeed the greater part of the increase we are asking for in this year's Estimates is for extended film-making facilities.

Now, Sir, I know that I said before that information work is one in which there can be no concrete results. It can only be judged by the abstract, and as abstract things do, they tend to develop largely into a matter of opinion. Some critics will dislike some particular aspect or some particular article. Critics very often pick upon some particular thing of

that particular kind, but I would appeal to this Council to look at the wider field of the Information Services against this background of 15 months of building of an organization. I would remind them of the fact that when you look at a picture, it is wise to stand a few feet away from it and not get your nose right against the glass.

I think, Sir, one can see that the Information Services in this country have, in a very short space of time, achieved what could be modestly called a reasonable measure of success and that after 15 months, starting from small beginnings, they can say that the effort of to-day is praiseworthy and that the Director of Information is to be congratulated upon the organization he has developed, and he is developing, particularly during a time of strain and Emergency.

Sir, I beg to move. (Applause.)

THE MINISTER FOR WORKS seconded.

Question proposed.

MR. COOKE: Mr. Deputy Speaker, I have heard it said that even the devil can quote the Scriptures! Of course, I am not thinking of my hon. friend when he talked about the years the locusts have eaten! I think he meant by that that there were certain Members of this Council—he looked very fiercely at this side of the Council—who were responsible for eating those years! But I think he might have continued quoting the Scriptures and said "get thee behind me Satan" because if he looked behind he would have seen three of the newest Ministers, not now, but he would have seen them this morning. They were really more responsible for cutting those information services than anybody left on this side of Council, so he should, perhaps, have used his eloquence to rebuke those gentlemen. I can speak with an easy conscience because I was the only European on this side of Council—and I almost lost my election in 1952 and I almost lost the Information Votes to the very last farthing, so that I can pride myself now that I was on the side of the angels with my hon. friend.

With regard to the Director of Information, I am rather critical—although I know he is a charming and able man to meet—but I think he has rather gone beyond his powers by his criticism of

[Mr. Cooke] certain organizations and, indeed, individuals in his broadcasts. I look upon a Director of Information as a man who clearly publishes the facts, but he has at one time, I know—I am only mentioning one instance—very adversely criticized the Elected Member's Union, and I think that is going beyond his province. I think the Minister of Information should be entirely factual and entirely realistic in his outpourings.

My hon. friend has mentioned certain items. I would mention one item which I do not think many people in this Council listen to—it is a very remarkable programme at a quarter-past five—"The Voice of Reason". I do not know who the author is but I think it is the finest thing I have heard emanating from the Ministry of Information and I should like to say that whoever is responsible for it should be highly complimented.

I do not know whether I am within my rights at the moment but I am going to mention *Tazama*. I am not certain that it is not published by or under the aegis of the High Commission. I am very critical. I think it is a common paper and a cheap paper and I see the Africans are not reading it nowadays and I think they have got to be complimented for not reading it. It is a paper which should not have published some of the items it has published during the past few years. I understand circulation has fallen and I am very glad to see that.

I personally strongly support this increased Vote. I think if information is properly used—and it should not be propaganda, it should be information itself, because everyone, I think, to-day is suspicious of propaganda and I think personally the Africans, and rightly so, are suspicious of it too—and I hope it will remain a pure statement of facts because most of us are susceptible to facts, but are often inclined completely to disagree with what we believe to be propaganda.

Sir, I support the Motion.

Mr. MATHU: Mr. Deputy Speaker, Sir, while supporting the Motion moved by my friend on the Vote of the Department of Information, I should like to agree with him and, I think, many hon. Members, that the information services are here to stay. They must be seen in

the framework of Government on the plans placed before this Council to the extent that that link of Government is removed.

My hon. friend, the Member for the Coast, referred to the past. I have been very critical of the Department of Information myself in so far as, of course, it affects my own community, because it is there, I think, that we have tremendous opportunities, Sir, for good, if we use our information services properly. The other communities have other avenues of information. They are literate, perhaps 100 per cent. They have not only local publications, but they have the wealth of literature from Europe and from Asia. Not only that, but they can tune in their wireless sets at the times they want to listen in to other parts of the world—Europe and Asia and, indeed, anywhere else—but the majority of the mass of the African people have not got that opportunity and those facilities and therefore I think, Sir, that it is fair for me to say that the information services could be of tremendous good to this country, by giving factual information to the mass of the people of this land, namely the Africans, so that they could be put in the picture of the world of events through that Department. The media that have been suggested here, to put that across, are the ones, Sir, I should like to make a few comments on from the start.

The first medium I would like to mention is that of broadcasting, because in a mass of people like the Africans in Kenya and, indeed, in many parts of Africa, the powers of hearing—listening—are extremely important to, as I say, a community that is mainly illiterate.

Broadcasting, Sir, as my hon. friend has mentioned, there has been a Commission in this matter and I would not attempt at all to participate any recommendations they would make. My comments would be based on what is happening in Kenya to-day through the medium of broadcasting, and I would like to say, Sir, that the information services prior to the Emergency and about the time of the Emergency, had, of course, their own broadcasting depending, I think, to start off with, on the sets which were privately owned. The African community owned very few and even now relatively few sets are owned by

[Mr. Mathu] Africans. They later, I think, had a very bright idea of having a service of cheap wireless sets distributed through African individuals or through the welfare services, where these sets were used for people to listen in at set times—in market places, in eating houses and so on.

But when the Emergency came in, there was, I think, in some districts justifiably, a withdrawal of those services. Wireless sets were withdrawn and people, therefore, had not the opportunity of listening to the information that the Government wanted to put across to the people, either on Emergency matters or on other matters. That, I understand, according to my information, particularly in the Central Province, including the Nairobi Extra-Provincial District, has progressively been the policy of the information services and, I think, very wrongly, and to the extent that in Nairobi now there may be perhaps only one place or two—I stand for correction here—where you have those public listening-in places, because, as I say, very few Africans—even with the cheap sets—would be able to instal sets of their own. I want to suggest, Sir, here to the hon. the Mover and to the Director of Information, whether they should reconsider this matter, because I cannot see how you are going to reach the mass of the people, who cannot read the newspapers you produce, unless you exploit their sense of hearing—and hearing correct information.

As I say, Sir, I attach tremendous importance to this aspect of the Information Services because I think it is an instrument which, if we use it rightly, will help to win those fellows who stand on the fence and not on the side of law and order to come off the fence and stand on the side of law and order—by listening-in to the true facts of Government policy and what Government is doing and achieving in the Emergency and other matters.

There is also another aspect of it, Sir, which I should like to mention—it may be a point of detail and you perhaps may rule me out—but recently we passed legislation here to exempt certain possessors of certain wireless sets from customs duty so that they can purchase these sets more cheaply. Not only that,

we even reduced the licences that they should pay from Sh. 30 to Sh. 5. Now, when we do these two things, Sir, and you look at them together, and then know—if my submission is right—that you withdraw some of the wireless sets, I think you are defeating your own ends and I should like to put that point for the consideration of the Minister because I think it is illogical to do what we have done by legislation as policy, and at the same time to withdraw a very vital service at this vital time when we are in tremendous difficulties.

Now, before leaving the question of broadcasting, Sir, I should like to say that as far as the use of vernacular languages are concerned, I think the Information Department has improved a great deal, Sir. The vernacular programmes have been, I think, better this year than at any time and I would like to congratulate those who are in charge of that section of the work for the improvements achieved. (Hear, hear.) The weakness before—and I see one of the officers of Information sitting across the floor on the other side in the Government, and I have had discussions with him—was that there was no variety and no discrimination in regard to the whole African area, but there has been some discrimination now and zoning. What is very good for the coastal belt may not be very good in the Kikuyu highlands and therefore they time it to suit the taste of the African people. What is good in the Kikuyu highlands may be very bad for the Nyanza area, and I think they have been—it is on the zoning of their programmes that I should like to give them my congratulations.

Now the second medium I should like to deal with, Sir, of reaching the people, is the Press. My hon. friend has discussed the Press Office. I should like to suggest, Sir—although I will mention this on my third point in regard to discussing the staff—that it is very important, in both the broadcasting section and the Press Office, that we should attract the best men and the best women we can for staffing those departments, and in these particular departments I should like to emphasize the importance of attracting the best African men to work in the very high positions in the broadcasting and in the Press Office sections, because I do think Sir, there is the

(Mr. Mathu) psychological aspect we must look to, because if the listeners know who is behind the voice and behind the pen, they usually have confidence created if they know that they are the people that are entirely on their own side.

I do suggest, Sir, that the Press Office section should perhaps get—I think they may have this already planned—recruits from Makerere University graduates. That, perhaps, should be the minimum for these positions because if it comes to the question of journalism and pure information, you want men with the highest academic training possible, and when they have that, perhaps it might be best to send them to the United Kingdom for polishing up in these matters. I think there is an item in this Vote for that purpose.

Now my hon. friend did mention the regrettable position that you have not got an independent vernacular press. Now as he knows—perhaps if I go into this perhaps I shall be going into very dangerous ground—I should like to say the Government is partly, if not mainly, responsible for not having a vernacular press, by their being too fearful of something that may be entirely against Government policy and they therefore want to throttle down anything that does not play the tune that Government wants to see played, and I should like to ask the hon. Mover whether he is absolutely convinced that we could not have a vernacular press if we had more sympathetic officers on the Government side to see that this happens. I think it is possible but I think we will have to change many hearts on the other side of Council before that takes place.

I would not like to support my hon. friend when he says that there has been no stability in the African press on the whole. There has been but, as I say, the suspicions on the Government side have been too strong to allow the young limbs to grow into very strong trees in the African journalistic people in Kenya.

I do feel it is a very important matter—just as important as the question of public important organizations and public meetings and the Press. All these have been, together, confined by Government to prevent the growth of an African independent press, freedom of

speech and the rest—I know my hon. friend will attack me strongly in reply and I think I had better give him an opportunity to do so—but that is what the African is thinking—what I am telling him now.

Now finally, Sir, no, not finally—(Laughter.)—is the question of the Public Relations Officer in London. Now I have been critical of this officer before and I should like now to ask my hon. friend the Mover whether he is satisfied in so far as we ban in this country certain publications—we say it will be illegal for anybody to read them here—and whether the Public Relations Officer in England has really attacked the contents of the publications which do Kenya down—to put them right in the United Kingdom—because I do think, Sir, we are not doing our job properly if you only prevent a few thousand people from reading them here and allow 5,000,000 people in England to read them. I should like to have the view of the hon. Mover on what he is doing about it, because I think it is more dangerous to have enemies in England where they can do what they like against Kenya and nobody seems to do anything about them. Here we can put them behind bars and keep them quiet for a short time.

Now finally, Sir, is the question of staff. I agree with the hon. Mover that it is important that we should pick the best men we can get for the Information Services. Where there are ten senior African members of the staff that he is asking for, I do think that if the Director of Information went out of his way not to follow the conservative system of Government that they must always be paying £200 per annum for every black man who gets into the department, but picked the very best and paid £500 a year to start off with, they would not lack good staff as they continue to do.

Mr. Deputy Speaker, I support the Motion.

MR. COWIE: In the earlier part of this debate when we were dealing with policy, a good deal of attention was focused on a certain non-alcoholic beverage. I would suggest that the reason for that was on account of their advertising and publicity campaign. It is not very long ago that certain of those beverages were unknown in this

(Mr. Cowie) country whereas to-day they take up a good deal of time of this Council as to whether they should be taxed or not.

On that theme, I would ask the Minister if he would bear with me while I refer to something which I have mentioned before in this Council, and that is the value of films as a medium of information. I was very glad to hear him say that the increases in this Budget this year are mainly due to advances in regard to films, but in actual fact, what does it amount to? As I see it, the recurrent section of this part of the Budget is roughly some £8,000, and direct or other charges something under £10,000. Well that, Sir, dealing with the film aspect of Information, seems to me to be on the small side if we really expect to make great headway. What I have said before is this—I believe, and I have a firm conviction on this, that if we could use the film as a medium to educate people, especially in Great Britain, as to exactly what is going on in Kenya, it would be to everyone's benefit. There is nothing to hide—I am not ashamed to show people what is happening here in Kenya to-day no matter who is to blame for it. Every reasonable man and man of goodwill will, if he hears the truth, know what side to back and by having films, short documentary films, possibly available every fortnight in the nature of News Bulletins, I have every reason to believe that film distributors may be prepared to handle them. It may be possible that they would not cost this country very much, if anything. In other words, a great deal of that money might be recoverable because there is a profit element in it. If that were done, then you could touch 40,000,000 people a fortnight. The films themselves would have to be authentic, they would have to be dramatic for if they were, you would then find that the Colonial Secretary could stand up in the House of Commons and be able to make an easier choice as to how far he could take his party and his people when it comes to making a decision in our favour in this country. That is the importance of it, Sir.

Another feature is the opportunity for television. If some of these films were converted into black and white strips, I have also reason to think that it would be possible to put those short, dramatic

scenes, authentic scenes actually into the drawing rooms of masses of people, not only in Britain but on the Continent and in America. When a fellow can sit down in his drawing room at night and see something that is happening in Kenya within very recent weeks—they would have to be fairly recent—he would then remember what he had seen. Then, whatever he read in the Press, whatever he heard outside, he would say, "But I saw a picture the other day where so and so happened". In other words, it would start people thinking, they would then examine for themselves what was true and what was not true. As a medium for spreading information, I would commend to the Minister the use of the film as a modern weapon, which he has not yet so far used to the limit of its ability and I would ask him to consider that.

MR. HARRIS: Mr. Deputy Speaker, Sir, when the Minister was, I gather, playing out time before lunch, he seemed to take a great deal of pleasure in the propaganda value, unlike some of the activities of the Department he is now defending, of stating this side of the Council for having to cut down the estimates of this Department in 1952. I think, Sir, it was possible that it may have been his influence on Government that had the effect of doing this before the General Election of 1952 with his sense of political tactics and, in fact, on this side there are but three people—

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, on a point of order is the hon. Member imputing to me a dishonest motive?

MR. HARRIS: On the contrary, Sir, I was congratulating him on the kind of propaganda of the Department, which is the Department we are discussing. In fact, Sir, we regret the cuts that were made in 1952, but we believed they were made in all good faith and we do not intend to make the same mistake a second time, but I would suggest to the Minister that there are many unofficials in this country, of all races, who could very well be brought in in an advisory capacity on Information Services generally, both for consumption overseas and consumption here. I believe, Sir, that had such a panel of unofficials considered the first leader in *The Times* on 6th May when it was suggested that the Kenya

[Mr. Harris]

Government were not drawing too careful a line between hard-core terrorists and those being hanged for lesser offences, they would never have permitted the sort of hand-out that came to me yesterday from the Information Department. This hand-out told me that of 14 gangsters hanged at Nairobi Gaol on Saturday last, one was hard-core. Now, Sir, I was rather interested in this. I studied the hand-out very carefully and I found 11 others were found guilty of precisely the same offence as the one said to be found to be hard-core. It seems to me that a hand-out like that from this Department is playing right into the hands of people who believe that leader in *The Times*. There was a distinction drawn between a person sentenced to death for having ammunition in his possession and 11 other people who were sentenced for precisely the same offence. Now that seems to me to show a complete lack of appreciation of what the outside world is thinking of Kenya. It is on that score that I do not intend to-day to criticize the Department in detail, but I would make an appeal to the Minister to consider some sort of unofficial panel of all races. The sort of propaganda we want to get across or the sort of information, news, call it what you will—we want to get across in India, should be vetted in this country with the assistance of an Asian adviser, and the same goes for England and the African population of Kenya. I believe that if we were consulted the mistakes that have been made since the Emergency began would not have been so patently made. I realize, Sir, that we started off the Emergency, to continue my original metaphor, on a bad wicket, but it is interesting to note that in the Information Vote, although we started in 1952 from nothing, there is still an item for "Leave Reliefs". I presume that was possibly the sole office boy that was left by this Council in 1952.

Mr. TYSON: Sir, there is one aspect of this broadcasting and Information Services that I would like to emphasize, and that is the need to tie it up in some way with the Education Department services.

A good deal, I think, can be done by broadcasting, particularly in the evenings and particularly after dark, in continuation of our ordinary education service. I

refer particularly to the evening classes, in technical subjects, applicable to all races and where a good deal of useful work can be done by this Information Department through broadcasting services, as I say, particularly after dark, in order to reach large numbers, again I say of all races, who cannot get into centres where classes are held and where you are able to reach numbers without the need for having teachers. You can get at a larger number through broadcasting service than you can by holding individual classes of 20, 30 or 40 students.

There is again a point I would like to emphasize and it was mentioned by the hon. Member representing African interests. One rather senses from the statement in the Estimates that this is the nature of an emergency service. I do think we should realize that this Information Department and Information Service has come to stay and has got to be and will have to be gradually expanded over the next few years.

Sir, I support the Motion.

Mr. USHER: Mr. Deputy Speaker, there are two points I would like to make in regard to the Information Services and they both concern what I feel to be a lack of liaison, a lack of liaison between official and unofficial, I have a feeling, Sir, that that is most marked perhaps locally. We have here an institution of high educational value and noble purpose known as the "Voice of Kenya", and I have no complaint whatever about the relations between that institution and the Government—it gets all the information it likes from the Government—but I do feel that it is important that from time to time, perhaps quite regularly, say once a fortnight or even less, there should be meetings between the Information Services and that organ and any other organ of publicity which is concerned with the welfare of Kenya.

Now, Sir, I should rather like to turn to the other end. I think many people are dissatisfied with the results of the Press Office effort in London. I heard just now from my hon. friend, the Member for Nairobi South, of one instance of what we feel, perhaps unjustly, to be a failure to fight our battles at home, to contradict what is patently wrong. And, finally, Sir, I

[Mr. Usher]

should like, if possible, the Minister to explain—I know that we may expect from him the courtesy of full explanation in debate—what are the limitations of the spheres of the Public Relations Office, the East Africa Office and the "Voice of Kenya", which again works in well with those two other offices, but one feels at the same time that the full effects, which the three could produce in their separate spheres, is not really felt.

Sir, I beg to support.

Mr. CROSSKILL: Mr. Deputy Speaker, Sir, I have criticized the Information Service several times last week, but I would like to make it clear that I did so on the grounds of inadequacy rather than inefficiency. There is a distinction and a distinction with a difference. I realize very fully the difficulties under which the Information Service has been labouring after it was excised some two years ago by hon. Members on this side of the Council who had not the advice they now have—I feel many of their heads hanging in shame in the library outside.

I realize the difficulties also of getting staff and personnel. Only the other day, I visited the Press Office and realized how hard pressed they are, but now we have increased the Vote, or are in the process of doing so, there will be a new opportunity. I think they will realize that we must staff this Service and that it is a permanency, a permanent institution in Kenya. The ball will be at their feet, the opportunity will be in the hands of the Director.

The suggestion I should like to make is on the lines of that made by my hon. friend the Member for Nairobi South, that there should be a Board of Information—I think it would be advisable to broaden the bases from which information is taken. Not only would it disarm criticism in the country, but it would provide a light from different sides of the country, from different races, from different communities, on how the Information Office should work, and I believe that a Board so constituted, rather similar to the lines on which the Board of Commerce and Industry is constituted, would be of great value to the Information Services.

Another suggestion, Mr. Deputy Speaker—now that we are becoming

more mature with our multi-racial Government, I suggest that we depart from calling it the African Section. It should be called the Community Relations Section. I believe that the technical services included in the present African Services are required not only for the African section, but other sections in the Information Department, and I think it would be advisable to call that section Community Relations.

I should like to see the flavour in general of the information which is projected from the country rather more on general lines, general development of the country, agriculturally, industrially and commercially as well as merely, as it seems to be at the present time—or rather with too great a bias at the present time—on African Development—not that I seek to crab this in any way whatever—but I think it should have a rather more general flavour than it has up to the present time.

Mr. Deputy Speaker, I wish to support.

Dr. HASSAN: I rise to pay tribute to the Department of Information and the staff who have done a very good bit of work in the short term that they have undertaken this work of information in this country. What little experience I have had of the Information Department trying to publicize the development in the native reserves and giving publicity to what at least was done for the African in the Coast Province was very admirable.

The Information Services we all know have been established in this country to give accurate information to the people of Kenya, in the first instance, and to the world at large, and I do not agree with some of the Members who would like to use this Information Service as propaganda. The Information Services and propaganda are two different things. The "Voice of Kenya" is doing very good work in its own way, which is purely propaganda, and the Information Services are giving information in all possible aspects of the spheres of Kenya to the world and to this country.

Sir, I beg to support the Vote.

Mr. JEREMIAH: Mr. Deputy Speaker, I only rise to say a little in supporting what my hon. friend Mr. Mathu said

[Mr. Jeremiah] with regard to the value of information to the African.

Now, Sir, when the hon. Member, Mr. Cowie, spoke about films, I thought that he was going to say more films should be employed to show the African, because I believe it is the Africans who need more information in films than I should say the Europeans at home. The African can appreciate very much more what he sees than he reads. He reads very little because there are only very few who can read. Therefore I believe that more use should be made of films in order to have them shown to the African. The African will, I believe, understand more if he is shown how other people are doing in films, especially how cultivation is going on in other areas, and how improved cattle are being reared. He can understand that by films more than by telling him. If you tell him, he is liable to misunderstand or to misbelieve. To tell an African that one cow can produce two gallons of milk in one shift, he can hardly believe it. In a film, if he can see how it is being milked, and how it is being produced.

Furthermore, I believe the photography should be enlarged because it is also in photographs that the African will be able to understand more of what is taking place.

I beg to support the Motion.

LT.-COL. GHERASIE: I support this Motion, but the only reason I am rising at the moment is to challenge—I cannot allow certain remarks made with reference to certain reductions in the Estimates proposed some two years ago, to go unchallenged.

Now, Sir, it would appear that because certain services have been increased, that the people, the hon. Members at that time were unjustified in what they did. Now I would suggest to hon. Members that it is not a question of merely reducing expenditure or wanting to reduce it. If any particular department is inefficient or not giving value for its money, it is the duty of this side of Council to criticize and ask for a reduction. This business of saying Members may be hanging their heads with shame—or some nonsense of that nature—because reductions were made two years ago—I just feel that I cannot allow it to go unchallenged. It was forced upon them by

Government who would not make a reduction. It was left to Members in the Council to take action under normal procedure. I was one of them and I consider they did the right thing.

MR. GATHANI: I do not intend to speak on this Vote at all. The reason I am rising is with regard to a remark made by one of the speakers regarding co-operation or co-ordination between the Information Service and the "Voice of Kenya" and I have to say a few words.

First of all, Sir, as far as my information goes, the "Voice of Kenya" is an organ of the European community. Although it may be doing a very good service by dispelling a lot of wrong information as far as the Continent of Europe is concerned, yet it is not a Voice which is representative of all races in Kenya, and as a result I beg of the Members on my side not to have any kind of co-ordination between Government Services and the services that we may be getting from the "Voice of Kenya", otherwise my fear is that there may be some doubts raised in the minds of outsiders about Government services.

After saying that, Sir, I would also point out as to what I have been told by a friend who is also accustomed to the tune played by the "Voice of Kenya". That friend suggested that that tune is somewhat different from the tune played by the Information Service and if you try to mix them together, the sound produced would not be very attractive and I, therefore, propose that that suggestion to Government should not be taken into consideration.

MR. USHER: On a point of order, my hon. friend has just made a statement for which I presume he is responsible in regard to whether it is or is not a European organization. In point of fact, Sir, may I be allowed to say that donations and subscriptions are not confined to any race and include donations and subscriptions from the Asian community.

MR. GATHANI: On a point of explanation, I am grateful for the explanation that the hon. Member for Mombasa has given. I had no doubt that donations would not be accepted, but my doubt was whether other people have representation in the management of the "Voice of Kenya".

MR. AWORI: I do not wish to repeat what other speakers have said, but I have one or two points to say on this Vote.

Firstly, I am glad to hear from the Minister that he is considering to start broadcasting in Luguga. I raised this matter last year and I am glad to see that Government is going to accept that request from North Nyanza people who have been neglected in the way of vernacular broadcasts.

The second point is the question of films. I am not sure whether the Department could not arrange with Tanganyika Government about getting films which are produced in that country in Swahili. I am sure that these may be of great value to the African out here instead of films mostly of which are in English and which they cannot understand.

The third point is the question of an independent African Press which the Minister mentioned. I think the main reason we cannot have an independent African Press is the question of lack of trained journalists in this country, and last year, I mentioned this matter of whether the Government would not be able to provide regular bursaries for Africans to go to Britain for nine months to a year to train in London as journalists. I think they would be better if they were trained in this field.

I beg to support.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Some time when I am operating on behalf of an absent colleague it may be my fortune to find that there is some particular topic which does not bring forth a great debate. However, I will endeavour to answer the various points that have been made in this debate.

First of all, dealing with the African representative, Mr. Awori, I think I am right in saying that we do co-operate with the Tanganyika Government in the exchange of films, but I will have the matter gone into or at least recommend it to my hon. friend the hon. Chief Secretary when he returns.

In so far as the independent African Press is concerned which has been raised not only by Mr. Awori but also by Mr. Mathu, I think the point is that we have had an independent vernacular Press from time to time. What I would feel

inclined to say is that it is not the opinions that that Press expressed which caused Government to take the action that it had to take from time to time, it was the manner in which these opinions were expressed and the method of expression. I have no doubt that a great deal of it was due, as Mr. Awori has said, to inexperience, to immaturity. Nevertheless, the Government has a responsibility which it cannot escape in this regard. Of course we have done—I think my hon. friend Mr. Mathu knows—we have done a great deal in many ways to try and encourage this development and I am amongst those who, like him, hope, as the Emergency dies away, we shall see again the emerging of what I would call a stable and steady African Press, expressing African opinion without fear, but shall I say, contrary to what happened many times in the past, this time with moderation.

I will bear in mind and convey to my hon. friend the Chief Secretary the point made about the training of journalists, and more than that I cannot say at the present moment.

In so far as my hon. friend, the Member for Nairobi North is concerned, the question of whether the hon. Members of those days were justified in what they did, I think history will write that down. People who read the HANSARD of this country and who read the struggle that took place from the Government side at that time to convince hon. Members opposite who were at that time in the majority that they were wrong in tackling the matter in this way, those things are on record in the HANSARD of this Council, I will say no more than that. I think the HANSARD will provide sufficient evidence for the judgment of history.

So far as my hon. friend, Mr. Jeremiah, was concerned, I would say that two-way information, which was what he was trying to convey I think, it is indeed in use as much as possible, but in the supplying of material to the African, we are, of course, limited by the material that is available. As my hon. friend, Mr. Awori, has underlined, as it were, a number of films that would be of great value to the African population in a documentary sense, are indeed of no value because we have not yet proceeded far enough with education in English. As Mr. Mathu said, a great

[The Minister for Finance and Development] proportion of the African population is denied these educational incentives to progress because they are not available in sufficient numbers in the languages which those people understand and it is our task to improve the position as we can and move, as I hope we are doing, steadily to do away with that deficiency.

Referring to my hon. friend, the Member for Mau, I, too, would say that the Information Services of this country must be a permanent factor. They cannot be regarded as an Emergency service only and I would say, in so far as Government is concerned, it is the intention of the Government that they shall be not only a permanent factor but an increasing factor, if possible, in the life of our people.

In so far as education broadcasts are concerned, educational broadcasts require of course specialist staff with specialist training. I believe the matter is one which the Commission that has just been in this country has had under consideration.

One hon. Member, the Member for Nairobi South I think it was indulged in what I call the particular. Sir, I do not know of any time in business when I could not pick out one assistant who did not make a mistake, who did not wrap up the wrong parcel, who did not send the wrong parcel to the wrong address, who perhaps did not put the wrong invoice in the wrong envelope—he was able as anybody can to pick out the one particular item. The Director of Information acknowledges that was a mistake and accepts that as a mistake, but place it against the many things that have been done. The hon. Member referred to the leader in *The Times*. I think I am right in saying—one of my hon. friends opposite has put in a question to this effect which, with the grace of the Minister concerned, will be answered within 48 hours. Sir, I think it will be seen that the Director of Information took immediate steps to make our point of view known in London and indeed succeeded in getting very successful counter information, accurate information, across in that particular paper.

A great deal too has been made of the question of broadcasting in general.

I would like to say that of course we are restricted in our broadcasting after certain hours. I have said, in my opening speech that six and a half hours are all that we can get under the present system. That does therefore prevent us from continuing these broadcasts, as we would like to do, into the evening, particularly if, as we hope it will be, the pilot scheme on radio rediffusion, which is getting broadcasting information into the homes of the people but, to be successful, we cannot develop any more on those lines unless we can remedy this shortage of transmitters.

My hon. friend, Mr. Mathu, raised the point of the withdrawal of certain wireless sets of the public amplifier type. I should like to assure him that no wireless sets of that kind were, in fact, withdrawn. A number of coffee shops in which those sets had been placed, were closed down as a result of one measure or another, and the sets have now been taken in for reallocation. We have put out since the start of the Emergency more than one thousand sets for Africans—many of them in the Central Province—and, as I have just said, Nairobi has been given the special start of two hundred speakers on what is known as "Rediffusion Service". I am very glad to say that of those speakers one hundred and forty have been issued—some fifty-three or fifty-four more have been asked for, thus the two hundred have very nearly been asked for, particularly in the Ziway area of Nairobi. One of the difficulties, of course, will be after-dark broadcasting, as the unfortunate position of the African areas in Nairobi, and the institution of a curfew, has had a deterrent effect on that particular type of work.

Now, Sir, there has been quite a lot of talk about an unofficial panel of all races to deal with Information Services. I can only say that I myself am one of those people who do not like committees tackling all these types of work. If the hon. Member for Nairobi South—who, I see, has just come in—if he does not like the words of a hand-out-to-day, he can go for the Director of Information and say he is responsible, although it was in his absence and he did not hear it. The Director of Information admitted it was his responsibility, but if he had had to go through the blanket of a committee, I do not know what he would have done.

[The Minister for Finance and Development] I am not one of those in favour of boards and committees at every turn, but we do endeavour, as a Government, to co-operate as much as we can with all organizations which are endeavouring to secure a good press and a good public hearing overseas for the affairs in Kenya. I can say, as far as I am aware, that relations—

Mr. CROSSKILL: May I say I think the suggestion was rather more on the lines that the board should be advisors on policy to the Minister responsible, and should be in no way executive.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Thank you, Sir.

I was touching on the question of the relations between the Public Relations Officer in London, the East Africa Office and the "Voice of Kenya". Now, just the same as in local affairs, the Department of Information has, I think, got good relationship with the "Voice of Kenya". In London, too—at any rate when I was there last November—there seemed to be a good relationship established between the "Voice of Kenya" and the Public Relations Office: but I think hon. Members must realize, of course, that the "Voice of Kenya" is, after all, a special and a private effort, and that indeed it might not always want to operate on Government lines and to express the same information: then there is this very great difficulty—and furthermore, if I may say so, because we have seen it expressed in this Council to-day—there is this very great suspicion. One of the important factors about the Government Information Department is that it must be able to put forward facts recognized as facts, without suspicion of its interpretation and, whilst one welcomes co-operation, I would say—I am expressing a personal opinion, but this will be the responsibility of the Minister who is not present to-day—I would say that we might do harm if we became too far involved as one organization, whereas as two complementary organizations, who have both their particular duties to fulfil, both have a good purpose in their particular spheres. The relations between the Kenya Public Relations

Office and the East Africa Office are of course good, but the one is specifically for the development of Kenya Public Relations work for supplying a background to the Press—for keeping Members of the House of Commons informed of events that develop in Kenya—that sort of work. The East Africa Office is general, it is an East Africa office which does not deal with propaganda, or information—if I may better call it that—of any kind other than solid economic information. In so far as the "Voice of Kenya" is concerned, its relationships are, I think, reasonably happy with both sources.

The point was raised by my hon. friend, the Member for the Coast, as to whether the Director of Information had exceeded his powers through criticizing certain organizations in broadcasts. Well, if he did it, I am sure the Director of Information will accept full responsibility for it. One can hardly expect Directors of Information to be merely automatons, and not have character and opinions of their own. If they are, then they are not the kind of people we are looking for in this country. Our particular Director of Information happens to have very strong opinions of his own. Seeing that his Government was being attacked at a time of fairly high political tension, he himself simply expressed an opinion which, I think, was shared by a great many people. That, I think, is all I can say on that particular aspect.

On the question of films, raised by my hon. friend the Nominated Member, Mr. Cowie, I think his fortnightly film magazine is a good idea, but it will need a good deal of money and a good deal of men. As one once commercially interested in this aspect, I think it would take, as a fortnightly issue, a great deal of selling on a commercial basis—in seeing that matter gets into cinema circuits in places like Great Britain. I think we would feel ourselves a little bit disappointed if we thought it would return much in the way of revenue: but I think we can say, as a Government, we have had a great newsreel and television success with camera shots gone out from the Department of Information. I did indeed try to point this out—I am not certain whether the hon. Member noticed what I said about the success we have had in America.



[The Minister for Finance and Development]

Also, we have gone a considerable way to assist private sources—Independent sources—to produce films about this country. African Films, I think, is one of the groups that, indeed, are producing a film about this country with the assistance of Government—not financially but in other ways—which should, indeed, prove valuable to us abroad. Hon. Members will remember that, not so long ago, I came to them for a guarantee of a sum of £10,000 for the production of a local film for that purpose. Here, again, I can say—and with fair knowledge and experience, because I was in this line myself—that films produced under those circumstances are far less suspect than are films produced by a Government machine. The world has not yet forgotten what could be and was done—with a Government machine.

The hon. Member for the Coast also said that something with which I am sure we will all agree—the need for information put out to be kept factual. Whatever people may feel about information that is put out from time to time, it is important that it should be factual. Indeed, those of us who have studied information history know that one of the greatest successes of the British people during the war was the solidity of their information and news broadcasts which, indeed, brought about the surrender, I understand, of a certain German General because of the truth and accuracy of the British broadcast services over a number of years—he preferred to believe our interpretation of the position, rather than that supplied by his own government-controlled machine—a completely directed machine. The Government does stand by that fact—that information put out, even if it is distasteful at times, must remain factual.

Now, Sir, I think I have answered most of the points which have been made, with the exception of the two points made by the hon. Mr. Mathu, and I wish finally to deal with the position of a board. The purpose of a reduction of the import duty and licence fees was, of course, to encourage Africans, particularly less prosperous ones, to buy sets. It has, of course, no real connexion with the point of free loans of sets to shops. We are hopeful that this will have a

snowballing effect to enable us to get more and more Africans direct access to the news, not only of Kenya, but of the world in general. In so far as the best staff is concerned, I would say, of course, that I agree completely with the hon. Mr. Mathu. Information Services do demand a very high level of staff indeed. In the Press Office at the present moment we have a Makerere graduate, Mr. Oluoch. We have in the African section two Africans with Makerere training, even though they are not graduates. We have three Africans trained in the United Kingdom. I give those figures to show Mr. Mathu that we are fully conscious of this fact and, indeed, if it is a question of a little extra to get a better man, then I will very seriously talk with my hon. friend as the Minister for Finance, and try to persuade him not to be as stupid as he can be on certain occasions.

Finally, the question of a Board of Information. I think, Sir, we have to remember that what we are doing is getting out information. We are not trying to direct it to any particular purpose. I think the Government assessment of that information is a very good thing because it is carried out in a very calm, cool atmosphere. I would be a little afraid of anything in the nature of the Tower of Babel arising in having a board of all races advising on what type of information should be sent out. Information is information, and information is fact, and I think the responsibility for a thing like that should rest fairly and squarely upon the shoulders of the Government.

We have, Sir, in the Information Services made a good start. We have a long way to go because we are only just realizing the value, as this debate will show, of the work that it can do.

I should like to finish by quoting from the Drogheda Committee Report on the British Information Services at the beginning.

MR. COOKE: On a point of order, Sir, "Droids" is the right pronunciation.

THE MINISTER FOR FINANCE AND DEVELOPMENT: It is difficult to believe, for example, that the African territories do not offer tremendous scope for establishing the best techniques and traditions in broadcasting, in the production of newspapers and the guidance of the new intelligentsia.

[The Minister for Finance and Development]

That, Sir, is a task in which the Government of Kenya must be amongst the foremost in the field, because it can contribute a great deal towards the development of our country on peaceful lines.

Sir, I beg to move. (Applause.)

The question was put and carried.

THE DEPUTY SPEAKER: Before the Council goes into Committee of Supply, we will suspend business, and resume again at twenty-five minutes to five.

*Council adjourned at twenty minutes past Four o'clock, and resumed at thirty-five minutes to Five o'clock.*

#### COMMITTEE OF SUPPLY

Committee of the whole Council—Order or Committee read. Mr. Deputy Speaker left the Chair.

#### IN THE COMMITTEE

[Mr. E. N. Griffith-Jones, Q.C., in the Chair]

#### VOTE 2 3 DEPARTMENT OF INFORMATION

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that a sum not exceeding £151,639 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955.

*Question proposed.*

THE CHAIRMAN: The Clerk will read the various sub-heads.

Sub-heads 1 to 7 and (50) agreed to.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report the progress and ask leave to sit again.

*Question proposed.*

The question was put and carried.

*Council resumed.*

[Mr. Deputy Speaker in the Chair]

#### REPORT

MR. GRIFFITH-JONES: I beg to report that the Committee of Supply has considered and has approved a Resolution that a sum not exceeding £151,639 be

granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 2-3—Department of Information.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I beg to move that the Council doth agree with the Committee in the said Resolution.

*Question proposed.*

The question was put and carried.

#### MOTION

##### SUSPENSION OF STANDING ORDERS

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Deputy Speaker, the next item on the Order Paper, Sir, is the Draft Estimates of Expenditure, Vote 5-1—Agriculture. Hon. Members of the Council will be aware that there is rather an important Agricultural Conference in progress at the present moment, and therefore the Minister for Agriculture has found himself unable to be present at the present time. With the consent of Council, therefore, Sir, I propose that we should proceed with Order No. 12, which is Vote 6-2—Labour. In order to make this possible—to place the matter before the Council—I beg to move that Standing Order No. 23 be suspended to the extent necessary to allow Order No. 12 and subsequent Orders to be taken before Order No. 11.

Sir, I beg to move.

MR. HARRIS seconded.

*Question proposed.*

The question was put and carried.

#### COMMITTEE OF SUPPLY

##### MOTION

THAT MR. DEPUTY SPEAKER DO NOW LEAVE THE CHAIR

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: I beg to move that Mr. Deputy Speaker do now leave the Chair to enable Vote 6-2—Labour Department—to be considered.

Now, Sir, less than six months ago the Member for Labour made a speech in which he outlines the policy of the Department in some detail, and he gave a good deal of factual information. I do not propose, Sir, to cover precisely the

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same ground in this speech, but rather to touch upon recent developments, and in particular some which have arisen as a result of the Emergency.

Now, when enumerating the shortcomings of labour in this Colony, my predecessor, the Member for Labour, noted four major defects: first, that the work of most labourers is irregular, second that the standards of skill and output tended to be low, third, that wages are generally low and fourth that there is no provision for old age security.

Now, Sir, since then, as hon. Members know, the first part of the Carpenter Report has been laid on the Table of this Council, and one of its recommendations adopted, namely, that of an increase in the minimum wage of ten shillings, and the prescribing of a new house allowance based on the average economic rent of a bed space. The Report also makes far-reaching recommendations in regard to the stabilization of labour, the reduction of irregular immigrant labour and it touches on the causes of and remedies for low output and inefficiency.

Now, Sir, I do not propose to discuss the merits of the Carpenter Report in the course of this speech, as parts or the whole of the Report will come before this Council in due course, and will, I feel sure, provide the material for robust controversy. (Hear, hear.) The present position is that the two remaining parts of the Report have just come to hand. These will be printed and laid on the Table of this Council as soon as may be. Meanwhile, we are collecting representative views from all concerned. These are being collated and assembled, and it is not possible to take the next step as yet. I should, in passing, like to say that this does not mean that the Carpenter Report is being shelved or pigeon-holed. It just means that we are not yet in a position to take the next step.

With regard to the fourth point, namely, that of old-age security, a Committee has—as a result of the Motion tabled in this Council—been appointed to examine this matter, and has already had two meetings. Therefore, it can be said in respect of the three defects noted, there already have been recommendations, and in respect of the fourth, a

Committee is already considering the matter. Now, Sir, I should like to speak for a few moments on the subject of industrial relations, to which I attach considerable importance. I am glad to be able to say that during the past year there have been no major strikes or dislocations of labour. We have quite enough on our plate, I think, everyone will agree, without disruptions of that kind, but I would like to record that it does reflect credit both on the labour and the organizations concerned. Government's policy in regard to the industrial relations remains, as stated previously on several occasions, namely, to foster the development of the methods of collective bargaining and agreement and as a necessary corollary the development of the trade union movement. The existing trade unions have been working under considerable difficulties. There is no need for me to elaborate on the difficulties which must arise from the Emergency when subscribers cannot be found and the general organization of the unions is dislocated. Particularly has this been so since "Operation Anvil" started, but in spite of these drawbacks there is no doubt that some progress has been made in the union. An encouraging sign in the trade union movement generally is the fact that an increasing number of employers have recognized trade unions. Moreover trade unionists have themselves been appointed to the Labour Advisory Board, Wages Advisory Board and other statutory wage negotiating bodies. Now, Sir, in the early stages of any trade union movement it is absolutely essential in my view; that the leaders should have some training, and for this purpose last year four chosen trade unionists visited the United Kingdom. This year, as you will see from the printed estimates, there is no provision for their training. This does not mean, however, Sir, that nothing is being done for the training of trade unionists. On the contrary it is proposed to organize in August this year two courses of five weeks each at Kabete with the object of giving instruction to some 50 to 60 persons who are intimately connected with the trade union movement. I personally believe that this local training will prove to be of more value than overseas training at this particular stage of the trade union movement in this

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country. For one thing, it is cheaper, for another thing it can be extended to more people and there is some reason to suppose that when people have gone for courses overseas they have come under undesirable influences.

Now, Sir, quite apart from these set courses which I have been talking about, the trade unions receive in a sense constant tuition and advice from the Industrial Relations Officer and the Labour Department, and I am impressed by the relations between the department and the unions. Having seen in the West Indies and elsewhere the infinite harm which badly led trade unions can do, I am certain that proper training can pay rich dividends. The unions in this country are bound to become more powerful and it seems commonsense to me that in the intervening period they should receive proper training to enable them to discharge their responsibilities to the workers in due course.

On the subject of the trade union movement a recent development is the emergence of a dock workers' union at Mombasa. This will not replace, but will be complementary to the joint industrial council for dock labour which has hitherto functioned with such success under the able chairmanship of the Member for Mombasa. I am glad to see that he came in just in time. (Laughter.)

Now on the subject of the joint negotiating machinery, it is worth mentioning that the Whitley Council for the Civil Service is now firmly established and is the recognized body for negotiating terms and conditions of service for the public service as in the United Kingdom. On the Whitley Council the representation of the staff side is on a non-racial basis and I know that much good has resulted as a result of that fact. In the Civil Service Journal recently it was stated that the Whitley Council was firmly established and functioning satisfactorily. Now, Sir, from personal experience I know that when the Civil Service Association says that it is satisfied it means quite a lot.

Joint consultation is also being developed in other directions.

On the Wages Councils which have been set up under the Regulation of

Wages and Conditions of Employment Ordinance, both employers' and workers' representatives are gaining valuable experience in the methods of collective bargaining and agreement. These wages councils are already in existence for the tailoring, garment making and associated trades, for the transport and road haulage industry and one is now in the process of formation for the hotel and catering trades. Within individual undertakings, that is to say at the level of the undertaking, encouragement is being given by the department to the setting up of works committees or works councils. Such committees provide a valuable medium through which conditions of service can be negotiated, management policy can be explained and workers' suggestions and grievances can be ventilated. This is particularly important in large undertakings and essential services where labour is prevented by law from striking.

Now, Sir, turning to the current estimates you will see the provision for five trade-testing officers and this denotes a departure in policy. At present such trade testing as has been carried out has been done under the supervision of the technical staff of the Education Department assisted by members from the industry concerned.

Now, although Government is much indebted to the assistance which these people have provided, the time has come now, it is considered, when trade testing must be self-contained and no longer dependent on voluntary assistance. The demand for trade testing is increasing and it is worth noting that wages councils now use trade test certificates as the qualifications for entering the next step of the wage structure. Moreover, we want to ensure that there is uniformity in standards and standards are required for the skills of immigrant artisans. In the building trade alone it is estimated that some 3,000 Africans and 2,000 Asians are likely to require trade testing, while similar large numbers in all races exist in the engineering trades. It is the intention that these trade-testing officers shall be used not only for trade testing but also for the supervision of apprentices' training schemes. Hon. Members may be aware that the whole subject of apprenticeship

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training is at present under consideration by a committee set up by the Advisory Council for Technical Education and Vocational Training. I have little doubt that apprenticeship training in the Colony will be given considerable impetus from the work of that committee. The opening of the technical institute section of the Royal Technical College will, of course, provide theoretical training which is the real condition precedent to greater progress. I shall be mentioning this possibly in greater detail at the policy debate on education.

Now, Sir, in the policy debate on the Estimates a question was raised by the hon. Muslim Member for the Central Area regarding the effect which the Emergency has had on the overall labour situation. I have collated some reports from field officers and the following is roughly the position.

Generally speaking it can be said that in the Coast Province and in Nyanza there has been no marked effect although recruiting by the Army and Prisons authorities has reduced the normally large supply in the Nyanza Province. In the Rift Valley there has, of course, been a considerable shortage regionally mainly in the Nakuru, Thomson's Falls and Naivasha areas from which large numbers of Kikuyu, Embu and Meru have been removed. The situation is being remedied to some extent there by the influx of labour from other tribes. In the Central Province there is some labour shortage as other tribes show a somewhat natural reluctance to go there. In Nalrobi itself, "Operation Anvil", by the clearing out in a short time of some 23,000 Kikuyu, Embu and Meru, has naturally led to some labour shortages and also to some wage increases. Some employers are making do with reduced staff. Others are recruiting in Nyanza and the Wakamba reserves, while others are showing increased interest in the employment of African women to replace labour which has been removed. The overall position can be described as fluid as the immediate effects of "Anvil" cannot adequately be gauged at the moment and we have no correct indication as yet as to how the labour position will settle down. In many instances the Labour Department has, however, been able to

help by directing employers to suitable sources of labour and every assistance will continue to be given by the department in alleviating the sudden dislocation which "Anvil", in many cases, has caused.

There are, moreover, 14 African labour exchanges in the Colony whose services are at the disposal of the public and which, in fact, have been dealing with a very much increased volume of business since the Emergency began. I am advised that at present the resources of the country's labour supply should be able to meet the demand without recourse to the procurement of labour from other territories. There is, moreover, a gentlemen's agreement among the East African territories not to recruit unskilled labour from neighbouring territories unless and until the local labour supply is exhausted. Wages have and will no doubt rise in certain areas, and this is being carefully watched but this can hardly be regarded as undesirable within reasonable bounds in view of the findings of the Carpenter Report. I do, however, propose to keep the situation under constant review in the future, and any suggestions which hon. Members may have to assist in the present situation will be most welcome.

Finally, I would like to say a few words about the department itself. The Emergency has, of course, thrown an enormous amount of extra work on the department generally. The Central Registration Office has had to make thousands of fingerprint identification checks in detention camps. The Statistical Department, which holds life cards have had to make record and document checks in respect of thousands of Kikuyu, Embu and Meru at the request of the Security Forces and the importance attached to the possession of identity documents has increased the department's burden, and the issue of green cards has, of course, been one of its responsibilities. In the troubled areas the department's staff has, of course, been drawn into Emergency duties such as the receipt and accommodation for Kikuyu employees, whose contracts terminate and the reallocation to employers of Kikuyu who pass screening tests. All these have added greatly to their duties and I am glad to say that they have measured up to it extremely well. It

[The Minister for Education, Labour and Lands]  
would not perhaps be out of place here to pay tribute to Mr. Carpenter, the Labour Commissioner, who has proceeded on leave prior to retirement. Whatever views people may have on the Carpenter Report I am sure they will not allow them to prejudice their assessment of his value to the department, to labour in general and the Colony. (Hear, hear.)

Now, Sir, in this brief survey I have touched on only a few matters, but I have, I hope, given some indication of the very considerable work which is being done by the department. All this I may say has been done for the comparatively small figure of 1 per cent of the total expenditure in the Colony's Estimates. I believe, Sir, that the department as such will give full value for that money. (Applause.)

#### Question proposed.

LT.-COL. GHERSIE: Mr. Deputy Speaker, Sir, there is one point I wish to raise in the nature of a suggestion with regard to some reasonable measure of control of wages during the Emergency. I think there is a good deal of evidence that, because of "Operation Anvil", by which about 20,000 Africans have been picked up, some of the others left behind are endeavouring to cash in on the position and are demanding wages far in excess of the employment value. I know the obvious retort will be made that the employer should not pay the increased demand, but business in this city is large and must continue and some employers are prepared to show a loss for a limited period. I do suggest that unless this matter is checked it will have an adverse effect on industry and also affect the day-to-day cost in the home. I would ask the Minister to consider some standstill measure for a limited period.

Sir, I beg to support.

MR. MATHU: Mr. Deputy Speaker, Sir, I should like to congratulate the hon. Minister for Labour for his very good maiden speech. (Hear, hear.) I do think, Sir, that if that can be a maiden speech for a Minister in this Council he is going to do a first-class job. I think I should also like to pay my tribute and I think, as most hon. Members, it is a tribute

to services rendered to labour by Mr. Carpenter who has gone on leave. He will also definitely be remembered for his report which is coming out in very big instalments, and I would like to ask the Minister if he will hasten the placing of the remainder of the instalments before this Council because I do think that hon. Members would not like to discuss matters of labour policy in greater detail knowing that they are still to come before this Council, the rest of the instalments of that report, which when known might enable Members to give their views in this matter. I therefore request the Minister to do what he can not to delay these other instalments of the Carpenter Report rather unnecessarily because I think even the labour itself of the country are anxious to know what is the effect of that report as far as it affects the economic position of the country.

There is one other matter, Sir, I should like to mention and that is a subject which I think my hon. friend dealt with very ably and that is the question of the industrial relations in the country. I was very glad to hear from him, Sir, saying that we are looking not to have any important labour unrest in the country, and he paid great tribute to both the management and the labour for the situation that has developed. I think we are very lucky, Sir, that that has been the case because I do not think we would have managed to fight two very big battles at the same time, one against the Mau Mau as such and another against industrial unrest, and I think we can say the Lord has blessed us in that regard. I do not think, Sir, that the hon. Minister should therefore conclude that because there has been no very big labour unrest that labour is satisfied. I am sure that he will be the last person to think that and I therefore suggest to him, Sir, that if we tax the patience of labour too long by not giving them the rewards they would like we may find ourselves in deeper water than at any time before, and I, therefore, suggest, Sir, that he looks into that.

Now I was talking about industrial relations and in this regard I should like to mention a few points. He did say that in spite of the difficulties that the movement has had during the Emergency they are doing very well. He knows very well that what appeared in the Press recently was an explanation of the position of

[Mr. Mathu]

"Operation Anvil", where I think the situation was found a little alarming. Where most of the trade union leaders have been removed as a result of "Operation Anvil" and where you have the workers left with very little leadership at all, I am asking the Minister to tell the Council whether there have possibly been removals without justification in which case they should be returned to the leadership of the trade unions. I think that is a very important point, Sir, and I would like the hon. Minister to tell the Council what is likely to happen. I am glad to hear, Sir, that local arrangements are being made to produce trained leaders. But that, Sir, does not exclude the possibility or rather a continuation of sending some of the very outstanding trade unionists abroad. I do not think he himself would be afraid, at any rate, if some means could be found against what he calls bad influences in the United Kingdom and I think if we had men of sterling character in the trade union movement we should not be afraid of their going to the United Kingdom for further training in trade unions because he knows they would stand up against any of the bad influences which would affect their attitude towards labour in this country when they return.

Mr. Deputy Speaker, Sir, I beg to support.

Mr. HARRIS: Mr. Deputy Speaker, Sir, may I add my congratulations to those of my hon. friend Mr. Mathu on the maiden speech of the hon. Minister which I thought set a higher tone from some on the other side of the House, maidens or not. May I say also, Sir, there were two very welcome emphases in his speech—one on the development to encourage the apprenticeship system and the other on trade testing. Both of these are matters that have been under discussion in various Chambers of Commerce for many years. In fact, I remember the first conversations were with Mr. Hyde Clarke some six or seven years ago. I am very glad indeed to see that they have now found their place in a policy statement of the Labour Department. The hon. Minister has asked for suggestions as to how to check any possible inflation of wages due to a sudden shortage. I would commend to him the suggestion of the hon. Member for Nairobi North, and I

think, Sir, that in the long term, or even the medium term, the answer probably lies in those trades, where it is applicable to a quicker development of the system of trade testing. I believe employers will always pay a fair wage for a fair day's work, but in the past there has been a tendency to demand a fair wage without the compensating fair day's work in all cases, and that this is why I think the introduction of trade testing is probably the answer to productivity from the workers in Kenya.

There is only one other point I would make and that is on the question of trade unions and I would agree, Sir, it would be deplorable if any trade union officials have been picked up because they were trade union officials. I think it would be equally deplorable if any trade union officials are picked up now because they are trade union officials. I do not consider that we should, as there is a tendency in many countries to-day, look on trade union officials as being in a sort of special privileged class—they may be in the new aristocracy, Sir, but I hope, not just yet in Kenya.

Mr. COVENTRY (Nominated Member): Mr. Deputy Speaker, I feel there may be one or two matters affecting labour, particularly at the Coast. We have, when all is said and done, the bulk of the labour at the Coast employed at the docks, and there are a very large number of registered coastal labourers. These are all employed in the dock industry and obviously, for the development of this country this is vital. In recent months, or shall we say the last 18 months, there has been considerable tightening up in the improvement of the administration of these dockers at Mombasa. It is probably interesting to know that whereas some months ago, the average labourer did 14 shifts per month, the minimum now is 20 shifts per month. The labourer reports to the docks and asks if there is any work. His card is endorsed with the fact that he has reported—regardless of the fact whether there is work or not. That means that of nearly 6,000 dockers in Mombasa, every one has a card and you can, on any occasion, check up on a man and find out how many times he has reported during the month. Whether he gets work or not, is not the vital point at that time. It is the regular attendance which one

[Mr. Coventry]

is looking for so badly in Mombasa. There is a movement on foot whereby even those who attend regularly but do no work will get a minimum wage. That is a very progressive step and, in fact, I think is probably only in the United Kingdom.

We are very fortunate in Mombasa in having a most excellent Coast Labour Officer. He has striven hard for the last 18 months to work up these joint industrial committees, these which are served by five members from employers and five members from employees under the able chairmanship of the Member for Mombasa. They have achieved tremendous results. It is due to them that I think I can say that the temperament—the feeling between labourers and employers—is better than it has ever been.

We have now come to the question of trade unions. I would like to assure the Council that the majority of employers in Mombasa are in favour, and will do everything possible to foster and encourage them. There is one point, however, on which they feel very strongly and that is that whilst the trade unions may eventually take the place of these joint industrial councils, we do not want to see them go half-way and then disappear and leave us in the air. We hope that Government will keep an eye on these trade unions to foster them and to see that they prosper and do not go the wrong way. I feel that in Mombasa, we could go far in the relationship between employer and employee. Mr. Mathu from the other side of the Council will recall very well in 1947, when he himself came and was in fact successful in getting strikers to return to work and when he was so warmly congratulated.

It must be remembered that apart from the ports there are very big industries on the harbour development. There are two large contracting firms, and you have also got the harbour development of East African Railways. These employ in the region of 4,000 men. If you work this out, Sir, you will find that 6,000 are employed in the docks, approximately another 4,000 in harbour development and that is 10,000 employees in a very small area. The Council, I am sure, will realize how vital it is that we keep the

feeling of co-operation between the employers and the employees.

We have not at present, and we will not in the future—I hope in the future—industrial troubles, and this I feel is due very strongly to the joint industrial councils who are maintaining the co-operation between employers and employees. We feel the reason why the trade unions will be a happier or a wiser organization, is that at present these joint industrial councils have five on each, whereas in the trade unions, we hope there will be a very large executive council so that a bigger representation will be made and new information will be distributed to a far greater number than it is at present possible with these joint industrial councils. The majority of the labour in Mombasa have come from the Nyanza area and a certain number from Machakos.

Finally, I would like to say a word about the Coast Labour Committee. This is under the able chairmanship of Captain Hadley. This committee is adviser to the Labour Advisory Board and they have regular meetings where all races are members and all matters can be discussed, and it has helped considerably in the pleasant relationship which exists in Mombasa.

Mr. Deputy Speaker, I beg to support. (Applause.)

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, I do not propose to intervene in the debate, but I would like, on behalf of my colleagues on this side of the Council, to echo what has been said on the other side of the Council, and congratulate my hon. friend on what I thought was a very fine exposition and very fine maiden speech. (Hear, hear.) (Applause.)

Mrs. SHAW: Mr. Deputy Speaker, I should say that I would like to add my congratulations, but unfortunately I was not present when the hon. Minister made his maiden speech so I can only be assured that it was excellent.

I only rise on a point of information, and I would be very grateful if the hon. Minister, in his reply, could tell me if there is any legislation envisaged with a view to licensing itinerant contractors, as I was on the committee once, quite a long time ago, with a view to trying to

[Mrs. Shaw]

work out a scheme for controlling these itinerant contractors who are a very—

THE DEPUTY SPEAKER: I think the hon. and gracious lady must have been absent when the Second Reading was given to a Bill this afternoon for that very purpose.

Mrs. SHAW: Thank you very much.

THE SECRETARY FOR HEALTH, LANDS AND LOCAL GOVERNMENT: Two Bills, Sir.

THE DEPUTY SPEAKER: Yes, two Bills.

Mrs. SHAW: Thank you very much.

THE DEPUTY SPEAKER: If no other Member rises to speak, I will invite the Mover to reply.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Now, Sir, there are only a few matters which call for a reply, and I would like to deal with them briefly.

Both the hon. Member for Nairobi North and the hon. Member for Nairobi South have asked if some steps can be taken to control the inflation which, if it has not already arisen, looks like arising as a result of "Operation Anvil", and the demand by labour for an increase in wages.

I did say, in the course of my speech, that this situation was being very carefully watched, and I shall certainly see that it is carefully watched, but I do not think that at this stage, I can give any particular assurance that there will be any Government intervention; that is at this stage anyway.

I am grateful to the hon. Mr. Mathu for his congratulations and also particularly for his tribute to Mr. Carpenter.

In regard to the remaining instalments of the Carpenter Report, there will be no unnecessary delay, and I hope that they will be laid on the table of this Council before the end of this particular session. (Hear, hear.)

I have taken his point that because industrial relations are satisfactory now, it does not mean that labour is necessarily satisfied. I do not think we need say anything more about that, because the scope of the Carpenter Report is so wide that that particular question will be covered by it.

The hon. Member did raise the point that several trade union leaders had been detained. That is correct, and there has

been no discrimination in their treatment. The only discrimination which may be given is that in their screening, it is hoped, with the co-operation of my friend the Minister for Internal Security and Defence, that they will be put at the top of the queue.

As regards training courses for unions I certainly did not mean to convey the impression that trade union courses in the United Kingdom are ruled out from now on. The exact words I used were, "At this particular stage", and we will have to look at the results of the courses which we are organizing to see whether in fact real benefit is derived from them, but I would not like to convey the impression, by any means, that courses in the United Kingdom are going to be ruled out.

I welcome the remarks made by the hon. Mr. Coventry in respect of the improvements in administration of dockers which have taken place at Mombasa, and I am sorry that I did not refer to this particular development in the course of my speech. It was also pleasant to hear the words of appreciation of the Coast Labour Officer. I think that concludes all the remarks which need be made on the points which have been raised. I take it that the hon. and gracious lady does not now require any reply.

The question was put and carried.

#### COMMITTEE OF SUPPLY

Committee of Supply—Order for Committee read. Mr. Deputy Speaker left the Chair.

#### IN THE COMMITTEE

[Mr. E. N. Griffith-Jones, Q.C. in the Chair]

#### VOTE 6-2—LABOUR DEPARTMENT

THE MINISTER FOR FINANCE AND DEVELOPMENT: I beg to move that a sum not exceeding £202,385 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 6-2—Labour Department.

Question proposed.

Sub-head 1

MR. MADAN: Only as a matter of curiosity, Sir, there is one item—No. 1, the Labour Commissioner, £2,575, is that figure correct?

THE CHAIRMAN: If the hon. Member will read the notes; he will see that it is right.

MR. MADAN: If you are satisfied, Sir, I am also satisfied. I will read the notes later.

Heads 1, 2, 3 and 50 agreed to.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report back to the Council.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Deputy Speaker in the Chair]

#### REPORT

MR. GRIFFITH-JONES: I beg to report that the Committee of Supply has considered and has approved a Resolution that a sum not exceeding £202,385 be granted to the Governor to defray the charge which will come in course of payment for the year ending the 30th June, 1955, for Vote 6-2, Labour Department.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I beg to move that the Council doth agree with the Committee in the said Resolution.

Question proposed.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Before we proceed with the next item of business, I understand that it is the wish of hon. Members opposite that we should discuss Vote 8-2. This is a point just communicated to me, and from the Government point of view, we have no objection.

#### COMMITTEE OF SUPPLY

#### MOTION

THAT MR. DEPUTY SPEAKER DO NOW LEAVE THE CHAIR

THE MINISTER FOR COMMERCE AND INDUSTRY: I do not wish to detain the Council very long on the matters that come under my control. I am quite sure that hon. Members opposite, in placing these items for early discussion, would not expect my gratitude but I can assure hon. Members, Sir, that they have it.

For many years I have wished to have my innings on these matters and, alas,

through the course of debate on the Budget and the efflux of time, I have seen that opportunity diminish and finally vanish.

However, Sir, in spite of my gratitude to hon. Members for asking that these matters should be discussed at this stage, I do not propose to detain them longer than I must.

Now, Sir, first, if I may speak for a moment about my own office, that of the Minister for Commerce and Industry. As I think hon. Members are aware, it is my objective and that of my staff who assist me, to whom I would wish to pay a tribute, particularly to the Secretary for Commerce and Industry who is leaving Government service for service with the High Commission, I believe, as hon. Members have said previously they would wish to record their appreciation of his services. Needless to say, I wish to do so and I can remember on one occasion nearly three years ago when the hon. Member for Nairobi North expressed some appreciation of his services. I said then that nobody could have had a finer colleague or a finer friend to work with, and my own debt of gratitude to him is very great indeed.

Now, Sir, our objective in Commerce and Industry is to do everything possible to attract capital and enterprise to this country. Within the limitations laid down by the Emergency conditions, within the confines of what is possible from a financial point of view and bearing in mind the limited mineral resources of this country, so far as we are aware of them, I believe it is possible to say that over the past few years we have, to a very considerable extent, succeeded in attracting capital for industry and commerce in this country. We have not, of course, attracted anything like as much as we would have wished to have done, but I am confident that when the Emergency is dealt with, as we all wish it to be dealt with, then the snowball of capital investment in this country will continue to grow.

There are many things which we have done—to assist this progress; there are many more, Mr. Deputy Speaker, that we would have wished to have done that have not always proved possible owing to the circumstances to which I have referred.

[The Minister for Commerce and Industry]

Now, Sir, I would like to refer briefly to the efforts of the Mines and Geological Department that come within my portfolio. Hon. Members will remember that in the original Development Report, to which many distinguished citizens of this country subscribed, the importance of the geological survey to the future of Kenya was placed on an equal basis with the conservation of soil, the development of water resources, and the development of agriculture. I would remind hon. Members that the geological survey has made very considerable progress since the war.

In the first years after the war we were, of course, handicapped by the difficulty of obtaining personnel and now the Emergency has dealt a heavy blow to the geological survey and I am proud to say that 85 per cent of the active geologists in the field—that is those of the right age—are serving in the Emergency forces, one of whom has already laid down his life. I often wonder whether people outside this Council pause to think when they sometimes run down the Civil Service—usually from ignorance—that there at any rate is one department that has a record as proud as any group of people in this country.

Now, Sir, the geological survey, as I say, has done much to uncover the potential wealth of Kenya in the form of minerals whose existence were only suspected or partially known. For instance, there has been the discovery of very interesting deposits at Mirima Hill, south of Mombasa, and one of the objects of my trip to the United States last autumn was to obtain technical assistance on certain problems connected with ore recovery and ore dressing. We were successful in our plea.

Now, Sir, in addition to that we have at the Coast—at the present time—the D'Arcy Oil Exploration Company, the exploration subsidiary of Anglo-Iranian Oil Company, which is working up the coast of Tanganyika and into Kenya to discover whether the geological indications, which are not altogether unfavourable, do, in fact, imply the presence of oil. A great deal of preliminary work on this matter, needless to say, was done by our own Geological

Department, and the Geological Departments of other territories. If oil is found anywhere on the coast of East Africa, whether in Kenya or Tanganyika, then the whole of that coast will be of interest from an oil point of view. If it can be found, then, Sir, it will be a very great thing for Kenya and for Tanganyika and for the whole of these Territories. If it is not found, at least, Sir, we will have a great deal of useful geological knowledge at our disposal which may lead to other things.

Then, in the Northern Frontier Province, a great deal of work has been done by the Geological Department on the possible presence of oil and on the possible presence of other minerals and I have not given up hope that another oil company, quite distinct from the one I have mentioned, will be interested to take up leases in the northern part of Kenya.

It is only by such intensive exploration that we can be sure what resources we have other than the resources of the soil and it is only, I believe, by doing our utmost to exploit what there is, and to pursue the matter of exploration with the greatest and highest possible priority that we can lay the basis for what we hope will be some alternative to our existing economy to the benefit of all races.

Now, Sir, I wish to refer to other matters, very briefly, that come under my control because I believe hon. Members, as they gave notice a short time ago, to the Leader of the Council, will wish to raise certain questions. I refer, Sir, to the various controls that come within my portfolio. I could speak at length on this matter, I could talk about hotel control, but then my hon. friend the Member for Nairobi South can talk most eloquently on that matter and possibly he will. Again, my hon. friend the Member for Mombasa may give us a specimen of his wit and his common sense on this matter which I hope will be forthcoming and which I know that I can benefit greatly from. I can then see my hon. friend the Member for the Non-Muslim Central Area sitting there in his seat ready to rise up—I was going to say in his wrath, Mr. Deputy Speaker, but that would be the wrong word—shall I say, Mr. Deputy Speaker, in that fluent, in that charming way he has, to deal with the question of rent control.

Mr. HARRIS: On a point of order, is this a policy of his department, or the policy of himself in replying to a debate before it has taken place?

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Deputy Speaker, I would not controvert the fact that my hon. friend rose on a point of order, but, with greatest respect, Sir, I fail to see the point of order; however, I was very willing to yield if that was what he wished me to do. I plead guilty, but I was merely trying to provoke hon. Members opposite to make some contribution to this debate and, Sir, there are many other points on which I am sure hon. Members will wish to speak.

Now, Sir, I think that I have probably said quite enough on my subject, but I am willing to answer any questions that are raised to the best of my ability. I would like to emphasize, because I believe I have got a right to do so, that Commerce and Industry, that is my own office and the departments under my control, exist with one object in view and that is to serve the interest of commerce and industry. I believe I can make the claim without contradiction, except in detail, that to a very large extent we have succeeded.

Mr. Deputy Speaker, I beg to move. (Applause.)

THE MINISTER FOR COMMUNITY DEVELOPMENT seconded.

Question proposed.

MR. MATHU: The hon. Minister for Commerce and Industry made a very interesting speech but, as usual, he usually leaves the most important things for hon. Members of this side to say and he says nothing. But I would like to raise two matters only in this debate and one is in conjunction with the distribution and consumption of electricity. I think that comes under this portfolio and my particular areas that I am interested in this matter as far as distribution and consumption of electricity is concerned in relation to African areas in the major urban areas. I do think that the Minister and those who are responsible for the policy about the distribution of electricity have lost a tremendous opportunity of not only brightening the life of the very poor in the most congested areas in our major towns, but also losing a tremendous source of wealth.

I do think it is possible to make a scheme by which somebody, a local authority in preference, would buy electricity in bulk in cheap terms and in turn that local authorities would retail the commodity to consumers also cheaply in urban areas. I have in mind particularly also Mombasa and Nairobi because I do think you have a large population of the people with low incomes who should, I think, benefit by using electricity in their own homes instead of paraffin and lanterns. I do not know whether my hon. friend the Minister for Commerce and Industry would think that that was a conflict of interests between those who supply lanterns and paraffin and those who supply electricity, or whether he favours one to continue not to get competition going, but I do think there is a case for consideration in this matter and a psychological effect on the labour and the African people in these areas, and with bright lights in their own rooms at night would give a difference in the following morning when they go to work. I know these rooms, Sir, and quite a number of them live in conditions which would be improved greatly by electric bulbs in their houses. I want to mention this because I do think there are joint views here, the Minister who has just spoken and the Minister for Local Government, because I do think he is bound in this manner—for instance, street lighting in African locations in Nairobi has been very bad for many years, and some of the gangsters have taken advantage of the dark corners where there are no lights to do their dirty work, and I do think the department of which my hon. friend the Minister for Local Government is in charge throughout the country could discuss these matters, to see how best to supply electricity not only in this area but also in their houses. I would, however, like to have seen Nairobi City Council provide lighting more extensively in the dangerous corners of the location of Nairobi than to have expensive lighting through one of our highways here. That would have shown some sense of proportion.

The final point I want to make in regard to the Minister for Commerce and Industry is in regard to the Department of Trades and Supplies and this very small point, Sir, I think is important.



[Mr. Mathu]

As a result of "Operation Anvil" most African traders in Nairobi were removed; consequently their businesses were closed down. That is not the matter I am interested in at the moment—it lies elsewhere. When these fellows were removed, they paid authorities for their licences for the whole year and so on and, further, some of them were getting controlled commodities, like sugar, therefore there was a surplus of sugar.

**THE DEPUTY SPEAKER:** I do not want to inhibit the hon. Member from making any point of value in this debate on the Commerce and Industry Vote, but the Department of Trade and Supplies comes under Vote 8-5, and Council is now considering 8-2.

**MR. HARRIS:** On a point of order, Sir, matters such as, the hon. Member mentioned come within the purview of the Board of Commerce and Industry—which is in 8-2.

**THE DEPUTY SPEAKER:** The specific point was in regard to Trade and Supplies—in my very lay ignorance, I assumed that related to parts of the Estimates dealing with the Department of Trade and Supplies.

**THE MINISTER FOR COMMERCE AND INDUSTRY:** With great respect, Sir, the hon. Member, if attending a meeting of the Board of Commerce and Industry would be quite at liberty in raising what he is raising here. I bow to your ruling, Sir, I merely mentioned the point.

**THE DEPUTY SPEAKER:** I do not want to inhibit the hon. Member from making any contribution to the debate that is of any value. If the point he is making concerning the Department of Trade and Supplies is pertinent to the head, the "Board of Commerce and Industry", I will not prevent him from continuing to make his point. I merely pointed out that to a lay person like myself the Department of Trade and Supplies is dealt with separately under a different vote.

**MR. MATHU:** What is your ruling, shall I continue?

I will continue with caution, Sir. Actually I was about to finish—all I wanted to put to the Minister is whether he considers it would be better, if my information is right, to reallocate those

controlled commodities to traders, African traders who have been left behind instead of getting a corporation, as I understand it, to do the actual buying and selling.

That is just the point I wanted to make. These African traders left in these African locations, in my submission, should buy the commodities which were being bought by those who have gone as a result of Operation "Anvil" and not by the Nairobi City Council or any other corporation, to enter into commerce and industry. That is the point I am going to make. I know African traders in Nairobi now would appreciate the action of the hon. Mover in the way I am suggesting.

Sir, I beg to support. (Applause.)

**THE DEPUTY SPEAKER:** No other hon. Member wishing to speak, I will ask the hon. Mover to reply.

(Mr. Gathani rose.)

**THE DEPUTY SPEAKER:** Hon. Members, if any hon. Member wants to speak he must rise. The hon. Member did not rise until I had called upon the hon. Mover to reply. I will permit the hon. Member to speak this time, but in future he must rise when there is, so to speak, a vacancy on the floor.

**MR. GATHANI:** Mr. Deputy Speaker, Sir, I am sorry I did not rise earlier but as the Minister for Finance had said in his speech that there would be comments from the Member for Mombasa and the Member for Nairobi South, and as I thought that the senior Members would first speak, I thought I would be the last on the list.

**THE MINISTER FOR COMMERCE AND INDUSTRY:** I am not the Minister for Finance. I did not say that they would speak, I said that I hoped they would.

**MR. GATHANI:** First of all, I would like to congratulate the hon. Minister for Commerce and Industry for what he has said in connexion with the departments coming under his jurisdiction. If we do not say anything regarding these departments, it is only due to the fact that we have not much to complain about as far as those departments are concerned.

Now, after saying that, I will make a few observations. First of all, when I was discussing rent control, I was interrupted when I reached the question regarding landlords.

[Mr. Gathani]

Now I would like to finish that here, Sir, because I may not have an opportunity later on. After advocating the case in favour of tenants, I was coming to the conclusion that landlords should also be given a fair deal when the Government decides to extend the period of decontrolling of business premises. Now the landlords just now, Sir, are getting rents amounting to only 35 per cent more than what they were getting in 1939. Now as we all know, the pound which was worth, in 1939, is not worth the same to-day and in these circumstances I personally think landlords should also be given reasonable consideration if the Government eventually decides to accept my suggestion.

Now, Sir, about the importance of the Department of Commerce and Industry, I would like to refer to the report of the Income Tax Department. While making a calculation of the income tax received by this Department in the year 1950, as far as Kenya is concerned, the following figures I hope will be of interest to the Council. Contribution from commerce is 30 per cent, which is the highest of the whole lot. After that comes the contribution from agriculture—that is only 19 per cent. From employees, other than the Government, it is 18 per cent. From industry, 7.4; from mining, 2; from employees, other than Government, 7.5; balance 17.9. We all know that agriculture is the life blood of our economy in this Colony and, in spite of that, if the contribution from commerce alone is 30 per cent, I think the Minister for Commerce and Industry should feel very proud.

Now, Sir, while I was giving some facts when surveying the economy of this Colony, I think I may have an impression on the Minister for Commerce and Industry that I was driving him from one bankruptcy court to another bankruptcy court. My whole idea was to bring to the notice, as I said in the beginning of the debate that we are not now in a position to maintain the same expenditure but that did not mean in any way that I have lost any faith in the future of this Colony—as a matter of fact, I am not exaggerating. I may say I have more faith in the future of this country than perhaps the employees of the Colonial Civil Service. We who have so much interest in the Colony cannot have anything

other than faith in this Colony. I personally believe that on account of the expanding population, cheap labour and so many other factors, we have a very bright future; that bright future, in my opinion, has been further strengthened and improved upon as a result of this multi-racial Government that we have all decided on.

Now, Sir, by cheap labour—I mean labour is cheaper here than in other countries. (Laughter.) We have, for a long time, complained about representation on the Railway Advisory Board. If the hon. Minister for Commerce would go through the past HANSARD of Legislative Council he would find, year after year, this complaint was made from Asian Members on this side.

**MR. USHER:** On a point of order, Mr. Deputy Speaker, is the Minister "honourable"? I thought he had left his honour on a lower plane.

**THE MINISTER FOR COMMERCE AND INDUSTRY:** Coming from the hon. Member for Mombasa!

**MR. USHER:** I was asking for your ruling whether the Minister is "honourable"?

**THE DEPUTY SPEAKER:** It certainly has been a convention at this meeting of the Council to refer to Ministers as "honourable". They have derived "honourific" from their Membership of this Council. They are also Ministers and just as, also by convention, Council does refer to other Members by their offices with the prefix "honourable". I do not consider it out of order to refer to Ministers as "honourable".

**MR. GATHANI:** I was referring to the Railway Advisory Board. I think Kenya has only one representative on this body. This body has, during the last 10 years, considerably expanded and I hope the Minister for Commerce would make—

**THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING:** The Railway Advisory Council does not come under this head. If it is to be taken, I suggest it should be taken under the High Commission Services.

**THE DEPUTY SPEAKER:** The point appears to be a good one. Unless the Railway Advisory Board is hidden in some other head, just as the Department of Trade and Supplies was hidden under the Board of Commerce and Industry. (Laughter.)

**THE MINISTER FOR COMMERCE AND INDUSTRY:** I think as my hon. friend suggested, the proper place for it to come is under the High Commission Services.

**THE DEPUTY SPEAKER:** The hon. Member is out of order and will refrain from that topic again.

**MR. GATHANI:** There is one other point, Sir, and that is about sugar. As we know, the present production in the whole of East Africa is not sufficient to meet the demand in the three territories. We have, therefore, to import sugar from outside East Africa. I think the Minister for Commerce should see that this function, which is a normal function of trade, is given to trade, and sugar is allowed to be imported through normal channels.

That is all, Sir, thank you very much. (Laughter.)

**THE MINISTER FOR WORKS:** I was waiting to hear hon. Members opposite endorsing the remarks of the Minister for Commerce and Industry when he paid that tribute to Mr. Adams when he left his services and I regret to see that several hon. Members opposite have served on the Board of Commerce and Industry and have had the opportunity of not only viewing this officer's work but the great courtesy and charm with which he has discharged his duty, have not spoken. I think as a retiring member from the Board of Commerce and Industry, it is my duty to pay a tribute, as an unofficial member, and to say how greatly we feel the loss of such an able officer. Our only consolation is that he has gone to the High Commission Services where he will not be lost completely to us.

**MR. MADANI:** On a point of information, Sir, the Minister for Works is suffering from a misapprehension. My hon. friend, the Member for Mombasa paid a glowing tribute to Mr. Adams only the other day; I would like to join in with what the hon. Minister has said—we are sorry to lose Mr. Adams, but our respect and regard is no less because we do not repeat ourselves. (Laughter.)

**THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING:** May I continue the debate, Sir, and refer to the remarks made by my hon. friend, the African Representative Member, Mr. Mathu. He did bring to my notice before this debate the matter of his advocacy of

electricity both inside the houses and also street lighting, especially in the City of Nairobi. I would like to say straight away that I have already tried to arrange an interview with a person who is closely concerned with the supply of electricity—the hon. Members will admit, I think, that the matter of the supply, quantity, points, material required and so forth, need a lot of investigation. I say straight away I entirely support and agree with the hon. Member in the principle of as soon as possible, providing lighting especially inside houses in African locations not only in the City of Nairobi but elsewhere as well. I personally feel, if the money is available—and that is a matter for my hon. friend the Minister for Finance—that Government, if we can do it, should show the way for our own employees as well. It is a matter of principle, I entirely understand the reason behind that—the hours of darkness are pretty lonely and boring, in spite of remarks made previously about the hours of darkness in African locations in this Council—from the security point of view street lighting is important as well. I will go into it very thoroughly and go into it soon.

**MR. J. S. PATEL:** In rising to support the Vote of Commerce and Industry, I would like to mention that besides agriculture, commerce and industry is the next bloodstream on which this country depends. As I look at the Vote and as I look at the very able man we have got in the hon. Minister for Commerce and Industry, I think the Vote should be doubled, and he should show us in his reply what are his plans for developing commerce and industry for the next five years at least. I was very pleased to hear that the geological survey have been receiving his first attention but the Council and the public at large would be very pleased to know what are his plans for developing commerce and industry.

To my mind the sugar industry alone in Nyanza should bring to the country any amount of wealth—

**THE MINISTER FOR COMMERCE AND INDUSTRY:** Agriculture!

**MR. J. S. PATEL:** And the sugar industry, if developed on proper lines—(More murmurs of "Agriculture!")—but I think you cannot divorce the sugar industry from agriculture. If he will take the trouble of looking into this matter

[Mr. J. S. Patel] and developing other industries besides sugar and let us have a plan for the next five years as to how he wishes to develop industry.

**THE MINISTER FOR COMMERCE AND INDUSTRY:** First I would like to deal with the point raised by my hon. friend the Representative African Member, Mr. Mathu. I should apologize for not dealing before with the point about electricity because I believe he raised it on the general Budget debate. I apologize for not dealing with it there. It comes in two parts. There is the question of street lighting in the locations, as indeed in other parts of Nairobi, which is a matter for the City Council and the Minister for Health and Local Government.

There is one other point I wish to mention before dealing with the question of lighting in general inside African houses. As advised by my hon. friend I can say that it is already the accepted policy of Government to provide electric lighting in the houses of African employees as soon as possible, naturally beginning with the senior ones first. To come to the second point my hon. friend made, about bringing electric light and power to all the houses in the location, I would first of all make this point—that Government does not in itself generate electricity or distribute it. I will however bring the matter, in conjunction with my hon. friend, to the attention of the licensees. However, having said that I must point out that power must be paid for, it must be paid for on an economic basis. I agree with a lot that my hon. friend said about the value economically, certainly the value psychologically, and I think we must look into the matter to discover if it is possible to have some form of metering which might enable Africans to pay according to their means and consumption. I can only ask the licensees to look into it because Government—I cannot make promises—because Government does not provide the capital. We must bear in mind, too, the interests of the consumers already connected to the main.

Now, Sir, on the question of traders who have had their businesses temporarily closed through operations of the Emergency, I would be somewhat reluctant to agree to the redistribution of controlled commodities for these reasons. First of all we hope many of

these people will resume their businesses. Some of them will, of course, be kept away a long time, and should be, but others we hope, after being thoroughly screened, if they pass the tests will resume their businesses. If they find their controlled commodities have been redistributed to get them back would involve yet another redistribution and other complications. There is an advantage in the City Council and the Administration doing it because it does not create a permanency, it does not prejudice the ultimate position of those whom we hope will come back to legitimate trade.

On the question of rent control, I have said all I have to say, at this stage, during the general Budget debate and I do not intend to pursue the matter further with my hon. friend except to say that I have noted what he has said. I am glad my hon. friend has plenty of faith in the future of Kenya—I think we all have. As regards the point of cheap labour, I would take issue with him there. What we want in this country is not cheap labour, we want good labour, skilled labour. That is what we are determined to get. We cannot build the future of this country on cheap labour, it has to be, Mr. Deputy Speaker, good labour.

Again, on the point raised by my hon. friend of free trade in sugar, I have explained the difficulty and that we hope to return as soon as possible to free trade in sugar. The obstacle holding us up at the moment is the temporary congestion in the Port of Mombasa.

**MR. DEPUTY SPEAKER:** I am very nearly finished—when that is alleviated as we hope it will be towards the end of the year, it will then be possible to return to free trade.

I would like to mention one point raised by the hon. Muslim Member for Western Area. The growing of sugar in Nyanza Province is the concern of my hon. friend the Minister for Agriculture. I agree—

#### ADJOURNMENT

**THE DEPUTY SPEAKER:** Order, order, I am bound by Standing Orders to interrupt the debate. Council will stand adjourned until 2.30 to-morrow afternoon.

*Council rose at fifteen minutes past six o'clock.*

**KENYA GOVERNMENT ARCHIVES**  
**PHOTOGRAPHIC SERVICE**

SECTION 7.

**CONTINUED ON**  
**REEL No.**

19

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**KENYA GOVERNMENT ARCHIVES**  
**PHOTOGRAPHIC SERVICE**

SECTION 7.

**END**

OF REEL NO. 18 .....