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COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

OFFICIAL REPORT

10th COUNCIL INAUGURATED
JUNE, 1952

VOLUME LXVIII

1956

FIFTH SESSION—SECOND AND THIRD MEETINGS

10th January, 1956

14th February, 1956, to 8th March, 1956

List of Members of the Legislative Council

President:

H.E. THE GOVERNOR, SIR EVELYN BARENG, G.C.M.G., K.C.V.O.

Vice-President and Speaker:

THE HON. SIR FERDINAND CAVENDISH-BENTINCK, K.B.E., C.M.G., M.C.

Ministers:

CHIEF SECRETARY (THE HON. R. G. TURNBULL, C.M.G.).

MINISTER FOR LEGAL AFFAIRS (THE HON. E. N. GRIFFITH-JONES, 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 (THE HON. M. BLUNDELL, M.B.E.).

MINISTER FOR INTERNAL SECURITY AND DEFENCE (THE HON. J. W. CUSACK, O.B.E.).

MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING (THE HON. W. B. HAVELOCK).

MINISTER FOR EDUCATION, LABOUR AND LANDS (THE HON. W. F. COUTTS, C.M.G., M.B.E.).

MINISTER FOR FOREST DEVELOPMENT, GAME AND FISHERIES (THE HON. D. L. BLUNT, C.M.G.).

MINISTER FOR COMMERCE AND INDUSTRY (THE HON. A. HOPE-JONES).

MINISTER FOR WORKS (THE HON. I. E. NATHOO).

MINISTER FOR COMMUNITY DEVELOPMENT (THE HON. B. A. OHANGA).

EUROPEAN MINISTER WITHOUT PORTFOLIO (THE HON. L. R. MACONOCHE-WELWOOD).

ASIAN MINISTER WITHOUT PORTFOLIO (THE HON. A. B. PATEL, C.M.G.).

Parliamentary Secretaries:

PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING (THE HON. J. JEREMIAH).

† PARLIAMENTARY SECRETARY TO THE MINISTER FOR EDUCATION, LABOUR AND LANDS (THE HON. WANYUTU WAWERU).

PARLIAMENTARY SECRETARY TO THE MINISTER FOR COMMERCE AND INDUSTRY (THE HON. C. B. MADAN).

PARLIAMENTARY SECRETARY TO THE MINISTER FOR WORKS (THE HON. SHERIFF ABDULLA SALIM).

Nominated Members:

THE HON. T. F. ANDERSON, O.B.E., M.D. (Director of Medical Services).

THE HON. D. W. CONROY, O.B.E., T.D. (Solicitor General).

THE HON. M. H. COWIE (Director of the Royal National Parks).

CAPT. THE HON. C. W. A. G. HAMLEY, O.B.E., R.N. (RETD.).

THE HON. SHEIKH MBARAK ALI HINAWY, O.B.E. (Liwall of the Coast).

THE HON. J. G. H. HOPKINS, O.B.E.

THE HON. S. D. KARVE, O.B.E., M.B., B.S.

† THE HON. N. B. LARBY (Acting Director of Education).

THE HON. R. E. LUYT (Commissioner for Labour).

THE HON. K. W. S. MACKENZIE (Secretary to the Treasury).

THE HON. JONOTHAN NZIOKA.

THE HON. SIR EBOO FIRIBHAL, O.B.E.

THE HON. J. L. RIDDOCH, O.B.E.

THE HON. G. M. RODDAN (Director of Agriculture).

THE HON. G. A. TYSON, C.M.G.

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

European Elected Members:

*THE HON. M. BLUNDELL, M.B.E. (Rift Valley).
 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. GROOM, D.S.O. (Nairobi West).
 THE HON. N. F. HARRIS (Nairobi South).
 *THE HON. W. B. HAVELOCK (Kiambu).
 THE HON. R. C. J. LETCHER (Trans Nzoia).
 *THE HON. L. R. MACONOGHIE-WELWOOD (Uasin Gishu).
 THE HON. SIR CHARLES MARKHAM, BT. (Ukamba).
 THE HON. MRS. A. R. SHAW (Nyanza).
 THE HON. H. SLADE (Aberdare).
 THE HON. C. G. USHER, M.C. (Mombasa).

Asian Elected Members:

Central Electoral Area: East Electoral Area:
 *THE HON. C. B. MADAN. THE HON. S. G. HASSAN, M.B.E.
 THE HON. CHANAN SINGH.

Eastern Electoral Area: West Electoral Area:
 *THE HON. A. B. PATEL, C.M.G. *THE HON. I. E. NATHOO.

Western Electoral Area:
 THE HON. J. S. PATEL.

Arab Elected Member:

THE HON. SHEIKH MAHFOOD S. MACKAWI

Representative Members:

African: Arab:
 THE HON. W. W. W. AWORI. *THE HON. SHERIFF ABDULLA SALIM.
 THE HON. M. GIKONYO.
 *THE HON. J. JEBEMGAR.
 THE HON. E. W. MATHIL.
 THE HON. D. T. ARAP MOI.
 *THE HON. B. A. OBIANJA.

Clerk of the Council:

A. W. PURVIS.

Clerk Assistant:

H. THOMAS.

Reporters:

MISS S. I. WESTCOTT.
 MISS S. E. FARNDLELL.
 MISS I. V. BUCK.

Editor:

MRS. E. TUNSTALL.

* Also included in list of Ministers.
 † Oath administered on 23rd February, 1956.
 ‡ Oath administered on 23rd February, 1956, vice the Hon. W. J. D. Wadley on leave.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

TENTH COUNCIL

FIFTH SESSION—SECOND MEETING

Tuesday, 10th January, 1956

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

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:—

The Report of the Commissioner appointed to inquire into methods for the selection of African representatives for Legislative Council.

Sessional Paper No. 39 of 1955/56 on the Report of the Commissioner appointed to inquire into the methods for the selection of African representatives for Legislative Council.

(BY THE CHIEF SECRETARY)

THE SPEAKER: Hon. Members, you are aware that this is a special sitting provided for under Standing Order No. 5 and the laying of this Paper concludes the business on the Order Paper. The date of the next meeting has not yet been fixed.

ADJOURNMENT

THE SPEAKER: Council will now stand adjourned *sine die*.

Council rose at thirty-five minutes past Two o'clock.

WRITTEN ANSWERS TO QUESTIONS

No. 48

MR. D. T. ARAP MOI (African Representative Member) to ask the Minister for Agriculture, Animal Husbandry and Water Resources to state:—

How many acres of coffee are now being grown by Africans in the

Nandi and South Baringo Native Land Units?

If the answer is in the negative, what is the Minister proposing to do to increase coffee-growing by Africans in these areas?

REPLY:

None, Sir.

In reply to the second part of the question, I would inform the hon. Member that some 20 coffee trials have been established in various parts of the African areas of the Rift Valley Province, including the Nandi and Baringo Native Land Units. All possible areas have been inspected by experts of the Coffee Research Team, who have confirmed that most areas are doubtful. Nandi, for example, is probably too wet, is subject to hail damage and coffee berry disease is a serious threat. The trial plantings referred to have been established for about one year. It will be three or four years before the results can be assessed.

No. 53

SIR CHARLES MARKHAM, BT. (Member for Ukamba) to ask the Minister for Finance and Development to state:—

Details of awards of compensation given to members of the Security Forces or, in the case of decease, to their dependants by the Security Forces Compensation Committee.

REPLY:

I beg to reply that as the list is a long one I propose to place it in the Library of the Legislative Council for the information of Members.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

TENTH COUNCIL

FIFTH SESSION—THIRD MEETING

Tuesday, 14th February, 1956

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

PRAYERS

ADMINISTRATION OF OATH

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

Walter Fleming Coutts, C.M.G.,
M.B.E.

CONGRATULATIONS TO SPEAKER

THE CHIEF SECRETARY (Mr. Turnbull): Mr. Speaker, Sir, there are two matters upon which both sides of this Council are of one mind. One is the respect we have for your office and the other is the esteem and affection we have for you personally. It is, therefore, a double-pleasure for me, on behalf of Members on both sides of the Council, to express our pride and gratification in the honour which Her Majesty has recently been pleased to bestow upon you, Sir, please accept our warmest felicitations. (Applause.)

THE SPEAKER (Sir Ferdinand Cavendish-Bentinck): Hon. Members, I am very grateful indeed for your expression of congratulations and kind sentiments expressed in such generous terms and I can only say thank you very much indeed.

PAPERS LAID

The following Papers were laid on the Table:

- East African Medical Survey and Research Institute Annual Report, 1954/55.
- East African Meteorological Department Annual Report, 1954/55.

East African Industrial Research Organization Annual Report, 1954/55.

East African Income Tax Department Annual Report, 1954.

East African Agricultural and Fisheries Research Council Annual Report, 1954/55.

East African Institute of Malaria and Vector-Borne Diseases Annual Report, January, 1954, to June, 1955.

Lake Victoria Fisheries Service Annual Report, 1954/55.

East African Railways and Harbours Estimates of Revenue and Expenditure, 1956 and 1955. (Revised).

Report by the Commission for Transport on Civil Aviation (Incorporating a Report of the East African Directorate of Civil Aviation) Annual Report, 1954 to June, 1955.

East African Hides, Tanning and Allied Industries Bureau Report for 1954.

East African Literature Bureau Annual Report, 1954/55.

East African Agriculture and Forestry Research Organization Annual Report, 1955. Record of Research.

Royal East African Navy Annual Report, 1954/55.

(BY THE CHIEF SECRETARY)

Civil Procedure (Revised) Rule No. 34—under the Civil Procedure Ordinance (Cap. 5), section 81.

(BY THE MINISTER FOR LEGAL AFFAIRS)

Appropriation Accounts and Other Public Accounts of the Colony and Protectorate of Kenya for the year 1954/55 and Report thereon by the Controller and Auditor-General.

Development Supplementary Estimates of Expenditure (No. 1) of 1955/56.

Supplementary Estimates of Expenditure of the Colony and Protectorate of Kenya (No. 2) of 1955/56.

Emergency Expenditure—Statement of Account, October, 1952, to December, 1955.

Printing and Stationery Department Annual Report, 1954/55.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT)

Registrar of Co-operative Societies Annual Report, 1954.

African Affairs Department Annual Report, 1954.

(BY THE MINISTER FOR AFRICAN AFFAIRS)

Maize Control, Produce Control, Rice Control, Copra and Coconut Oil Control, Control Management—Balance Sheet and Accounts as at 31st July, 1954.

Seed Cleaning Revenue and Expenditure Account for the year ended 31st December, 1952.

Agriculture (Scheduled Crops) Order, 1956.

(BY THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES)

Medical Department Annual Report, 1954.

European Hospital Fund Authority Accounts and Report, 1952/54.

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

Labour Department Annual Report, 1954.

Motor Engineering Trades Wages Council (Establishment) Order, 1955.

Baking, Flour, Confectionery and Biscuit-making Trades Wages Council (Establishment) Order, 1955.

Sessional Paper No. 47 of 1956. Adjustments to the Boundaries of the Highlands under section 67 of the Crown Lands Ordinance (Cap. 155).

(BY THE MINISTER FOR EDUCATION, LABOUR AND LANDS)

Gold-mines Development Loan Statement of Account ending 31st March, 1955.

(BY THE MINISTER FOR COMMERCE AND INDUSTRY)

Public Works Department Annual Report, 1954.

(BY THE MINISTER FOR WORKS)

ORAL NOTICES OF MOTIONS

COLONY'S ACCOUNTS FOR 1954/55

LT-COL. GHERSIE (Nairobi North): Mr. Speaker, Sir, I beg to give notice of the following Motion:—

BE IT RESOLVED THAT the Appropriation Accounts and other Public Accounts of the Colony and Protectorate of Kenya for the year 1954/55 and Report thereon by the Controller and Auditor-General which were laid on the Table of this Council on 14th February, 1956, be referred to the Public Accounts Committee.

AGRICULTURE (SCHEDULED CROPS) ORDER, 1956

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES (Mr. Blundell): Mr. Speaker, Sir, I beg to give notice of the following Motion:—

BE IT RESOLVED THAT the Order entitled the Agriculture (Scheduled Crops) Order, 1956, which has been laid on the Table of Council be approved.

EUROPEAN AGRICULTURAL SETTLEMENT BOARD STAND PREMIUMS IN RESPECT OF CROWN LANDS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, Sir, I beg to give notice of the following Motion:—

WHEREAS the Government, through the Commissioner for European Settlement, has entered into divers agreements to lease certain Crown lands to

[The Minister for Agriculture, Animal Husbandry and Water Resources] persons settled on such lands with the advice of the European Agricultural Settlement Board:—

AND WHEREAS the said Board has now been incorporated by the European Agricultural Settlement Ordinance, 1955, section 24 of which transfers to the Board all rights and liabilities of the said agreements:—

AND WHEREAS by virtue of such agreements the said persons have been in occupation of the aforesaid Crown lands for several years:

AND WHEREAS it is desirable that the aforesaid Crown lands should be granted, leased or otherwise alienated by the Governor on Her Majesty's behalf to the said Board to the intent that the Board shall implement the said agreements and that any such grant, lease or other alienation to the Board should be made without payment of stand premium in respect thereof:

BE IT THEREFORE RESOLVED THAT no stand premium be charged to or payable by the said Board in respect of any Crown land so granted, leased or otherwise alienated to the Board for such purposes as aforesaid:

COTTON LINT AND SEED MARKETING BOARD TRANSFER OF FUNDS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, Sir, I beg to give notice of the following Motion:—

WHEREAS the Cotton Lint and Seed Marketing Ordinance, 1954, provides for the establishment of a Cotton Lint and Seed Marketing Board for the purposes of marketing and exporting cotton lint and seed and for matters connected therewith:

AND WHEREAS the aforesaid Ordinance came into operation with respect to Nyanza Province and Coast Province on 1st July, 1955:

BE IT RESOLVED THAT the sum of £17,614.18.03 more or less, together with accrued interest, from the Nyanza Province Cotton Sales Proceeds Fund (of which £41,797.18.03 represents cash with the Paymaster General and £75,817 represents cash

with the Uganda Lint Marketing Board at the completion of marketing of the 1953/54 Nyanza Province Cotton Lint Crop) and the sum of £14,826.18.32 from the Coast Province Cotton Sales Proceeds Fund more or less together with accrued interest (of which £14,402.4.95 represents cash with the Paymaster General and £424.13.37 is in the Post Office Savings Bank) be transferred firstly to the Cotton Price Assistance Fund and therefrom to the ordinary funds and resources of the Board.

COTTON LINT AND SEED MARKETING BOARD TRANSFER OF FUNDS FOR COAST PROVINCE DEVELOPMENT PROJECTS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, Sir, I beg to give notice of the following Motion:

WHEREAS this Council on 9th July, 1952, resolved that the sum of £200,000 from the Coast Province Cotton Sales Proceeds Fund be used by the Development and Reconstruction Authority for the purpose of financing certain development projects in Coast Province:

AND WHEREAS of this sum £108,481.9.20 more or less remains unexpended at the present date:

BE IT RESOLVED THAT the said sum of £108,481.9.20 more or less together with any accrued interest from the Special Development of Cotton Areas Coast Province Fund be transferred firstly to the Cotton Price Assistance Fund and therefrom to the ordinary funds and resources of the Cotton Lint and Seed Marketing Board to enable the Board to continue to finance development projects in the Coast Province previously commenced under the Special Development of Cotton Areas Fund.

ADJUSTMENT OF BOUNDARIES (THE HIGHLANDS SESSIONAL PAPER NO. 47 OF 1956)

THE MINISTER FOR EDUCATION, LABOUR AND LANDS (Mr. Coutts): Mr. Speaker, Sir, I beg to give notice of the following Motion:—

THAT pursuant to the provisions of section 67 of the Crown Lands Ordinance this Council do approve the

[The Minister for Education, Labour and Lands] adjustment of the boundaries of the Highlands proposed in Sessional Paper No. 47 of 1956.

ORAL ANSWERS TO QUESTIONS

QUESTION No. 45

Mr. AWORI asked the Minister for Agriculture, Animal Husbandry and Water Resources to state why the monopoly in exporting eggs from Nyanza Province still rests in the hands of the Kenya Farmers' Association in association with the Maize Control?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: The Hon. Member appears to have been misinformed, since the monopoly in exporting eggs from Nyanza Province does not rest, nor has it ever rested, in the hands of the Kenya Farmers' Association in association with the Maize Control.

The organization which handles eggs in Nyanza Province is the Nyanza Egg Service, which operates in accordance with the Defence (Control of Eggs and Poultry) (Nyanza Province) Regulations, 1944. These Regulations have been continued up to the present on the advice of the Nyanza Marketing Advisory Committee, of which the Provincial Commissioner, Nyanza, is the Chairman. Under these Regulations the gazetted Controller is Mr. S. Everett, who is also Deputy-Maize and Produce Controller for the Province.

The purpose and functions of the Nyanza Egg Service are briefly as follows:

- It operates solely in the interests of the producer and is not a profit-making concern.
- It buys all eggs offered at fixed prices according to quality and size, throughout Nyanza Province.
- In effect it is a producers' marketing board which is able to secure the best price obtainable and maintain low costs of management through the size of its turnover.
- When the normal glut periods come, usually twice yearly, it levels off the disposals of cold storage in

Kisumu; thus eggs from elsewhere can continue to be purchased and moved into consumption.

(c) By forward contracts covering glut and shortage periods the Nyanza Egg Service maintains its sales on a very competitive and fluctuating market.

(f) By testing and grading and packing a reputation has been established of great value on the market and quality has been tremendously improved and maintained.

Mr. MATHU (African Representative Member): Mr. Speaker, Sir, arising out of that question, would the hon. Minister say to what extent the standard of living of the producers of these eggs has been improved by the establishment of this organization?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Could the hon. Member repeat his question? I did not quite understand it.

Mr. MATHU: Mr. Speaker, Sir, could the hon. Minister say to what extent the producers of these eggs have raised their standard of living through that organization? Now he thinks my hon. friend was misinformed.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, Sir, the standard of living of the producers has been raised in direct relationship to the number of eggs delivered to the control.

Mr. MATHU: Arising out of that supplementary answer, Sir, would the Minister go into that matter and let us know exactly whether the standard of living has been raised in ratio to the eggs that have been delivered?

THE SPEAKER: I do not think, strictly speaking, that that can be regarded as a supplementary question.

QUESTION No. 52

Mr. LETCHER asked the Minister for Education, Labour and Lands to state:

- What is the basis of selection of students—
- for the Prince of Wales School? and

(b) by the Duke of York School?

(2) Have parents any say in the choice of any particular school?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: (1) The basis on which boys are selected for admission to the Prince of Wales School and the Duke of York School is identical. It is the aim that each school should receive a proportion of every type of boy, boys being classified according to age, to academic and other abilities, and to the section of the community from which they come; particular care is also taken to ensure that each primary school shall send boys to both schools. If a boy has an older brother attending one of the two schools he is normally assigned to that school.

(2) The parents of each boy who passes the Kenya European Preliminary Examination are invited to say to which of the two schools they would prefer to send him. Full account is taken of the parents' wishes, but, in applying the principles of selection mentioned in the answer to the first part of the question, it is sometimes necessary to assign a boy to a school other than that desired by the parents.

MRS. SHAW (Nyanza): Arising out of that answer, could the hon. Minister say whether this applies to girls and girls' schools as well in Kenya—the second part of the question?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: I am afraid I shall need notice of that question, Sir.

SIR CHARLES MARKHAM (Ukamba): Mr. Speaker, Sir, arising out of the answer by the hon. Minister, could he inform the Council, Sir, as to who is the selection committee he mentions, Sir?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: The application for boys is decided by the two headmasters working in consultation, Sir.

Mr. HARRIS (Nairobi South): Arising out of that reply, Sir, who acts as referee?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: The Director of Education, Sir!

QUESTION No. 55

Mr. LETCHER asked the Minister for African Affairs to state:—

(1) Whether he is satisfied with the general behaviour of Kikuyu released from Manyani and other detention camps to date?

(2) What effect is the return of these people having on the local inhabitants, especially those of the Fort Hall area?

THE MINISTER FOR AFRICAN AFFAIRS (Mr. Windley): (1) Yes, Sir, I am generally satisfied with their behaviour. But I should like to make clear to the hon. Member that very few direct releases from Manyani take place; the great majority of detainees are transferred from there to Works Camps in their own districts and thence to Open Camps and are only released after a period of careful surveillance by the local Administration.

(2) Their return has not, so far as I am aware, had any adverse effect up to the present either in the Fort Hall area or elsewhere. But the situation is being very carefully watched and is the particular concern of the Special Commissioner. Should the hon. Member, however, wish to give me details of any particular cases about which he is concerned I shall be happy to inquire further about them.

Mr. SLADE (Aberdare): Arising out of that reply, Mr. Speaker, would the Minister please tell us what system of supervision is still maintained on these detainees after their release? To what extent are they still watched to see how they behave?

THE MINISTER FOR AFRICAN AFFAIRS: In the first place, Sir, they are placed on restriction orders and they are under supervision of the Chief and Headman of the various villages which they eventually are released to.

Mr. MATHU: Mr. Speaker, Sir, would the Minister say arising out of the reply to the supplementary question, does the district officer also come into the picture in their weekly meetings to review the behaviour of those who participate in those arrangements?

THE MINISTER FOR AFRICAN AFFAIRS: Yes, Sir, certainly the district officer is

[The Minister for African Affairs] in close touch throughout every location in these matters as they arise and keeps a very close eye on them.

BILLS

FIRST READINGS

Transfer and Delegation of Powers (Amendment) Bill—(The Minister for Legal Affairs) (Mr. Griffith-Jones)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Trustees (Amendment) Bill—(The Minister for Legal Affairs)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Trade Unions (Amendment) Bill—(The Minister for Education, Labour and Lands)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Credit to Africans (Control) (Amendment) Bill—(The Minister for African Affairs)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Radio-Active Minerals (Repeal) Bill—(The Minister for Commerce and Industry) (Mr. Hope-Jones)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Employment of Women, Young Persons and Children (Amendment) Bill—(The Minister for Education, Labour and Lands)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Legislative Council Bill—(The Chief Secretary)—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) (Mr. Havelock)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Personal Tax (Amendment) Bill—(The Minister for Finance and Development) (Mr. Vasey)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

African Courts (Amendment) Bill—(The Minister for African Affairs)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

Pyrethrum 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 (Valuation and Rating) 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 PRICE CONTROL BILL

Consideration of Report

Order for Consideration of Report read.

MR. CONROY (Nominated Member): Mr. Speaker, Sir, I beg to move that this Bill be recommitted to a Committee of the whole Council for reconsideration of clause 17.

If hon. Members would refer to clause 17 as set out in the latest draft of the Bill to be printed, they will find that clause 17 (1) (d) reads as follows: "The Price Controller, any Deputy Price Controller or any Assistant Price Controller, or any person authorized in writing by any of the foregoing, or any police officer of or above the rank of Inspector, is hereby empowered to prohibit or regulate the movement of any price-controlled goods."

Sir, when the Bill first came before this Council, the words "price-controlled" in that paragraph were not included and they were inserted in Committee because it was felt that the power given to the Price Controller, or the Deputy Price Controller, or Assistant Price Controller, any person authorized in writing by any of those people, or to any officer of police, of or above the rank of Inspector, was too wide, because originally the Bill provided any of those people could prohibit or regulate the movement of any goods, whether they were price controlled or not.

Sir, on further consideration, and on expert advice, it may well be that the amendment moved in Committee was

[Mr. Conroy] too restrictive and, therefore, it is proposed to ask that the present Bill be recommitted for consideration of the Committee of the whole Council in order to amend the amendment.

Sir, the matter arises technically in this way. When it is proposed to control the price of any goods, the traders always find out about it beforehand. There is nothing sinister in that, Sir. It arises because the traders are sensible people (otherwise they would go out of business) and they know that when goods are in short supply and people are prepared to pay a price above the intrinsic value of the goods, and when they know that the Price Controller is seeking information about those goods, they can read the writing on the wall. The effect of that writing, Sir, is that the goods disappear from the shops—they go (I believe the technical phrase is) "under the counter". Now, Sir, it is proposed that the Council approves that this clause 17 should be reconsidered in Committee. It is proposed to provide that the Price Controller, and only the Price Controller should be given power to prohibit or regulate the movement of any goods provided he does so with the approval of the Minister. The purpose, of course, is to vest in one officer, and subject to the approval of the Minister who is, again, subject to this Council, in that he may have to justify any decisions and approvals that he gives, the powers of the freezing of goods immediately before they become price controlled. It is put forward by the Government as a not unreasonable weapon to put into the hands of the Price Controller for the purpose of protecting the ordinary consumers, the ordinary housewife, the ordinary person who goes in to buy a price controlled article.

Sir, those are the reasons on which I base this Motion and accordingly I beg to move that the Bill be committed to a Committee of the whole Council to reconsider clause 17.

MR. MACKENZIE seconded.

Question proposed.

The question was put and carried.

IN THE COMMITTEE

[Mr. Speaker in the Chair]

PRICE CONTROL BILL—CLAUSE 17

MR. CONROY: Mr. Chairman, Sir, I beg to move that sub-section 6 of clause 17 be amended by inserting immediately after paragraph (d) thereof, the following new paragraph (e): "(e) with the approval of the Minister prohibit or regulate the movement of any goods."

Sir, I have given the reasons behind this proposed amendment. It only rests with me now, Sir, to point out that this proposed paragraph (e) is an addition and not a substitution. It is intended that the existing paragraph (c) will, in due course, be amended by the Clerk as a consequential amendment and become paragraph (d), so that the proposed paragraph (c) is not intended to take the place of the existing paragraph (c); it is proposed as an additional paragraph.

Sir, I beg to move.

Question proposed.

MR. COWIE (Nominated Member): Might I ask the hon. Member if he could say how he imagines it might be possible to prohibit the movement of goods? It is one thing to issue an order, but it is another thing to have it carried out. I just wondered to what extent the hon. Member can achieve that.

MR. CONROY: There are two answers to that: one might be that it would be contrary to the public interest to say; the other, Sir, is quite obvious. If you want to control the movement of a pound of sugar, you cannot do so, but, if you want to control the movement of a hundred tons of sugar you can—at least I hope you can. There are also, of course, movements which are not wholly within the Colony. They, too, can be controlled and although I have referred to this as a weapon if put into the armoury of the Price Controller, Sir, weapons do not always hit the mark, but it is hoped in this case that it normally will do so. We hope that the Price Controller will generally be able to control or prohibit the movement in large quantities of goods which are about to become price controlled.

MR. HARRIS: Mr. Chairman, is the Solicitor General suggesting that he can

[Mr. Harris] legislate for large cellos but not for little fiddles?

The question was put and carried.

MR. CONROY: I beg to move that the Committee do report its consideration of clause 17 of the Price Control Bill and its approval of the same with amendment.

Question proposed.

The question was put and carried.

Council resumed.

REPORT

THE SPEAKER: Hon. Members, I have to report that the Committee of the whole Council has reconsidered clause 17 of the Price Control Bill and has approved the same with amendment. The report of the Bill as a whole and the report on clause 17 are now before the Council for consideration.

MR. CONROY: Mr. Speaker, Sir, I beg to move that the Council do agree the report of the Committee on the Committee stage and the report of the Committee on recomittal.

Question proposed.

The question was put and carried.

THE PRICE CONTROL BILL

MR. CONROY: Mr. Speaker, I beg to move that the Price Control 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.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move the following Motion:—

That under Standing Order No. 168 the Standing Orders be suspended to the extent necessary for the Council to suspend business until 6.15 p.m. to enable the Minister for Finance and Development to make a statement at that time and for the interruption of business at the conclusion of that statement.

MR. HARRIS seconded.

Question proposed.

The question was put and carried.

THE SPEAKER: Hon. Members, in accordance with the Motion that has just been passed, I now suspend Council until 6.15 p.m.

Council suspended business at ten minutes past Three o'clock, and resumed at fifteen minutes past Six o'clock.

STATEMENT

THE MINISTER FOR FINANCE AND DEVELOPMENT: (Applause.) Mr. Speaker, I rise, with your permission, to make a statement on the financial position resulting from the negotiations which, on behalf of the Government of Kenya, I have recently carried out in respect of the possibility of further financial assistance being granted to this country by Her Majesty's Government in the United Kingdom.

The Council will remember that during the United Kingdom financial year 1954/55 we were helped to the extent of £8,000,000 free grant and £3,000,000 as interest-free loan. On the 23rd February, 1955, I made a statement to the Council that Her Majesty's Government was making available a further £14,000,000, £10,000,000 in the form of a free grant and £4,000,000 as an interest-free loan, which was for the United Kingdom financial year 1955/56 expiring on the 31st March next.

I have informed Her Majesty's Government that, thanks to an improvement in the Emergency situation, the buoyancy of the revenue and a better control of expenditure, I shall not need to draw upon any of the £4,000,000 interest-free loan. Thus, to the 31st March, 1956, we shall since the beginning of the Emergency, have received a total of £21,000,000 in assistance, of which £18,000,000 has been a free grant. That £21,000,000 does not, of course, include the £5,000,000 granted towards the Swynnerton Plan for African agricultural development.

It then became necessary to discuss the position likely to arise during the period of the United Kingdom financial year, 1st April, 1956, to 31st March, 1957. Those discussions have now taken place. During them it appeared that, despite the general improvement in the Emergency situation, there would still be a gap between expenditure and revenue which could not be closed by our own

[The Minister for Finance and Development]

efforts. It is estimated that the cost of the Emergency and measures arising out of the Emergency will, during that period, be about £10,500,000. There is, in addition, the ordinary recurrent expenditure to be met, all this meaning a call on our financial resources beyond our present capacity to meet. During the discussions I again found a keen understanding and sympathetic appreciation of our position and that at a time when the United Kingdom Government is itself facing very difficult financial and economic problems. I would like to place on record my personal thanks to the Chancellor of the Exchequer, Mr. Macmillan, to the Secretary of State for the Colonies, Mr. Lennox-Boyd, and again to all those officers of the British Treasury and the Colonial Office who took part in the discussions.

The Secretary of State for the Colonies is, this afternoon, giving the following written reply to a question in the House of Commons:—

"For the financial year 1955/56 Her Majesty's Government undertook to make available £14,000,000 to the Government of Kenya towards expenditure arising out of the Emergency. As a result of the improvement in the Emergency situation and a buoyant economy in Kenya, coupled with a close control of expenditure, the actual figure for assistance drawn will be £10,000,000.

In consultation with my right honourable friend the Chancellor of the Exchequer, I have now reviewed Kenya's financial prospects for the forthcoming year. Although the scale of military operations has been substantially reduced in recent months, there will still be a need for some expenditure particularly designed to hasten the end of the Emergency and the proportion of expenditure devoted to rehabilitation and reconstruction arising from the Emergency will be greater than in the past years. As far as can be foreseen, expenditure arising out of the Emergency in 1956/57 is likely to be in the region of £10.5 millions towards which Kenya will be able to provide some £4.5 millions from her own resources after providing for the maintenance of

existing services and essential development programme.

Subject to the approval of Parliament, Her Majesty's Government will, therefore, be prepared to provide a further grant of £4 millions and an interest-free loan of £2 millions to Kenya in the United Kingdom financial year 1956/57. (Applause.) This assistance will be called upon only to the extent that it proves to be needed." (The reply ends.)

It is obvious that we ourselves must do what we can, through the raising of revenue, the limitation of expenditure and the curbing of demands for services and standards we cannot at present afford to hurry forward the day when we shall regain our financial independence.

Once again, Sir, Her Majesty's Government has come to our assistance, showing that she is determined to see Kenya through its present difficulties. I am sure, Sir, I am voicing the opinion of this Council in asking you to convey to Her Majesty's Government the appreciation of Kenya and all its people for this further financial assistance given in such generous measure. (Applause.)

MR. HARRIS: Mr. Speaker, Sir, having listened to the Minister for Finance make his statement on his negotiations in Britain, I have again, on behalf of the Members of all races on this side of the Council, to thank Her Majesty's Government and the people of the United Kingdom for once again coming to our assistance. The fact that they have once again helped us in our difficulty underlines the determination that there is in Great Britain to see us through our present troubles.

The statement, Sir, also was fairly optimistic in that we heard that it had been unnecessary for the Minister to call upon the £4,000,000 interest-free loan which the Government of Great Britain granted to us last year. The present arrangement of £4,000,000 grant and a £2,000,000 interest-free loan to be drawn if and as necessary, again shows the generosity of Her Majesty's Government and the people of Britain. I would therefore, Sir, like to thank that Government for this great gesture in getting over, I hope at last, the difficulties which we have faced in the last few years.

[Mr. Harris]

Finally, Sir, I would like to congratulate the Minister on representing our views in Britain as he has done so often before, and in thanking him, Sir, I would like to congratulate the people of Kenya in that they have found that it is unnecessary for him to use the loan which was made available last year. I feel that every person in Kenya who has tried to pull his weight during that period, should receive the thanks of everybody else and the Members of this Council. (Applause.)

THE CHIEF SECRETARY: Mr. Speaker, Sir, once again we have to express our feelings of obligation and gratitude to Her Majesty's Government for their generous help. After earlier grants amounting to £18,000,000, we have now been made a further grant of £4,000,000. We can take a good deal of comfort from the fact that we are becoming less and less dependent on outside assistance, but the cost of the Emergency is still very much beyond our means and we are deeply indebted to Her Majesty's Government for this aid which will enable us to pay our way and to maintain our services.

I am sure every Member will agree that we should convey an expression of our gratitude to Her Majesty's Government.

I must also say how grateful we are, as my hon. friend opposite has already mentioned to my hon. friend, the Minister for Finance, his knowledge of financial matters and his powers as a negotiator are already almost legendary, but I feel that, in these circumstances, it is not upon these qualities that he has relied for his success; his success lies in the fact that Her Majesty's Government and the Treasury have complete confidence in his handling of our financial affairs. (Applause.)

ADJOURNMENT

THE SPEAKER: In accordance with the Motion that was passed this afternoon, that terminates the business on the Order Paper that has to be dealt with to-day.

I, therefore, adjourn Council until 2.30 p.m. to-morrow afternoon, February 15th.

Council rose at twenty-five minutes past six o'clock.

Wednesday, 15th February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

BILLS

SECOND READINGS

The Transfer and Delegation of Powers (Amendment) Bill

Order for Second Reading read.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, I beg to move, that the Transfer and Delegation of Powers (Amendment) Bill be now read a Second Time.

Mr. Speaker, Sir, this Bill contains two substantive provisions, apart from the necessary expansion of the long title of the principal Ordinance.

The first provision which it makes is in regard to orders made under the principal Ordinance for the transfer of powers vested nominally under our laws in the Governor or Governor-in-Council of Ministers, the transfer of such powers to Ministers. Now in some instances those powers are conferred on the Governor under the present wording of the law, to be exercisable by proclamation, and traditionally and constitutionally only the Governor makes proclamations and, therefore, if a power which is exercisable by way of proclamation is transferred to a Minister, there is an anomaly created.

Similarly, in some instances where powers are conferred on the Governor or Governor-in-Council of Ministers, there are elsewhere in the same Ordinance in which those powers are conferred, references to the power conferred on the Governor or Governor-in-Council of Ministers.

As the principal Ordinance now stands, orders transferring those powers cannot include consequential amendments to deal with these two points, namely, the question of the exercise of powers by proclamation and consequential amendment of references to the existing authority invested with the powers, and accordingly in this Bill, clause 3 proposes to insert in the principal Ordinance

[The Minister for Legal Affairs] a power when making an order transferring statutory powers or functions, to include consequential amendments.

The other purpose of the Ordinance is to import into the Transfer and Delegation of Powers Ordinance, that is, the principal Ordinance, the provision, at present contained in section 24 of the Interpretation of General Clauses Ordinance providing for the nomination of some officer or Minister to exercise statutory powers vested in some other officer or Minister when the officer or Minister empowered is either absent or otherwise temporarily incapacitated. That provision is related to the general function and purpose of the Transfer and Delegation of Powers Ordinance and should therefore properly be included in that Ordinance rather than be left in the Interpretation Ordinance.

That is all that this Bill does, Mr. Speaker. It is, I think, probably not controversial and, very largely, formal.

Sir, I beg to move.

MR. CONROY 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 Trustees (Amendment) Bill

Order for Second Reading read.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, I beg to move that the Trustees (Amendment) Bill be now read a Second Time.

This is really, Mr. Speaker, from the point of view of the vast majority of Members of this Council, a bit of lawyers' fun. It makes certain amendments relating to trust corporations, the definition of "trust corporation" and their capacity to issue receipts and their capacity to be joined with other trustees in the administration of a trust and in joint tenancies. The subject, in so far as it is of interest to hon. Members, is explained in the Objects and Reasons. The matter has been discussed with the Law Society and I think that it would probably be superfluous for me to take up further time of the Council in explaining it and I accordingly beg to move.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING 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 Trade Unions (Amendment) Bill
Order for Second Reading read.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: (Applause.) Mr. Speaker, Sir, I beg to move that the Trade Unions (Amendment) Bill be read a Second Time.

There are two main clauses in this Bill apart from one or two other minor amendments, the first of which arises out of a Motion which was proposed in this Council by the hon. Member for Mount Kenya on the 2nd of June last year. I noticed that in recording the debate on that Motion, there were 77 pages of HANSARD, Mr. Speaker, so that I feel it would possibly be tautologous for me to say much more than was said on that occasion.

Clause 5 of the Bill seeks to make the amendment which the hon. Member on that occasion asked for. There was also considerable discussion on this matter in the meeting of this Council which took place on the 21st of October, when my immediate predecessor, Mr. Adis—on mentioning him perhaps you will give me this opportunity of publicly acknowledging my debt to him for carrying on the portfolio for the last five months. (Applause.) I only hope, Sir, that I can emulate his devotion to duty and his obvious meticulous care with which he approached his work.

In mentioning him, Sir, I would say that he said at that time most of what has to be said from the Government side about Government policy regarding trade unions. I would only repeat one sentence of his in which he said, "It is not a question of whether we have or do not have trade unions, it is really a question as to whether we have good trade unions or bad trade unions", and this clause is designed to be one of the things to prevent us having bad trade unions.

The other main clause is clause 10 which alters the regulations regarding submissions of amended rules by trade unions.

[The Minister for Education, Labour and Lands]

It will be remembered that under the existing Ordinance the Registrar under certain conditions can refuse to accept rules when they are submitted the first time, but he cannot, as the law now stands, reject rules when they are submitted as amendments, which means therefore that a trade union, in a very short time, if it so wanted, could alter the whole basis of its rules and therefore the whole intention on which it was founded in the first instance.

Clause 10 then, by repealing the present section 36 and substituting a new section 36 for it, is designed to give the Registrar the same powers, in respect of amended rules as he has in the first instance when trade unions submit their rules.

For the rest, Sir, section 16 is amended so that trade unions themselves cannot be imprisoned. I think Members will agree that that is rather a peculiar provision in the present Ordinance and sections 16, 19, 20, 21 and 35 abolish the daily penalties. In all of these sections there is a daily penalty for any person who breaks the law. It is considered that daily penalties are unsatisfactory in principle and, in practice, may work rather hardly; therefore it is suggested that there should be a normal penalty of Sh. 5,000 which can be imposed at the discretion of a Magistrate.

The rest, Sir, section 56 (a) is added to the Ordinance and this gives a general penalty clause where there is no specific penalty in connexion with an omission on the part of the trade unions to give notices or to send in or to produce documents.

I do not think there is anything more to be said on this, Sir, and I beg to move.

THE MINISTER FOR COMMUNITY DEVELOPMENT, seconded.

Question proposed.

MR. SLADE: Mr. Speaker, Sir, I recognize this Bill as an attempt to give effect to the promise that was made by Government in the course of the debate in June last year to which the hon. Mover referred; but it does appear to me, Sir, that it is a somewhat half-hearted attempt and that, like so many

other propositions and proposed legislations that we have had of late, it fails to base itself clearly on any definite principle.

Now, Sir, before I go any further, I must congratulate the hon. Mover on the clarity of his exposition and also on its brevity. I know that I particularly need to emulate this virtue, and I will try to do so to-day.

I also concur with him, Sir, wholeheartedly in what he had to say about his predecessor.

But, Sir, it is important when we have legislation before us, that, if possible, it should, as a foundation, have one or two clear-cut principles; and I don't find any clear-cut principle stated either in the Memorandum of Objects and Reasons or in the hon. Mover's speech. In my submission, Sir, there is less excuse for that than usual because in the debate of June last we did suggest at least one perfectly clear principle as the basis for amending the existing Ordinance. I want to remind hon. Members what that principle was, and I am afraid I must refer again a little to what was said in that debate. Now I will try to make it as short as I can.

Sir, in the process of that debate, I, and I think others, pointed out the peculiar position of trade unions. We pointed out how specially privileged they are; what special powers and exemptions they are given by this Ordinance. I will not relate them all again, but hon. Members will bear in mind that trade unions have certain privileges which are not accorded to other associations or individuals. They have special exemptions. And it is, in my submission, particularly important for that reason that the law should see that those privileges and exemptions are not abused. Now, in order to see that the privileges are not abused, we have to ensure that the privileged people only operate within the intended purview of the privilege. In other words, that they confine their activities strictly to the purposes for which they were privileged.

That, Mr. Speaker, was what I put to Government in the course of the debate of June last, and I would quote the following words from what I then said. "The obvious remedies, Sir, in my submission, are to confine the activities and

[Mr. Slade]
the objects of these privileged unions to the purpose for which they were privileged. I do hope that in examining the Ordinance, that this amendment promises...—that was the amendment put forward by Government—... that may be considered as a proper method of approach." Then, Sir, I went through one or two sections of the existing Ordinance to point out how, as it then stood, it left loopholes for trade unions to indulge in activities beyond the purpose for which they were privileged. In the present Bill, I find some of those points met, but not all, Sir. I have to draw attention to those which, in my view, have not yet been met on this single principle of confining the activities of trade unions for the purposes for which they were intended to be privileged.

In that debate of June last, I referred to section 16 of the principal Ordinance. I pointed out that under section 16 (1) of that Ordinance, the Registrar may, in his discretion, refuse to register any trade union or probationary trade union if he is satisfied that—(b), any one of the principal objects of the constitution of this union is unlawful or conflicts with any of the provisions of the Ordinance. I said then, Sir, "Why should it only be principal purposes, Sir? Surely registration should be refused unless all the declared objects of the union are in accordance with the statutory definition of the trade union?" I say that again, Sir. I cannot understand why a trade union should be allowed to register itself with subsidiary objects which are not in accordance with the definition of a trade union.

Now, Sir, I find that it is actually accepted as far as I can see in another proposed amendment later on. I first refers to clause 10 of the Bill, which proposes to amend section 36 of the principal Ordinance, we find in the proposed new section 36, sub-section 3, the following: "No amendment or alteration of the rules of a trade union shall have effect until registered by the Registrar, and the Registrar shall refuse to register such amendment if he is satisfied that by reason of such amendment the principal objects of the trade union would no longer be in accord with those set out in the definition of trade union."

That at least meets one of my points, Sir, with regard to amendment of rules, but not as regards the original rules, that they should be as set out in the definition of trade union.

Next, another reason for refusing to register amendment, given now by the Bill is "that any of the objects of the trade union would be unlawful, or would conflict with the provisions of this Ordinance, or any regulations made thereunder." Well, that is getting nearer the point, Sir. We have, as regards amendment of rules, "that the amendment will not be allowed if any of the objects conflict with the provisions of the Ordinance". I should have thought it would have been better if any of the objects were outside the definition of trade union, but that is a matter of detail which we can discuss in Committee.

The point I want to make, Sir, is that the principle I suggested in June last appears to have been accepted now to a considerable extent with regard to amendment of rules of a trade union, but not with regard to its original rules. I do suggest that the reason why that has arisen is that Government has not properly applied itself to what is the real principle underlying the amendment. Once people get it clear in their heads what we want to achieve, that is restriction of activities of trade unions to their proper statutory purposes, then all the necessary amendments become clear and the thing ceases to be piecemeal.

There are one or two other examples, Sir. In clause 5 of the Bill there is a proposal to amend section 17, sub-section (2) of the principal Ordinance. There, Sir, is a partial attempt to meet what was proposed in the debate. In the debate I referred to this section of the principal Ordinance and said, "I cannot even find that activities of a trade union not consistent with its declared objects, are a ground for cancellation or suspension. I do submit they should be. You have declared objects limited to the definition of a trade union, you have the activities of a trade union restricted to its declared objects, I do suggest that then there cannot be any misunderstandings." But that is not what has been done here quite. All we have here is section 17 (2) amended to say that

[Mr. Slade] "registration may be cancelled or suspended if the principal objects for which the trade union is actually carried on are not in accord with those set out in the definition of trade union". Again, Sir, I say it is not only a question of principal objects; it is a question of just what is the trade union doing, and if it is doing anything outside its declared objects, if it is doing anything outside the definition of trade union, I do submit that it should be liable to be cancelled or suspended. It is a question of going the whole way, Sir, instead of half the way.

There was one further amendment, Sir, which was proposed by others as well as myself in that debate, to which I find no reference in this Bill now before us. That was with reference to section 29 of the principal Ordinance concerning office bearers of trade unions. Now section 29 as it stands lays down "that all officers and members of every trade union shall be persons actually engaged or employed in an industry or occupation with which the union is directly concerned, and no officer of any such union shall be an officer of any other union". That, Sir, is a very desirable, indeed a very necessary provision, but the principal Ordinance then goes on with the following proviso, "Provided that (a) the office of Secretary may be filled by a person not actually engaged or employed in an industry or occupation with which the union is directly concerned", the office of Secretary. Sir, one of the most important of all offices, (b) the Registrar may in his discretion permit any other office filled by a person not actually engaged or employed in an industry or occupation with which the union is directly concerned".

Sir, commenting on that in the debate I said as follows, "What I suggest is that part of the proviso to sub-section (1) could be omitted." Then I quoted sub-section (1) of section 29 and I said, "My suggestion, Sir, is that there is no reason why the office of Secretary should be different from any other office. It is quite sufficient if we give the Registrar power in his discretion where it is necessary to allow a suitable person to occupy the office of Secretary because no other person engaged in the trade is

available just as he has in respect of any other office, but to exclude the Registrar's discretion, as this proviso does, is in my opinion, a great mistake, Sir". That, Sir, I say again.

Sir, I know that we are now in Second Reading where we do not want to discuss the Bill in great detail; we have opportunity of moving amendments in Committee, which I propose to do. I have quoted these instances as examples of where I think Government has so far failed to recognize an underlying principle. In Second Readings we are concerned with principles and, Mr. Speaker, I ask Government now openly to accept this as the principle underlying the present Bill: that we are going to amend the principal Ordinance in such a way as to ensure that all objects and all activities of trade unions are, in future, limited to the special purposes for which they have been specially privileged.

I beg to support the Motion.

MR. HARRIS: Mr. Speaker, Sir, I do not wish to repeat the debate which we held some nine months ago on trades unions generally, but I would like to add to what my hon. friend, the Member for Aberdare, has just said, not on the proposed amendment now, but on the omission of those things which might have been added to the list of the amendments, and in that context, Sir, I would like to ask the Minister, when replying, if he would tell us what is the exact status of the Federation of Trades Unions and whether the Federation of Trades Unions is subject to the Trades Unions Bill. If it is not, Sir, it seems to me that to have an amalgam of trade unions not subject to the same rules as those individual trade unions is a little piece of legislative stupidity. I would ask, Sir, if the Federation is not subject to the terms of Trade Unions Bill then Government should consider an amendment to this present amending Bill in order to make that Federation subject to the same conditions and restrictions as is imposed on individual trade unions.

MR. CHANAN SINGH (Central Electoral Area): Mr. Speaker, Sir, I find myself unable to agree with the views expressed by the hon. and learned Member for Aberdare. He says, Sir, that the amendments now before the Council do not follow any definite principles. I can see

[Mr. Chanan Singh] the principle quite clearly. It is this, that the trade unions must comply with the provisions of the trade unions' law, that they must have some principal objects which they should include in their rules and which they should not infringe in practice. I, personally, think, Sir, that is as far as the law should go. Trade unions can have a large number of subsidiary objects so long as those subsidiary objects do not go counter to the principal objects, and so long as those subsidiary objects are not otherwise illegal, I do not think we should interfere with them. Although trade unionism in this country is not very well developed yet, I am sure trade unions will come in due course to fulfil various functions. They will be able to look after the welfare of workers, they may have schemes to provide relief during sickness or during unemployment of their members, consequently it is possible that the subsidiary objects will go beyond the principal objects of trade unions.

Then, Sir, the hon. and learned Member referred to section 29 of the Trade Unions Ordinance. Here again, Sir, I think the law goes as far as it should. In this country where a vast majority of the workers are illiterate, and are likely to be illiterate for a long time to come, I think the provision of an outsider as the Secretary is a very necessary provision. And in any case, Sir, the choice of the Secretary should be left to the members. I think it would be wrong to give powers to the Registrar to impose on a trade union a Secretary whom they do not want. So far as the Secretary is concerned, Sir, I certainly think that he should be the choice of the trade union. I quite agree with my hon. and learned friend that the Secretary is the chief officer and a very important officer of the trade union. He helps in moulding the policy of a trade union; and it is mainly for that reason, Sir, that his appointment should be the responsibility of the members themselves.

I can see, Sir, that the fear in the minds of Members who expressed strong views on the subject of trade unions is that trades unions are likely to become political parties.

MR. HARRIS: On a point of order, is the hon. Member's statement quite

correct? I do not think anybody has opposed trades unions yet.

MR. CHANAN SINGH: I did not refer to any particular statement, Sir, but I stated that the fear lurking in the minds of speakers was that trade unions are likely to become political bodies; and, in fact, in the last debate, Sir, reference was made to the trade unions taking part in politics. But, Sir, my own view is that the trade unions cannot do themselves or their members any good by indulging in politics. There are other bodies which should take an interest in politics and if the trade unions can confine their activities to the employer-employee relationship they fulfil their function completely.

Therefore, Sir, while I am against trade unions taking part in politics I do not think this is something that can be laid down in law. The law can only say that certain well-defined principles are the principal objects of trade unions and there the law should end.

With these words, Sir, I support the Second Reading.

MR. MATHU: Mr. Speaker, Sir, I rise to support this Motion and to congratulate the Minister for Education, Labour and Lands on his excellent maiden speech to this Council.

I have one or two points, Sir, to make on the points raised by previous Members.

The first is, the reference made by my hon. friend, the Member for Aberdare, on section 29 of the principal Ordinance, where an exception is made on the question of the Secretary being appointed by a trade union although not belonging to that industry. My hon. friend, who has just sat down, did point out the importance of the proviso and I can say, Sir, that when the principal Ordinance was enacted after Select Committee—I served on that Select Committee—and was strongly of the opinion that unless you do not intend to make trade unions abortive, it is absolutely necessary, for one of the reasons given by the previous speaker, that a Secretary should not in all cases belong to the industry for which the trade union stands.

Now, one very important thing, Sir, is that the trade union should understand the law and as one previous speaker has

[Mr. Mathu]

Just said, Sir, most of our workers are illiterate, not only in English but illiterate in any language, and if we have to get the trade unions to understand this law they must have someone, I might call their advocate, and the only person who can do that is the one person they appoint who will understand the law and explain to the workers who are illiterate, what the law stands for and what the law is, I, therefore, think, Sir, that my hon. friend, the Member for Aberdare, unless he intends completely to kill trade unionism, it is, I think, unfair for him to suggest before this Council that there should be no exception made in regard to the appointment of officers in this particular case, the Secretary. If that is his intention, well, I think, it is best if he says so, but if it is not then the fact of the criticism he has made in so far as the proviso of section 29 is concerned will have that effect, and the Government, more than once, has declared that it is their policy to support healthy trade unionism in this country, and I agree entirely with them in that issue, I, therefore, suggest, Sir, that nothing should be done to remove the provision of where it makes the exception of a Secretary being appointed by a trade union who does not belong to that industry.

Now, the second point and the final one, Sir, is in regard to clause 5 where my hon. friend, the Member for Aberdare, agreed that it meets the object of the debate which took place in June last year, namely, that a trade union should confine itself to the expressed objects which it has set out in its constitution. Now, I think, the Government has met that point, and I support it, because I think it is right and proper that the trade union should work expressly for the purpose for which it registers itself. I do not think there are two minds in that matter.

Well, Sir, my hon. friend, the Member for Nairobi South, mentions about the federation of labour and asked the Minister whether the law in the principal Ordinance and the law that we are now amending affects them. I do not mind if it does affect them, but what I do want to suggest, Sir, that there has been a very important reason why some of these trade unions have gone outside the com-

pass of their objects during the Emergency; that the African community has felt that there is a big vacuum in their political activities owing to, admittedly, necessary restriction of political activities of the African people during the Emergency, and human souls being what they are, surely that is one of the reasons why they have come to express opinions which should not have been necessary if we had political associations which would do the work that some of the trades unions, I think rightly, under the circumstances indulged themselves. As things improve, Sir, I think, other bodies come up to take political matters and we encourage them in the way we are doing at the present moment, I think it is quite improper that the trade unions should confine themselves to activities for which they were not designed.

Sir, I beg to support.

MR. COOKE (Coast): Mr. Speaker, I am reluctant to intervene in this debate, but certain Members seem to be taking advantage of a particular amendment to a principal Ordinance to deal with the principles of an Ordinance. It seems to me, Sir, with all due respect, that a good deal of this is irrelevant and really out of order. I would like your ruling on that matter. We are dealing now with a particular amendment to a particular Ordinance, but not with the principles of that Ordinance.

THE SPEAKER: I have been listening to this debate carefully and it seems to me that those who have spoken so far have not gone beyond the proper scope of debate, especially as certain features of the principal Ordinance were referred to by the Minister in charge of the Bill in opening.

If no other Member wishes to speak, I will ask the hon. Mover to reply.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, dealing first with the points raised by the hon. Member for Aberdare, it seems to me that they fall into two particular parts. The first being the question of principal objects, a phrase which repeats itself not only through the original Ordinance but also through the amendment, and secondly, the question of the addition of a Secretary. Mr. Speaker, Sir, I am no legal man and I must defer to

[The Minister for Education, Labour and Lands]

the legal knowledge of the hon. Member from Aberdare. But looking at the definition of trade union, in the original Ordinance, it reads as follows: "trade union means as association or combination whether temporary or permanent of more than six persons, etc. The principal objects of which are under its constitution, the regulation of the relations between employees and employers, or between employees and employees, or between employers and employers." It seems me therefore, Sir, that where the phrase "principal objects" appears throughout this amendment and the Bill, it refers specifically to the regulation of relations between employers and employees, and employees and employees, and, therefore, any other activities are not covered by this Bill. Therefore, if the minor objects of the trade union is beating its servants or something like that, it does not, in fact, come in under this legislation.

The second point about the Secretary being an officer, as there was some discussion on that matter as between Members I prefer to leave that for further discussion in the Committee stage.

Replying to the hon. Member for Nairobi South who asked me whether the Federation of Trade Unions was a trade union itself, the answer is no, Sir, it is not. It is a registered society. If it were a trade union, Sir, I would like to point out that with its federative and therefore affiliated trade unions it could in certain circumstances, start strikes with the help of all trade unions throughout the land, and that, I think, is a matter which no Member of this Council would like to contemplate. Therefore, I think, that Members should consider again whether, in fact, they feel that the Federation of Trade Unions should be declared a trades union.

I wish to thank the other Members for the support that they have given to this Bill.

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 Credit to Africans (Control) (Amendment) Bill

Order for Second Reading read.

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, I beg to move that the Credit to Africans (Control) (Amendment) Bill, 1956, be now read a Second Time.

Mr. Speaker, this is a brief amendment with the simple objective which I think is clearly stated in the Memorandum of Objects and Reasons. It may be briefly stated that the objective is to extend the limits of credit which may be allowed to Africans and recoverable in law from Sh. 200 to Sh. 2,000. This is in line with and reflects the increased purchasing power and wage levels at the present time and the increased value of merchandise. I would like to remind hon. Members of the loan facilities afforded both to agriculturalists and to traders under various Government schemes and other schemes sponsored by African district councils. There is also, as hon. Members will know, scope for exemption under the main Ordinance. There is also scope for African traders registering as businessmen under the Registration of Business Loans Ordinance, 1951.

I mention these points, really to remind hon. Members that it is not the intention of Government to apply the Credit to Africans Ordinance in a restrictive manner; it is merely designed to obtain certain safeguards, and in considering this amendment we did fully consider the desirability at present of possibly lifting these safeguards altogether, but we did feel that the time had not yet come and that we should continue for an experimental period raising the levels of the amount allowed, from Sh. 200 to Sh. 2,000, which is a fairly considerable increase. The main reason, in the back of my mind in recommending that we should retain this safeguard was really, having in mind certain areas where it is necessary to retain safeguards against serious agricultural indebtedness.

Mr. Speaker, I beg to move.

THE MINISTER FOR COMMUNITY DEVELOPMENT seconded.

Mr. GIKONYO (African Representative Member): Mr. Speaker, in the first place I was of the opinion that I should oppose this Bill, because I have always been feeling that this law has been very restrictive: Africans, both farmers and traders, in their normal businesses find it very difficult, even in places where they have got security, to get loans above Sh. 200 and I do feel, and I am sure many Africans do feel like me, that it is a definite handicap in the way of the Africans.

At the same time I think it is a little bit of an advancement from Sh. 200 to Sh. 2,000, that does not mean that it is all the Africans would have liked to see, but as the Minister says it is a measure that should be reviewed from time to time, I hope that he will keep this in mind and review the law as frequently as possible. Because I remember the present law that this Bill is seeking to amend was made, I think, some seven years ago, and that is a long time ago, I feel that in future he should look into these matters and see that amendments, either to repeal the whole law or make further amendments, shall be made at more frequent intervals.

I beg to support.

Dr. HASSAN (East Electoral Area): Mr. Speaker, Sir, I rise to support this amendment, loan to Africans: I have had great experience particularly of those who carry on trade in the field, and I found out that they are the people who suffered most from this restricted law in the past.

I quite agree with the Mover that we have to provide safeguards for the African agriculturalists, but, I believe, it has been restricting the Africans in trade, commerce and industries due to such a small amount of loan. When they are out in the field the shopkeepers will have to compete with their neighbours, and unless they stock material in abundance they are not likely to make a success of their business which is usually purchased on credit and the other traders will try to squeeze them out by competition. When this legislation is reviewed I wish that due regard should be given that if it is at all necessary to restrict agriculturalists to have a bigger loan and these

restrictions should be removed so far as traders are concerned.

I beg to support.

THE SPEAKER: If no other Member wishes to speak, I will ask the hon. Mover to reply.

THE MINISTER FOR AFRICAN AFFAIRS: I have little to add, Mr. Speaker, Sir, except to say that I have noted the comments of the hon. Members who spoke and also to reassure them once more that it is not Government's intention to apply the provisions of this Ordinance in the restrictive way, but there are powers of exemption which will be used widely and with latitude where necessary.

Therefore, Sir, 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.

The Radio-Active Minerals (Repeal) Bill
Order for Second Reading read.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Speaker, I beg to move that the Radio-Active Minerals (Repeal) Bill be now read a Second Time.

The object of the Bill is set out in one paragraph in the Memorandum of Objects and Reasons. It has proved possible to take this step to remove what was felt to be a restrictive control in regard to the exploitation of possible radio-active mineral resources in the Colony, because experience has shown that under the Mining Ordinance it is possible to ensure that any radio-active minerals mined in the Colony do not find their way into the wrong hands. We can make use of the Regulations under the principal Ordinance and it was felt that the existence of the special Ordinance was unduly restricted and so after reference to London, we in common with other territories in Africa which have hopes of finding and exploiting radio-active minerals are in a position where we can repeal what we feel is legislation which is unduly restricted.

I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR COMMERCE AND INDUSTRY seconded.

Question proposed.

Mr. HARRIS: Mr. Speaker, I must congratulate the Minister on admitting his mistakes. It is quite obvious that we have wasted our time when we passed the original Bill as the necessary powers were already there under the Mining Ordinance. Therefore, Sir, I can only welcome this second waste of time in now repealing the unnecessary legislation.

THE SPEAKER: If no other Member wishes to speak, I will ask the hon. Mover to reply.

THE MINISTER FOR COMMERCE AND INDUSTRY: I did not intend to reply, but I will just refer to the hon. Member's remarks by saying that it was felt in the first instance that the restriction was necessary. Experience has, however, shown that it is not now necessary to restrict to the degree that was necessary at the time. I agree that in the light of experience these restrictions can be taken away, possibly it was a mistake to place the restrictions on three years ago, but I doubt it, in view of the very important factors connected with defence in the use of radio-active minerals.

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 Legislative Council Bill
Order for Second Reading read.

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move that the Legislative Council Bill be now read a Second Time.

This Bill, Sir, seeks to achieve three objects: first, to preserve the life of the present Council after the 7th May, upon which date—as the law now stands—it will cease to exist; secondly, to preserve the present composition of the elected element of the Council after the 30th June; and thirdly, to make certain changes in the boundaries of some of the electoral areas.

The circumstances, Sir, in which it has become necessary to extend the life of the Council are fully explained in the first and second paragraphs of the Memorandum of Objects and Reasons, and I do not think I need add to them.

With regard to the preservation of the present composition, the composition of

Council in so far as Elected Members are concerned, is laid down in section 3 of Chapter 38, the Legislative Council Ordinance; but that section was amended in 1951 by what was known as the Temporary Provisions Ordinance. That Ordinance expires at the end of June, and when it goes, with it will go the amendments which define the present composition; if that happens the composition of Council will automatically revert to what it was before 1951, and four hon. Members opposite will find themselves here unlawfully. Clause 5 of the Bill is designed to avert this deplorable state of affairs.

Clause 4 of the Bill, Sir, makes certain changes in the definition of the boundaries of some of the electoral areas. Most of them are purely formal, and have become necessary because the names of the administrative areas in which the electoral areas lie have been changed. There will be no physical alteration in the boundaries of those electoral areas. There are in addition two alterations of substance. They concern the boundaries of the Mau Electoral Area and the Nyanza Electoral Area. The boundaries of these areas, which were laid down by the Advisory Committee on Additional European Constituencies in 1951, have, in some respects, proved unsatisfactory, and, at the request of the two hon. Members concerned, and with the agreement of their constituents, it has been agreed to introduce two minor adjustments. These are, first, the removal of the Songhor Ward from the Mau Constituency and its inclusion in the Nyanza Constituency; and the removal of the Kapabot Township from the Nyanza Constituency and its inclusion in the Mau Constituency.

Sir, I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

MRS. SHAW: Mr. Speaker, I welcome this Bill for two reasons—firstly, because if its first object becomes law, then no Member for Nyanza will ever have to fight an election again in the middle of the "long rains"; secondly, because the alteration of substance that has been referred to by my hon. friend is a very

[Mrs. Shaw]

important one for people living in that area. Up to date, the district of Songhor—after the findings of the Advisory Committee—was cut in half, and half lay within Nyanza for electoral purposes, and half in Mau and, as they are all more or less on the same level at the bottom of the Nandi Escarpment, it has proved unworkable because it was very inconvenient—in fact, well-nigh impossible—for people in that half of Songhor that lay within Mau to attend political meetings in Molo, where the Mau Member usually holds them; so I welcome it very much for the reason that now at last they are back in Nyanza where they really belong; and equally that Kapsabet is to be moved into Mau. One of the ideas of the arrangement, I believe—that the Advisory Committee had in mind—was that because the Nyanza Constituency is a very large and unwieldy one from the point of view of distance—not so much in numbers of voters—and the Member for Nyanza therefore should have his or her task slightly lightened by the removal of the Nandi Hills area. But Kapsabet should, too, at the same time have been removed, as that would have saved the Member for Nyanza climbing the Nandi Escarpment to both these districts, which he or she should not have had to visit at all, and therefore it was quite ridiculous to take out Nandi Hills and leave Kapsabet in; so I think that the new arrangement will be very much more workable from every point of view, and I should very much—on behalf of my constituents—like to welcome the Bill and give it my support.

MR. USHER (Mombasa): Mr. Speaker, Sir, as it is the practice of this Council to allow comment on omissions to proposed legislation, may I make a suggestion, and also ask for the indulgence of the Council in the case of what I consider to be one omission. In doing so, I do not impute any fault at all to the Government, but I would ask the hon. Chief Secretary if he will be receptive to any suggestions for further amendment of the law which may simplify things for candidates and for voters in the forthcoming election—in particular, I have in mind, and possibly should be able to make some suggestions in regard to, the simplification of the law regulating postal ballot. That is one thing.

There is one further matter. I hope and believe that the Government will do everything possible to make the coming election as representative as it can possibly be. It is, I know, extremely tedious for registering officers to compile these registers. It involves the engagement of extra staff. The system itself seems to me to be a little bit antiquated—particularly the fact that all these matters are reduced to manuscript—and therefore I see great difficulties in keeping— in maintaining—accuracy in the registers themselves.

Well, Sir, I hope it will be possible for the Government to encourage in every way they can the compilation of a full register, so that when we go to the polls we may say that the people who are finally elected have the whole country behind them.

Sir, I beg to support.

THE SPEAKER: If no other hon. Member wishes to speak, I shall call upon the hon. Member to reply.

THE CHIEF SECRETARY: Sir, I will gladly give the hon. Member for Mombasa the assurance he seeks. There are a number of unsatisfactory matters in the Ordinance, and one is certainly the postal ballot.

As for the question of registration, we will do our utmost, but we have, of course, to cope with the handicaps of what my hon. friend the Minister for Labour would probably call the dilution of labour. When you have to call in the girl from the sweetshop to help at making a jet motor, you do not always get the best results; the same thing applies to the compilation of registers.

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. Speaker, I beg to move the Local Government (County Councils) (Amendment) Bill be read a Second Time.

Sir, the necessity for this Bill arises from the fact that when townships and

[The Minister for Local Government, Health and Housing]

trading centres were incorporated into the county council, it was laid down that the rules made for those townships and trading centres would only be valid for two years after the incorporation, but it has been found that the county councils have found it very difficult to revise those rules and implement them under the County Councils Ordinance within that period; and one of the objects of this Bill is to ask for an extension of that period to allow them further time for this revision, and that meanwhile, of course, the rules which are now in force up to the two-year period can be continued.

I would say here, Sir, that the county councils are labouring under very difficult conditions, especially with regard to staff and so on, and, although it might seem quite a long and satisfactory period to have to revise such rules, two years is not really enough when they have just started, and have so many other matters to deal with of great importance. I would ask, therefore, that the Council will consider their difficulties and support these amendments.

The other main factor in this Bill, Sir, is with regard to valuation rolls, and this amendment suggested in the Bill is really brought in for the benefit especially of the Nairobi County Council, who have just lately adopted a new system of valuation, which, for that particular area, I personally feel is a very interesting experiment, and which I think is very suitable for their conditions. It is laid down in the County Councils Ordinance that the roll on which the rates should be levied must be published before the 31st March, and unfortunately this new roll of the Nairobi County Council cannot be ready quite at that time—although I hope it will be ready very soon after that—and this amendment seeks therefore to legalize the position so that, if they do delay after that date, they will be able to operate on the new roll which is now being compiled. For the interest of members who have not seen the suggestions put forward by the County Council in this matter, their valuation roll, instead of being on a graduation basis with regard to land only, is now

also going to include the valuation of buildings and curtilage, and this especially is required with regard to residential areas, of which there are many within their jurisdiction.

Sir, I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING 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 Personal Tax (Amendment) Bill
Order for Second Reading read.

MR. MACKENZIE (Nominated Member): Mr. Speaker, Sir, I beg to move that the Personal Tax (Amendment) Bill be now read a Second Time.

The reasons for this Bill are set out fully in the Memorandum of Objects and Reasons, Sir. The position is that the existing section 5 of the Ordinance reads in its first paragraph: "The tax shall become due on the 1st January in each year, and shall be payable on or before the 30th April in that year."

Well, Sir, it has always been fully recognized that that meant the tax was payable in respect of the whole year for anybody liable to pay the tax, and that anyone who was living in the Colony on the 1st January of any one year ought to pay. But it has recently come to light that the original wording may not exactly give proper expression to what the intention was, and that someone who was liable to pay tax on the 1st January, but who changed status—for instance, a single woman who married before the 30th April might not have to pay. As I said, Sir, that was never the intention. It was always intended that the tax should be due and payable on the 1st January in each year; and the amendment makes this quite clear.

It also makes it clear—the new clause 6—makes it clear, Sir, that the 30th April is merely the day up to which people are given grace to pay the tax without penalty.

As I say, Sir, the whole object of this Bill is merely to make the existing law clear.

I beg to move.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

MR. CROSSKILL (Mau): Mr. Speaker, Sir, with regard to this tax, there is provision for remission in part for a newcomer who arrives after the half-year, but there is no remission—or provision for it—with regard to anyone who is leaving this country maybe during the first quarter of the year. Now, that is a frequent occasion in this country: someone who has finished his commercial contract and is due to leave for the United Kingdom some time in the first half of the year—or the first quarter.

I would ask the hon. Member to consider this, and accept an amendment during the Committee stage whereby there would be some remission for people who are affected in this way.

SIR CHARLES MARKHAM: Mr. Speaker, Sir, since this Personal Tax Bill has cropped up again, it has given me another opportunity, Mr. Speaker, of saying what a miserable Bill it is—and the amendment is even worse—because really it is the utmost meanness to ask a person who arrives on the 29th December to pay personal tax—or half the personal tax—for that particular quarter.

Again, Sir, it is awfully mean to ask someone who has arrived in the Colony, say, on the 30th May—within one month of arrival—he may be a newcomer after all—to pay his personal tax or suffer a penalty, and I do think, Sir, as the Treasury are amending the Bill, they might have been more human in some of the clauses. Thirty days after arrival you have hardly had time to recover from arriving in Kenya, when you get a very rude letter from the Inland Revenue—saying: "It is reported that you have arrived." That alone is rather odd. Surely, if you have arrived, they must know you have arrived, and therefore why bother to say: "It is reported you have arrived", and then to say: "You are now liable, because you have not paid within one month, to a penalty."

In the Committee stage, Sir, I propose to give notice that I shall move an amendment to say "within sixty days of arrival" instead of "within thirty days of arrival".

Secondly, Sir—or lastly, Sir—I do feel that the Treasury might be human about this question of arrivals before the end of a year or the half-month—say, for example, the 28th May, or early May, or early December. I do not see why somebody coming out here, who perhaps is going to get married, for example, but on the day they arrive in Kenya they are liable to personal tax, and three days later they might be married, in which case the husband pays the personal tax as one. I think it a great meanness, Sir, on the part of the Treasury to make the wretched bride-to-be bear the brunt of two hundred shillings for the sake of coming out to get married. I think they might be more human, Sir, in these days when taxation is very high—and the Treasury has no sense of human feeling.

I beg to support the Bill, subject to those amendments, Sir.

THE SPEAKER: If no other hon. Member wishes to speak, I shall call upon the Mover to reply.

MR. MACKENZIE: Mr. Speaker, Sir, I listened with interest to what my hon. friends on the other side of Council had to say about this Bill—or at least, Sir, to say not so much about this Bill, but about the principal law.

So far as the question of remitting tax is concerned, if somebody leaves the Colony within the first quarter of the year, or in the first half of the year, or at any other time, I do not think the Government could possibly accept a proposal that tax should be remitted. The position is that anyone who is a normal resident here at the beginning of the year is liable to pay tax, and there would be scope for all kinds of evasions if we said that somebody who left here during the first quarter of the year should have the tax refunded, or need not pay. One could quite easily imagine the sort of thing that could happen.

In so far, Sir, as the other points that have been made are concerned, I understand that anyone who arrives in the Colony for the first time in the last quarter of the year—that is, after the 1st October—is not, in fact, liable to pay the tax, and of course it is a well-known fact that people who arrive after the 1st July, and before the 1st October, only have to pay half the tax. I do not think

[Mr. Mackenzie]

that it would be possible to graduate the payment any more than that. Sir, otherwise the administration of the tax would be made very difficult. In fact, Sir, I think I should emphasize that the whole essence of a tax of this kind is that it should be simple to administer, and it would be very difficult if we introduced complications of this kind.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: May I raise a point of order. On this matter of debating omissions, Sir, I have very sympathy with hon. Members opposite being able to get in points which an amending Bill—we had three of them today—omits—that is, amendments which they would like to have in the principal Ordinance being omitted from the amending Bill before the Council. I do feel, Sir, that could be taken rather a long way and, in fact, it could be that, if any amending Bill comes before this Council, if we follow this particular procedure, the whole principal Ordinance could be redebated, and I would ask your ruling on it, Sir.

THE SPEAKER: My ruling is that we apply in these matters the procedure adopted in the House of Commons, and in the House of Commons it is permissible in debating a Bill brought in to amend an existing Bill to draw attention to omissions which in the opinion of certain Members would render further amendments in the existing Ordinance desirable.

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 African Courts (Amendment) Bill
Order for Second Reading read.

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, I beg to move that the African Courts (Amendment) Bill be now read a Second Time.

Sir, the object of the main amendment is to give the African Courts powers to award suitable punishment, including corporal punishment, where a juvenile is being convicted. African Courts already have authority to try cases against juveniles, but they are reluctant to do so because the punishments they can inflict, such as a fine or imprisonment, are

usually somewhat unsuitable. It is proposed in this amendment, Sir, to allow selected African Courts to award punishment to juveniles, and to allow any African Court, on conviction of a juvenile, to impose a fine on the parent or guardian who has failed to exercise a proper degree of control over the juvenile.

In the first place, Sir, only two or three African Courts probably—there is one in Nairobi and one in Kiambu certainly—will be empowered to award corporal punishment. Rules governing the infliction of corporal punishment will be promulgated under this amending Ordinance, Sir, and they will cover such things as medical examination before the infliction of a punishment. I would mention that similar powers exist for the African Courts in Tanganyika, and similar rules govern the imposition of this penalty in Tanganyika, Sir, and it is proposed very closely to follow their procedure in that respect.

It will also be noted that sentences of corporal punishment will have to be confirmed by the district commissioner of the district in question.

Hon. Members, I am sure, will agree that the control over juveniles in Nairobi has presented a very serious problem, particularly during the last few years, and this problem is likely to grow anyway where you have a fairly densely populated African area in juxtaposition to urban conditions, such as prevail in Nairobi.

I believe that the proposed increase in the jurisdiction of the African Courts will assist us in an experimental solution in an attempt to deal with this problem. It may be that the numbers dealt with will not be large, but I believe, Sir, that the threat may provide a deterrent to those hoodlums who have shown the type of young thug tendencies with which we have become all too familiar during the last few years in Nairobi.

I beg to move, Sir.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

MR. MATHU: Mr. Speaker, Sir, I rise to support this Bill, but I should like to warn the Government that this is not the answer of controlling the young

[Mr. Mathu.] The hon. Member has said, as the hon. Mover has said, that the answer, as far as Nairobi is concerned, is in my view, the healthy answer—is compulsory primary education for these fellows: it is only then that you can remove them from the streets.

It is not quite relevant in this matter, but I do want to suggest that an alternative, healthy solution is compulsory primary education; and if the money—now you are going to charge the parent or guardian under this law, in addition to corporal punishment—was used to assist the African parent to pay towards primary compulsory education, it would be a more constructive way of doing it than the negative method we are going to impose on the parent and the juvenile under this Ordinance.

MR. SEADE: Mr. Speaker, I would like to support this Bill. I agree with the last speaker that introduction of corporal punishment is not the whole answer; but I would say, Sir, in support of this Bill: that corporal punishment is one of the remedies for juveniles who get out of hand—it is certainly an answer, particularly on the first offence. Now, sir, towards that I would mention that on one occasion when I was chairman of a committee investigating the problem of habitual offenders, we had a large mass of evidence from very experienced people in the administration, the prison service and the police; and so on, on the question of the value of corporal punishment, and that evidence was almost unanimous that the one occasion when corporal punishment is of value is when the young thing is a first offender. But the evidence was almost equally strong that, even with the young offender, if corporal punishment does not work the first time, it is probably not the answer for the second offence; and I would ask those who have to administer this law to bear that in mind. Probably the best thing to do would be to try it for the first offence by a juvenile; but it would probably not be the best thing to try on the second offence.

I beg to support, Sir.

THE SPEAKER: If no other hon. Member wishes to speak, I shall call upon the Mover to reply.

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, I would like to express my appreciation of the sensible points made by the hon. Member for Aberdare, and also by the hon. African Representative Member, Mr. Mathu. I will certainly bear these points in mind, and I would like to say that I do agree with them.

I would never suggest that the proposals contained in this amending Ordinance provide the answer—as was suggested—because there are obviously many approaches, and many more constructive approaches, and I would like to assure the hon. Member that Government will continue to pursue these other avenues of approach to this very serious problem to the best of its ability, and using every method we can think of.

The hon. Member for Aberdare raised this important point—as to whether this particular mode of punishment—corporal punishment—would avail for second offenders or further offenders, and I do agree with him that in all probability this may prove not to be so, but I would assure him that we propose to watch this experiment and guide it very carefully, and the district commissioners will give great attention to this, and carry the responsibility for watching the progress under these powers.

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 Pyrethrum Bill Order for Second Reading read.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, it is necessary to bring this Bill before the Council by reason of the growth of the industry and changing circumstances within the industry. The original Bill was enacted in 1938 and, since then, conditions have substantially altered. I thought, Mr. Speaker, in order to save the time of the Council, I would take out from the Bill those points in which I think hon. Members opposite might be particularly interested, as the great majority of this Bill is routine matter to establish the Board—or is related to the Board—which is already in existence.

[The Minister for Agriculture, Animal Husbandry and Water Resources]

Sir, if hon. Members will turn to clause 3, section (2), sub-section (c), they will see that there is provision now for the establishment of appointment areas. There will be one member of the Board for the appointment areas, who shall be appointed by the Minister after consultation with the Provincial Commissioner and such persons as appear to the Minister to represent the interest of growers in any appointment area. The object of that addition, or change, in the Ordinance, Sir, is to allow for the representation of African interests on the Board. The Board has over the last four or five years made an allocation to the African areas for the growing of pyrethrum. The allocation is 500 tons, and the amount of pyrethrum produced last year was 287 tons from the African areas, out of a total production of 2,800 tons.

The second point, Sir, of divergence from the past is clause 5, where the undertakings, property, assets and rights of the Pyrethrum Board established under the provisions of section 3 of the Pyrethrum Ordinance are all vested in the Board. The present position is that the industry has, by assisting itself for a number of years, built up a considerable number of assets in the form of apparatus for the management of the industry, and the Board's buildings and offices for its administration. It is the intention to vest those in the Board for several reasons (1) that at the moment there is no method of rewarding the growers for the amount of money they have put on one side over the course of years; and (2) there is no method by which the Board can raise money on its assets in order to foster future enterprises of the industry—a method to which I shall refer later.

And if hon. Members will turn on, they will find that under clause 16, section (1), sub-section (e), the growers' licences are endorsed by the Board itself, and by the Director of Agriculture. It has been the custom in the past to endorse only with the signature of the Director of Agriculture, and this is a new departure necessitated really by the close relationship of the producer of pyrethrum to the marketing value of the crop. Pyrethrum is a highly specialized

crop—only something like 6,000 tons are produced in the world—and a very slight over-production can disrupt the market. It is necessary, therefore, for the closest alliance to be made between the selling side—which is one of the functions of the Board—and the growing side—which, in certain areas, is the main function of the Director of Agriculture. I say, in order that this granting of licences, which is really an important matter in so far as the grower cannot enter into the industry without having a licence—in order to see it is fairly and properly carried out as between the varying interests in the industry, it is suggested that two signatures are necessary on every licence; the signature of the Director of Agriculture, and the signature of the Board itself, who are responsible for marketing the crop grown by the grower.

There is provision, Sir, under clause 17, section (2)—for any person whose application has been refused to appeal to the Minister in writing; whose decision shall be final.

And lastly, Sir, for penultimate—is a point under clause 20, where there is provision for the Board to levy growers, and to assess growers on their production for any specific purpose. Now, for many years, the Board has been implementing a cess, but it has never been legal. It has been necessary for a variety of reasons—only, for reasons, but for the building up of new premises for the grading of the bales going overseas, and for the building of offices—and the auditors, in the accounts of the Board, have drawn attention to this—to my certain knowledge—for five years it has taken its five years to produce the Bill now before the Council, and I hope that, if hon. Members will pass it, the Board will now be legally constituted to assist its members.

Clause 25 of the Bill introduces a further new phase in the industry. It is provision by which the Board can issue stock to the growers in units of one hundred shillings, the intention being—that is in (2)—first of all to allow the growers who have contributed towards the assets of the Board in being to-day to receive stock directly related to the amount of the assets which they have contributed as a reward for the cesses paid by them in the past. In other

[The Minister for Agriculture, Animal Husbandry and Water Resources] words, the assets of the industry will be calculated, and stock issued to each grower in proportion to the amount which he himself contributed towards the assets, and, secondly, Sir, the industry is progressing, and we now use a process of extraction—or are developing a process of extraction—by which the pyrethrum is taken out of the plant, extracted and sent overseas in a highly concentrated form. It has very many advantages, mainly the saving of heavy freights and, above all, the saving of what for many years has bothered the industry—transit losses in pyrethrum content in its transmission overseas. The Board has now for the past two years been experimenting in Nairobi with the extraction of 2,000 tons a year, and it seems that the process is sufficiently well established for the Board to ask growers to contribute money which will be turned into stock in the growers' names for the erection of a factory—probably in Nakuru—to handle the great majority of the crop.

There is likely to be, Sir, an improving market for pyrethrum in the expanding demand for it, and I think that we can confidently hope that the 2,800 tons to 3,000 tons produced will be augmented considerably in the next three or four years. It is therefore important that the Board should, ahead of time, prepare the necessary factory for extraction, and, in order to do that, they will need money. Now, under this Bill, Sir, they can raise money in two ways by quoting the assets which are transferred to them in the earlier section to which I have referred, and, secondly, by issuing an additional stock to their growers on interest rates laid down by the Board on money accruing, which will help them to build the factory.

Those, Sir, are the only major points in this Bill which will alter in the slightest the administration of the Board, or the organization of the Board, from the legal powers of the Bill under which it now works.

I beg to move.

THE MINISTER FOR COMMUNITY DEVELOPMENT seconded.

Question proposed.

MR. HARRIS: Mr. Speaker, Sir, in reporting the Second Reading of this Bill, there are one or two observations I would like to make in trying to be constructive. I am surprised—although I understand this Bill has taken five years to produce—that it has not taken rather a little longer, so that we might have had the opportunity of getting the deliberations of the recent committee which was set up to consider the whole question of the marketing of milk. On that committee was Mr. Troup, who is very experienced in the whole question of agricultural economy and the marketing of agricultural produce, and I think, Sir, if the Minister for Agriculture looks at the administrative details of some of the existing producer boards in the country, he would realize that there is room for amendment. I am not criticizing those boards. I have been associated with one of them myself for a good many years, but there are administrative details which have been incorporated in this Bill—this Pyrethrum Bill—which I believe could have been given greater attention by the Minister before the production of the Bill to this Council.

Perhaps I may deal with these *seriatim*. Sir, I would ask the Minister, when replying, if he could indicate to us how many election areas there will be under section 3 (2) (b), or whether he can give some indication of the number, because they affect very materially the composition of the Board.

Turning, Sir, to section 6 (4), dealing with the election of members to the Board, it says that a candidate for election as a member shall be elected at a regional meeting convened under the provisions of section 10 of this Ordinance by the licensed pyrethrum growers who—

- (a) are resident in the election area in respect of which the candidate seeks to be elected; and
- (b) are present and vote at such meeting.

Well, Sir, I know of one area where there is another producer board, which had to elect two members to the board, and they were the two members who attended the electoral meeting in that area and, by strange coincidence, they were the two representatives of the board. I feel, Sir, that some other device—of postal ballot or some other means

[Mr. Harris] of electing representatives to a board would be advisable, particularly as one is rather inclined to get the principal agitator of the district to turn up at the meeting with his friends, but the solid producers stay away—probably growing pyrethrum.

On the question of the raising of a levy or cess, I would suggest to the Minister that he might consider putting in there a condition that, at the time the levy or cess is noted in the *Official Gazette*, the reason should be given for the raising of the levy or cess, and that incorporated in the Bill should be a condition that the proceeds of such a levy or cess can only be used for the specific purpose mentioned in the notice.

It was interesting, Sir, that the Minister, in moving the Second Reading, said that sections 20 and 21 give powers to raise a levy or cess "in specific circumstances"—were his words. In fact, that very important expression is not included in the Bill, and I think, from experience elsewhere, it would be advisable to lay down the purpose for the cess.

The last point I wish to make, Sir, is that, in clause 27, the Board shall pay to each stockholder interest at a rate to be determined by the Board at the end of each pool year, and (2) that stock shall not be sold or transferred to any person other than a licensed pyrethrum grower. Now, Sir, the stock is derived from the raising of a levy or cess, and therefore is held initially in proportion to the amount of pyrethrum delivered to the Board but, if it is to be transferable, Sir, it would be very easy for a moneyed group to make a deal set up in the pyrethrum industry and, in the event of section 34 of the Bill being invoked, we would find that the Board, on being wound up, all moneys received on the sale or disposal of property and assets of the Board shall, after the payment of all debts and expenses, be distributed rateably to the stockholders. I can see, Sir—particularly in times of depression, when stockholders in the pyrethrum industry may be going through a thin time—that a moneyed group might easily find themselves in the position of ultimately owning all the assets of the pyrethrum industry; and I would suggest, therefore, Sir, that the Minister might consider amending clause 27 (2)

by adding the words "and with consent of the Board". In other words, stocks shall not be transferred, even to another licensed grower, unless it is with the permission of the Board. That might prevent a monopoly.

THE SPEAKER: This is a convenient time for your break. We will suspend business for fifteen minutes.

Council suspended business at fifteen minutes past Four o'clock, and resumed at thirty minutes past Four o'clock.

MR. CROSSKILL: Mr. Speaker, supporting this Bill I would like to comment on a remark the Minister made with regard to the control of the pyrethrum industry. He pointed out how necessary this was as over-production would kill the market. I would like to point out to him that I have known the reverse to take place and I would ask him to warn the Board to watch the market situation very carefully. I have heard the papain industry was killed through under-production and I have reason to say that I think the same conditions may shortly obtain with regard to the pyrethrum industry, as then obtained with regard to papain. I say this on account of the recent news that "D.D.T.", the substitute for pyrethrum, is causing certain human disabilities and, I believe, it may be that the demand for pyrethrum will be increased very considerably, and in the near future, if we are not in a position then quickly to expand the industry we may find that we have lost a very valuable market.

I was very interested, Mr. Speaker, in the Minister's remarks with regard to the extraction process, particularly the illegal one of the cess. I am very grateful to him for this timely tip. Sir, before the Third Reading of this Bill I shall be able to claim 10 years' illegal cess.

I beg to support.

MR. MATHU: I should like, Sir, following what my hon. friend, the Member for Mau, has said to ask the Minister to encourage production until, of course, the Board finds reasons for curtailing production. In particular, Sir, I would like to suggest to him that there is room for encouraging African pyrethrum growers in suitable areas, and particularly when he says that the allocation to African growers was 500 tons,

(Mr. Mathu)

I think, and they managed to produce just over 200 tons. That, I think, is under 50 per cent of what they are allowed to do, and, I think, Sir, that if he concentrates on that field, there is a tremendous potential in suitable areas of increasing pyrethrum production by Africans.

The second point, Sir, I want to make is in regard to the composition of the Board under clause 3. He did say, Sir, that section 2, sub-section (c), referred really to the representation of African growers on the Board. I should like, Sir, to congratulate the Government for bringing the African pyrethrum growers closer to the European grower in the pyrethrum-growing organization. It is definitely a healthy sign and I should like, Sir, to say how thankful we are to the Minister and the Government for making this possible.

There are two points, Sir, however, arising out of that which I would like the hon. Minister to clarify. Now, under section 3, sub-section (2), it says that "one member for the appointment areas, who shall be appointed by the Minister after consultation with the Provincial Commissioner and such persons as appear to the Minister to represent the interests of growers in any appointed area". He did say there, Sir, that the intention of that section is to give African interests representation on the Board. What I would like, Sir, to know is how many appointments are as he expects there will be, because if there are very many and covering a wide area, then I suggest to him, Sir, that one member which he appoints after consultation with the Provincial Commissioner may find the work too much for the area he will represent on the Pyrethrum Board of Kenya. My experience, Sir, in products such as this is that one member of one community finds it extremely difficult if he has not got the psychological support from the member of his own community on the Board. I am suggesting, Sir, to him that if the appointment areas appear to be large then I suggest that in the Committee stage I would like to suggest to him, Sir, to amend that from one member to two members of the Board. I realize, Sir, that there is provision for such other persons as appear to the Minister to

represent the interest of the growers, in any appointment area, and that perhaps might be the answer to increase the number of Africans, but I suspect that perhaps he may have in mind of not only African growers being represented on the Board in that sub-clause, but other communities as well. In fact, what I am suggesting to the Minister is whether under that sub-section there can be direct African representation on that Board by pyrethrum growers and further if he thinks he will be agreeable to increase the number from one member for the appointment areas to two members, Sir.

I beg to support.

THE SPEAKER: No other Member wishes to speak, I will ask the Mover to reply.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, the hon. Member for Nairobi South suggested that really after five years the new Bill is not a very efficient mechanism of administration and industry. I think, Sir, the Pyrethrum Board has been efficiently managed for a number of years and not only has it had the benefit of the experience of the hon. Minister for Commerce and Industry for some ten years, but, of course, it also has had the great benefit of myself being its chairman of the Board. Sir, I have no reason really for thinking that the Bill now before you is unsuitable for the mechanism of the industry.

The hon. Member, Sir, asked how many members under 3 (2) (b) were elected from the electoral areas and the answer, Sir, is five. He further asked, Sir, whether under 6 (4) I would agree to a postal ballot instead of, generally speaking, a show of hands or voting at a meeting. Sir, I would not feel inclined to alter that for this reason, if the industry thought it necessary it would be perfectly easy for them to put the amendment up itself. On the whole, the procedure of voting has, I think, been entirely satisfactory. I do not think in the pyrethrum industry the more solid producers have stayed away and left the more difficult ones to attend the meeting.

Then, Sir, the hon. Member wanted some indication that when cesses were

[The Minister for Agriculture, Animal Husbandry and Water Resources] raised: they must be raised for specific reasons. I regret, Sir, I would resist that suggestion for this reason that all these Boards really, in my view, are democratic bodies. They have the freedom of election of people to the Board and they are equally have the easy freedom of removing them from the Board. If the Board puts forward to the growers at the Annual General Meeting its intentions to raise a cess of so much a pound of flowers, the Board gives its reasons to the growers and the growers can endorse or reject the proposal. Subsequently, if the Board mal-administers the cesses so taken from the grower, they have an easy remedy in their hands by eliminating the Board from office—[Inaudible interjection by THE MINISTER FOR COMMERCE AND INDUSTRY]—As the hon. Minister for Commerce and Industry has interjected, "they can call an inquiry". In other words, Sir, I do believe that in these Boards we have got responsible bodies freely elected on the wishes of the growers and, I think, the Minister should interfere as little as possible.

The hon. Member, Sir, also raised the point on clause 27. Despite my remarks about the efficiency of the industry, I nevertheless think I shall be very pleased to accept his amendment when he moves it which will be "stock not to be sold or transferred to any person other than a licensed pyrethrum grower and with the consent of the Board".

The hon. Member for Mau raised the point of under-production. Of course, he is quite right. All these highly critical industries, I would say, in regard to marketing, have a balance to achieve between under- and over-production. There is, I think, personally, no indication whatsoever that we are going to get under-production from the pyrethrum industry. The present indications are that world demand for Kenya flowers, at any rate, might rise by 500 to 700 tons a year and all I can say, Sir, is that, that there is a very keen interest by farmers themselves in growing extra acreages, especially as the prospects of other crops become more dubious.

Now, Sir, the hon. Representative Member for African Interests, Mr.

Mathu, raised several points. I would like to assure him, Sir, that if we could get more production from African areas we would welcome it. The Board has allocated 500 tons. We are only getting at the moment 287 tons so there is a balance of 213 tons still to be made up by African growers before they have even reached their present allocation. Recently as a result of the tour that I made in Nyanza, I have asked the Director of Agriculture to consult with the Board with a view to allotting the Kisii area, especially the Highlands thereof, a further allocation of pyrethrum, because I think we might well develop more pyrethrum in that area. It is a little high for tea and it is difficult for the Africans there to have a cash crop and I personally would welcome an expansion of pyrethrum growing. But the hon. Member will agree with me that much, of course, depends on the Africans themselves and whether they want to grow it.

Now, Sir, he went on from there to raise the question of the appointment areas. It would not be my intention in the first instance to make more than one appointment area. There are only 287 tons produced by African growers, and 2,600 tons produced by European growers. I think, therefore, that simply on a *pro rata* basis, African interests would be well represented by one individual person on the Board. If, however, the fact of distance comes up, and is a disability, I will assure him that I will consider an extension of the appointment areas, because there is something in his contention that it is difficult for a man to travel from Kisii Highlands, for instance, as far east as some of the areas round Nyeri where pyrethrum has been growing.

Now, Sir, there would be no objection whatsoever to the representative of the appointment being an African, if a suitable African can be found, and I will consult with the Board on that issue.

Lastly, Sir, I have got provision, after consultation with the Board, as he himself said, provision for the addition of such other members not exceeding three in number as the Minister may, after consultation with the Board, appoint. Now, if there seems there is a real reason, Sir, for additional African

[The Minister for Agriculture, Animal Husbandry and Water Resources] representation I shall certainly be able to do it under clause 3 (2) (e). The only point I would like to make to the hon. Member, Sir, is I agree with him about the difficulty of sitting as one member of a community amongst others. I would like only to make this one point, the prime function of this Board is to sell, market, and organize the pyrethrum industry. It is a highly technical and difficult industry to manage. I am not suggesting for one moment an additional African would damage the industry in any way, but I do not want to establish the principle that technical direction of industries must, of necessity, be on a community basis rather than on reasonable individual ability.

Now I am sure, Sir, we will be able to find an African who is suitable and I would like at any rate to begin with, not to go beyond that. I will, however, consult the Board on the general issue and let the hon. Member know the Board's views.

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.

The Local Government (Valuation and Rating) Bill

Order for Second Reading read.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, Sir, I beg to move that the Local Government (Valuation and Rating) Bill be now read a Second Time. Sir, this is a complicated and technical Bill, although a very urgent and certainly an important one. Since it has been published, I have received a number of suggestions from different bodies of associations and local government authorities that they would like certain sections of it to be considered. Because of that, Sir, and because of representations made from one or two Members from the other side of this Council, I would be prepared to send this Bill to a Select Committee. I, therefore, do not want to take up a lot of time on this Second Reading as there will be opportunities for the public to make representations

to the Select Committee when it is set up.

I would like to add a note of warning that the Select Committee should not delay the passing of this Bill too long, because many of its clauses and provisions are, to my mind, required rather urgently. Sir, the main points that were brought out in this Bill are, first of all, that local government authorities will be able, if this Bill is passed, to levy a rate of up to 4 per cent without having to go to the Council of Ministers for their authority. At the moment, under the present Ordinance, they can only levy a rate of up to 2 per cent, over that the Council of Ministers must authorize.

I think it is very obvious, Sir, that with the value of money, or shall we say the financial changes that have taken place in the last few years, that a rate of 2 per cent is really rather a low one and that it is quite justifiable that that limit should be raised to 4 per cent. It is of great difficulty. It means a considerable amount of work for the Minister, the Ministry, the Council of Ministers in that every rate over 2 per cent has to be referred to them, and numbers and growing numbers of rates in different urban areas are being raised at a higher percentage.

The next rather important amendment that is suggested in that Bill is that there should be two types of valuation courts. One will be presided over by a legally qualified president and the other one can be composed exclusively of laymen. So far as that is concerned, the second type of court can only be set up with authority of the Minister and also there is a provision, or an appeal from it, on law. This, Sir, is to try to meet the different conditions which pertain in the different urban areas and is rather an urgent matter.

Another rather important principle of the Bill is a new provision whereby if rates are unpaid after the day on which they fall due, then for a period of three years from that day the rate is a first charge on the rateable property concerned. That, Sir, is a matter which has been discussed at length before this Bill was produced and, as can be imagined, the local authorities themselves required that the first charge should be unlimited

[The Minister for Local Government, Health and Housing] in time. However, in order to meet certain objections from the commercial community especially, it was considered that there should be a limit placed on that first charge and three years is suggested.

There are other simplifications to the present Ordinance in the present way of rating and valuing and one important matter is that the value is allowed now to value an unimproved value, or shall we say, the value of an unimproved site, by first of all valuing the site with improvements on it and then valuing the improvements and taking one from the other. Now, the reason for that is quite obvious in that as, in certain areas, more and more improvements take place and developments take place, there are very few sales of unimproved land that take place and, therefore, the value has very little experience to draw on with regard to valuation of the unimproved land which has been improved.

I hope, Sir, that that is understood by hon. Members, but it is a very important clause, a very important provision, and it is one of the provisions for which I think the passing of this Bill is urgent.

As I said before, Sir, it is a complicated and detailed Bill and as there will be a Select Committee, if this Council requires it, I will not take up the time of the Council now, any further, and, therefore, Sir, I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

MR. HARRIS: Mr. Speaker, Sir, I, first of all, would like to thank the Minister for agreeing that this Bill should go to a Select Committee. As he says it is a highly technical subject and one which, I am sure only the Minister and possibly the hon. Nominated Member, Mr. Tyson, really know what they are talking about. I have been given something over 80 small amendments to this Bill by professional bodies and I feel that it would be much better for them to represent their own point of view in a Select

Committee rather than I should try and do it in this Council.

I support the Bill, Sir, in spite of those amendments and I would only draw the attention of the Council to one particular matter. That is the question of the rating of improvement. The history of rating in young countries shows that there is always a psychological time, and I am now here, Sir, talking about urban areas. There is a psychological time when the method of rating should change over from the unimproved site value to the improved site value. I do not believe that there is a single township, or municipality, in Kenya which has yet reached that stage. I think in residential suburban areas the principle of the improved site may be reasonable, but where we are trying to encourage development, and I am thinking particularly of commercial development in the larger towns, I believe to tax those developments which we are trying to encourage is a very good way of discouraging them instead.

I could give several examples, Sir, where the imposition of an improved site tax would be very onerous to the kind of people that we have been trying to attract to this country to improve the amenities and the facilities that we have in the bigger cities.

Therefore, Sir, I would issue a word of warning on the possibility of adopting the improved site rate in principle, as I do not believe that the time is yet ripe in Kenya.

However, Sir, as he matter is going to Select Committee I will not take up the time of the Council any further.

I beg to support the Second Reading.

DR. HASSAN: Mr. Speaker, like the previous speaker, I am afraid I do not know much about the legalities and technicalities of this law, because my colleague who has the legal knowledge unfortunately is not in the Council to-day.

But, people in this country have not been able to understand the imposition of such a rate for tax, because it is one of the taxes which is never paid by the landowner or the householder. He appears to be called upon to pay the taxes and then legally he is entitled to collect from elsewhere. All taxes in this country are paid directly by the people.

(Dr. Hassan) and those who pay, they are not legally entitled to go and collect it from someone else. This being the only tax, it brings up a sort of satisfaction to a landowner or a houseowner and it does not matter a bit for him so long as the value rises and his property that he has bought for Sh. 100,000 rises in value to £50,000, he is very happy about it because he knows he can raise, according to the value of the property, some advances from the bank for some other business, and he knows very well that this tax which I am called upon to pay to the local authority, I am entitled to collect from someone else. Therefore, real opposition to a tax of this nature has never been made against authorities.

The second thing I find is, that this tax is not working equitably in different localities in the urban areas. There are certain areas where because land is not sufficient, the value of the property has risen considerably, although next door to that property there may be a better area, with better facilities and better amenities, yet, on account of the value of the property rising he is to pay very much more tax than what his neighbour is paying on the other side.

In any case, I have no intention to speak any more on this point, with the exception of what I have just said. Now that it is going to be referred to a select committee to discuss it thoroughly, I will leave the matter to that committee.

MR. TYSON (Nominated Member):
 Mr. Speaker, Sir, while thanking the hon. Minister for agreeing to send this Bill to a select committee, I would like to emphasize so far as the valuers are concerned, that they have put forward a number of suggestions, rather with the object of improving the whole machinery of this valuation for rating purposes because in their view, and I think quite rightly, it will be a great pity if we started off and then in a few months' time have to come back to the Legislative Council to ask for amendments which experience has already shown are very much better made at this stage.

There is, however, one section, Sir, to which I would like the Minister to give special attention and that relates to section 35, which seems to me to be a rather dangerous precedent in that it pro-

vides that unpaid rates shall become a charge which shall take priority over all other encumbrances after the commencement of this Ordinance. In fact, it means, of course, that the charge for rates would become a charge in front of an existing first mortgage and I think that is rather a dangerous step to take. I suggest, Sir, that perhaps the Minister would consult the Minister for Legal Affairs before that clause is discussed in the select committee.

Subject to that, Sir, I beg to support the Bill.

THE SPEAKER: No other hon. Member wishes to speak. I will ask the hon. Member to reply.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, there have been one or two points raised by hon. Members.

The hon. Member for Nairobi South doubts whether rating on improvements should take place in any urban areas in Kenya, yet. There are, of course, other arguments against those which he brought up and in favour of rating on improvements, but on the whole, I think, I would agree with him that in a developing country like this where we want to encourage investment in improvements we should be very wary of how much, of what level of improvement rate is proposed. The Government's intention there, and indeed its attitude is, I think, shown in the limitation that is included in this Bill of such rates. It is, in fact, quite a large limitation if one may put it that way, or any way a small amount of rate only is allowed.

With regard to whether it is sufficient limitation or not, that is the sort of thing that the select committee concerned can discuss.

The hon. Member for the East Electoral Area, Dr. Hassan, brought up a matter, Sir, which I know interests his community considerably but it is not one I contend that is affected by this Bill at all. In fact, I think the hon. Member gave the explanation himself when he was speaking. He said, Sir, that he did not think that there was much opposition to this sort of rating because the landowner merely passed on the rate, which of course is true, as he passes on his rate in the rent. He also said that

[The Minister for Local Government, Health and Housing]

the landowner would not mind very much if his property is valued at £50,000 or £500,000, because the rate was passed on. On the other hand the landowner is able, with that asset, to go and raise money from the bank and the more his property is valued the better it is for him. He says that, Sir, in one breath, but in the next breath he says it is inequitable that owing to certain conditions in this country, in the towns in this country, that some people's properties are valued higher than others, and I do not really see the logic of his argument. The point is, that rates are based on the value of the property and all the considerations must be taken by the valuer. All the restrictions on the one hand, the position, the zoning and all the rest of it, the different types of property must be taken into consideration by the valuer in arriving at the value, and it is not the place, either when debating this Bill in Council, Sir, or in select committee, to attack the different types of restrictions, or the different qualifications put on land by other laws. It has nothing at all to do with the actual rating. I will give you another example, if I may, Sir. Through town planning, certain areas can only be sub-divided down to one acre and not less. In other areas, sub-divisions are allowed down to a quarter acre. Well, that is a restriction imposed by other legal measures, and the fact that such a restriction is there, makes no difference, can make no difference, to a Bill of this sort. The man who has four quarter-acre plots has a more valuable property than the man who has one acre which cannot be sub-divided and because that value is high he has to pay a higher rate.

The matter brought up by the hon. Nominated Member, Mr. Tyson, Sir, is one of course to which I referred when I moved the Bill. I mentioned especially clause 35 and the priority of the charge that the rate had over a property. As I said then, it is one that has been discussed by both local authority representatives and commercial representatives and I personally feel that the suggestion put forward in the Bill is a fair compromise from both sides. However, that again can be discussed by the Select Committee

which will, no doubt, recommend in due course to this Council.

Sir, 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.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I beg to move that the Local Government (Valuation and Rating) Bill be sent to a select committee consisting of the following hon. Members:

Chairman (Minister for Local Government, Health and Housing).

Mr. Cooroy.

Mr. Harris.

Mr. Jeremiah.

M. Mathu.

Sir Eboob Pirbhai.

Sheriff Abdulla Salim.

Mr. Chanan Singh.

Sir Charles Markham.

Mr. Tyson.

Mr. Usher.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

The question was put and carried.

MOTION

COLONY'S ACCOUNTS FOR 1954/55

LT.-COL. GIERSEB: Mr. Speaker, Sir, I beg to move the following Motion:—

THAT the Appropriation Accounts and other Public Accounts of the Colony and Protectorate of Kenya for the year 1954/55 and Report thereon by the Controller and Auditor-General which were laid on the Table of this Council on 14th February, 1956, be referred to the Public Accounts Committee.

Sir, this is usually regarded as a formal Motion, as it merely seeks the authority of this Council to refer the Colony's Accounts for the year 1954/55 and the Auditor's report thereon to the Public Accounts Committee in order that that Committee can examine the accounts and subsequently submit its report to this Council.

(Lt.-Col. Gheric).

There is only one remark I would like to make, Sir, and that is this. It arises from a criticism which appeared in previous reports from the Public Accounts Committee in regard to accounting officers, appearing before the Public Accounts Committee and not being in possession—some of them not being in possession—of the necessary information with which to answer the queries raised by the Auditor-General. It is hoped, Sir, that the accounting officers will make themselves conversant with the queries that have been raised as far as their departments are concerned and will be in possession of the necessary information and thereby obviate the necessity of the Public Accounts Committee making the same criticism in their next report.

Sir, I beg to move.

THE MINISTER FOR FINANCE AND DEVELOPMENT seconded.

Question proposed.

The question was put and carried.

MOTION

AGRICULTURE (SCHEDULED CROPS) ORDER, 1956

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I beg to move the following Motion:—

BE IT RESOLVED that the Order entitled the Agriculture (Scheduled Crops) Order, 1956, which has been laid on the Table of Council be approved.

Mr. Speaker, this is really a formal Motion arising out of the provisions for the Agricultural Ordinance, as passed in June, 1955. I have added to the Schedule the crop of sunflower specifically because it is an alternative crop in certain areas in Trans Nzoia and I wish to establish a guaranteed minimum price for it. It is the purpose of this Motion and I do not think there is anything more I need to say.

THE MINISTER FOR FINANCE AND DEVELOPMENT seconded.

Question proposed.

The question was put and carried.

MOTION

EUROPEAN AGRICULTURAL SETTLEMENT BOARD—STAND PREMIUMS IN RESPECT OF CROWN LANDS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I beg to move the Motion as standing in my name. It is rather long and, with your permission, I will not read it. The reason for this Motion is as follows:—

His Excellency the Governor on 12th October, 1954, in putting before the Council the Queen's speech, said proposals will shortly be laid before the Legislative Council to increase the capital of the European Agricultural Settlement Board to £2,000,000. Now the original capital, Mr. Speaker, allotted to the Board was £1,600,000 and in Sessional Paper No. 51 of 1955, paragraph 180, an additional £220,000 was added, making a total of £1,820,000. Not all has been drawn. Now the paragraph 180 of Sessional Paper No. 51 of 1955 mentioned that allowance was made for the value of Crown land taken over by the Board and the valuation of that Crown land was £150,000, which, if added to the total fund shown above, or at least, the amount I have mentioned, Sir, will bring the total assets of the Board to £1,900,000 or more.

Now, Sir, when my distinguished predecessor moved that the European Settlement Board became a body corporate, it was inadvertently omitted that the transfer of the land should be without stand premia, and it has been ruled that in order to put the matter right a formal Resolution is necessary by this Council.

This does not mean, Sir, that land transferred to the Board is sold to tenants, or leased to tenants without any valuation. What actually happens is that the Board leases the land to tenants, or sells the land to tenants on certain conditions, and that money augments the capital funds at the disposal of the Board, thus bringing the amount of money close to the £2,000,000, which it was the original intention of Government to devote. In other words, Sir, this is really a formal Motion putting in order the decision of Government to move £150,000 worth of land into the assets of the European Agricultural Settlement Board without the payment of stand premia, but upon

[The Minister for Agriculture, Animal Husbandry and Water Resources] condition that the tenants lease on the capital value of the land, and when they purchase, repay the Board the amount of the money so transferred.

I beg to move.

THE MINISTER FOR COMMUNITY DEVELOPMENT seconded.

Question proposed.

The question was put and carried.

MOTION

COTTON LINT AND SEED MARKETING BOARD—TRANSFER OF FUNDS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I beg to move the Motion standing in my name. Again, Mr. Speaker, it is a very lengthy Motion; and perhaps, with the leave of the Council, I might take it as read. Mr. Speaker, in moving this Motion, the Cotton Lint and Seed Marketing Ordinance, 1954, set up a Cotton Lint and Seed Marketing Board, with committees in the Nyanza and Coast Provinces. Both the Board and committees have strong producer representation and are, in effect, Producer Boards.

Under section 10 of the Ordinance the funds from the sources of the Board are governed, and the objects in which the Board may spend its funds. Now, before the passing of this Ordinance the Government had collected the Cotton Sales Proceeds Fund from both Nyanza and the Coast Provinces by virtue of Defence Cotton Control Regulations, 1943, and, Sir, by resolution of Legislative Council on the 18th June, 1955, the bulk of the money accrued in this Government's funds was transferred to the Cotton Lint and Seed Marketing Board. That is to say, Sir, the Government passed over to the largely Producer Controlled Board the moneys which had accrued from the levying of the fund. We have only, recently, Sir, been able to finalize the accounts, partly with the Uganda Lint Marketing Board, and the result is the Motion before Council, which seeks approval for the sum of £114,000.18.3 more or less together with accrued interest, to be paid over to the Board itself.

Now, Sir, the purpose of this Motion is to seek the approval of this Council to transfer this money from the Government to the Board of Producers themselves.

Question proposed.

The question was put and carried.

MOTION

COTTON LINT AND SEED MARKETING BOARD—TRANSFER OF FUNDS FOR COAST PROVINCE DEVELOPMENT PROJECTS

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I beg to move the Motion standing in my name. Again, Mr. Speaker, I will not read it and I will not bore the Council with what I have said earlier, but the purpose of this Motion, Mr. Speaker, is to transfer from the care of the Government, funds after settling the matter up with various bodies, such as the Uganda Lint Marketing Board, to the Producer Board set up at the Coast. The purpose of the Motion is to move over that portion of the funds which is due and properly payable to producers at the Coast and to the Board set up to administer those particular moneys.

Question proposed.

THE SPEAKER: Before putting that question I would ask the Mover whether there ought not to be some definition specifying the Board referred to the Motion.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Yes, Mr. Speaker, you are correct. I rather think that I have lost the paper on which it was written. I beg the Council's pardon, but the paper on which it was written has vanished. I would like to put in the words—if hon. Members would look at the last four lines of the Motion—"to be transferred firstly to the Cotton Price Assistance Fund and therefrom to the ordinary fund and resources of the Cotton Lint and Seed Marketing Board to enable that Board." It just makes it a little clearer if hon. Members would agree to the amendment.

The question, in its amended form, was put and carried.

MOTION

ADJUSTMENT OF BOUNDARIES (THE HIGHLANDS SESSIONAL PAPER No. 47 of 1956)

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I beg to move that pursuant to the provisions of section 67 of the Crown Lands Ordinance this Council do approve the adjustment of the boundaries of the Highlands proposed in Sessional Paper No. 47 of 1956. Mr. Speaker, Sir, I would suggest that this also is a formal Motion. In Sessional Paper No. 47 of 1956, there has been set out everything that has happened as regards these land exchanges. As Members know, the Highlands Board in the past few years have approved transfers of land which involve amendments to the boundaries of the Highlands. There was no provision in law, Mr. Speaker, for amending the Highlands' boundaries, until Ordinance No. 7 of 1955 made it possible for the Governor, with the consent of the Highlands Board, and of this Council, to adjust the boundaries. There are four cases in this Paper; the Kilombe-Esageri Farms, the Klimulot Farm, the Kipkarren and Kaimosi Farms and the Northern Lalkipla Boundary.

I prefer, Sir, to say no more about this, at this point. If there are any matters which hon. Members wish to raise, I shall be happy to reply to them.

Sir, I beg to move.

Question proposed.

MR. ARAP MOI: Mr. Speaker, Sir, I would like to say a few words about Kilombe-Esageri. The exchange is not justifiable, because Kilombe is more fertile than Esageri. Esageri is unsuitable for cultivation. Europeans lived in Esageri before and found it to be unsuitable. Despite repeated requests from Tungen, Suk, and Njemp, Government has turned them down. I am glad that Kipkarren has been given to Nandi, and beg that Government should reduce restrictions although I agree that it should be run on modern agricultural methods. Sir, I would like Government to make some justification on this Motion.

Sir, I beg to support.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I do not think there is anything I want to add to this.

As regards the Kilombe-Esageri exchange, I think everyone knows that this was a matter which was dealt with a number of years ago and also it was an amicable arrangement between the Highlands Board and the Native Lands Trust Board, and I think, as they have gone into this matter very fully, as I believe that it was a reasonable exchange, there is nothing more, Sir, that I can reply to the hon. the African Representative Member.

The question was put and carried.

ADJOURNMENT

THE SPEAKER: That concludes the business on the Order Paper.

Council will therefore adjourn until half past Two o'clock to-morrow, 16th February.

Council rose at thirty minutes past Five o'clock.

Thursday, 16th February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

ORAL NOTICES OF MOTIONS

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

SUPPLEMENTARY ESTIMATES No. 2 OF 1955/56 in PARTS

BE IT RESOLVED that a sum not exceeding £71,052 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56 Part I.

BE IT RESOLVED that a sum not exceeding £45,698 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56 Part II.

BE IT RESOLVED that a sum not exceeding £56,313 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56 Part III.

DEVELOPMENT SUPPLEMENTARY ESTIMATES No. 1 OF 1955/56 IN PARTS

BE IT RESOLVED that a sum not exceeding £442,528 be granted to the Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56 Part I.

BE IT RESOLVED that a sum not exceeding £3,500 be granted to the Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56 Part II.

BE IT RESOLVED that a sum not exceeding £64,636 be granted to the Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56 Part III.

Mr. Speaker, in accordance with Standing Order No. 128, I beg to signify that the consent of the Governor has been received towards the introduction of these Motions.

ORAL ANSWERS TO QUESTIONS

QUESTION No. 54

MR. USHER asked the Minister for Education, Labour and Lands to state what action does Government propose in view of the fact that the development conditions in respect of grant (No. C.R. 9668 dated 16th April, 1952) to Coastal Hotels Ltd., of a 99 years lease of Plot No. L.R. 1149/20XVI/195 have not been carried out?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: This grant was made by Government to Coastal Hotels Ltd. for the purpose of constructing a high class hotel at Mombasa. Under the special conditions contained in the lease the grantees are required to erect half of the buildings by 16th April, 1955, and to complete the buildings by 16th April, 1957. Although they have had a large part of the necessary capital available for some considerable time the grantees have not been able to start work on construction since their negotiations for the raising of the other part have been protracted. The Government is informed that these negotiations have only recently been completed and it is hoped that the work on this much-needed project will start shortly.

MR. USHER: Arising out of that reply, Sir, would the Government be prepared to conduct some inquiry into the inducement of the two enterprises of this kind?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I will certainly give consideration to that aspect of the matter.

LT.-COL. GHERSIE: Mr. Speaker, Sir, arising out of that reply, is the Government's policy consistent with the manner in which it has treated other people who have had to forfeit their land, of which this Council is well aware?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Yes, Sir. In a matter of this nature, I believe one has to go entirely by the bona fides of the applicants and, in these cases, I think the question of

[The Minister for Education, Labour and Lands] whether or not the bona fide is good or not, must rest with me, Sir. In this case, I believe the bona fide is perfectly good and, until such time as I believe that it is not so, I am prepared to allow it to go ahead.

QUESTION No. 56

Mr. LETCHER asked the Minister for Education, Labour and Lands to state whether it is a fact that yearly visits are made to the Prince of Wales School by officers of the Registration Department, or Police Department, for the purpose of obtaining the fingerprints of those pupils who qualify for registration.

If the reply is in the affirmative, is the Minister prepared to give instructions that this must cease forthwith?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: The answer to the first part of the question is in the affirmative. With certain exceptions all male persons in the Colony become liable for registration under the Registration of Persons Ordinance on reaching the age of 16 years. With its usual consideration for the convenience of the public, and to save individual parents time and trouble, it is Government practice to arrange for officers of the Central Registration Office to visit annually schools where there are boys of registration age in order to obtain their fingerprints and to issue them with identity certificates, as required by the law.

The answer to the second part of the question is in the negative.

Mr. LETCHER: Arising out of that reply, Sir, does this practice apply to all schools throughout the country?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: It applies, Sir, to all the European schools and also to all Asian schools. In the case of the European schools, there are European fingerprint teams which are sent there. In the case of the Asian schools, there are Asian fingerprint teams. Africans normally register in their own land units by arrangement with the nearest Registration Officer.

Mr. COOKE: Mr. Speaker, Sir, does not the hon. Member think that the

rather provocative nature of this procedure completely outweighs the convenience of the arrangement?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Sir, I do not consider that it is provocative!

Mr. AWORI: Would it also be convenient for the Africans to have the same facilities?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Sir, I am prepared to look into that matter.

QUESTION No. 58

GROUP CAPTAIN BRIGGS (Mount Kenya) asked the Chief Secretary to state:—

Having regard to the recent statements, all of a purely political nature, made by the General Secretary of the Kenya Federation of Labour in London at a Press conference arranged by the Labour Party, will the Hon. Chief Secretary state what action the Government proposes to take in the light of the ban on country-wide African political organizations?

THE CHIEF SECRETARY: Sir, it does not lie within the power of the Government to exercise control over any political views which may be expressed in the United Kingdom by the General Secretary of the Kenya Federation of Labour, either in his capacity as such or in his personal capacity.

GROUP CAPTAIN BRIGGS (Mount Kenya): Mr. Speaker, Sir, arising out of that reply is it not a fact that the Federation of Labour's main activity now lies in the political field and, in those circumstances, will the hon. Chief Secretary say why it does not come within the scope of the ban on country-wide political organizations?

THE CHIEF SECRETARY: Its activities have certainly shown political manifestations. If it applied for registration as a political body, it would doubtless be refused.

Mr. HARRIS: Arising out of the original reply, Sir, have public funds been used in any way in assisting this gentleman to visit Europe?

THE CHIEF SECRETARY: Yes, Sir, public funds have been used. Perhaps I

[The Chief Secretary] can forestall further supplementaries by explaining why. In the United Kingdom, there are a number of extremely undesirable bodies anxious to get their hooks into Colonial students. The Government had to decide whether it would allow this gentleman, this scholar, to take his chance amongst these undesirable bodies, or whether we should provide him with funds. Clearly his scholarship is insufficient to maintain him throughout the year. If we had withheld the funds, he would doubtless have got money from these undesirable people and, in addition, would have had that sense of martyrdom which is so much prized by young left-wingers.

SIR CHARLES MARKHAM: Arising out of the last reply of the hon. Chief Secretary's, Mr. Speaker, would the Government agree therefore to correct the statement made in the *Kenya Weekly News* by Mr. Newman that the entire expenses of the gentleman concerned are not being paid by anybody but the trade union?

THE CHIEF SECRETARY: It may require amplification, Sir. The point is, his scholarship was paid for by the Workers' Travel Association. It is the Sir William Bowen scholarship, awarded by the Workers' Travel Association. He was given a grant by the Government in order that he might feed and maintain himself.

Mr. SLADE: Mr. Speaker, would Government give us an assurance that the public announcements of the General Secretary of the Kenya Federation of Labour will be examined from time to time to see whether they are representative of the Federation of Labour and, if so, whether they indicate a country-wide African political organization? And, in the latter event, will Government give us an assurance that the registration of Kenya Federation of Labour will be reconsidered?

THE CHIEF SECRETARY: Sir, I have not been able to assimilate all those points, but the Government certainly will keep an eye on the utterances of the Kenya Federation of Labour.

Mr. HARRIS: Could the Chief Secretary tell us, Sir, whether the ultimate

qualification of a world traveller is a fellow traveller?

Mr. MATHU: Arising from the original reply, would the Government—would the hon. Minister—say whether he thinks it is a form of a ban on Colony-wide political organizations?

THE CHIEF SECRETARY: There is not a ban on country-wide political organizations in the sense that there is on obscene publications. The effect of the ban is that country-wide political organizations are not allowed to be registered under the Societies Ordinance.

Mr. COOKE: Mr. Speaker, is it not possibly a mistake to give too much publicity to the activities of this gentleman?

GROUP CAPTAIN BRIGGS: On a point of order, Mr. Speaker, I would like to rise about a Motion on the Adjournment.

THE SPEAKER: If you wish to move a Motion on the Adjournment, you may give notice.

GROUP CAPTAIN BRIGGS: Mr. Speaker, in view of the unsatisfactory nature of the reply and the importance of the matter, I beg to give notice that I would like to move a Motion on the Adjournment on a convenient day.

THE SPEAKER: Would you like it to be to-day on the termination of business or on a future date?

GROUP CAPTAIN BRIGGS: On a future date, Sir.

QUESTION No. 59

Mr. CHANAN SINGH asked the Minister for Legal Affairs to state:

1. (i) The total number of jury trials held during the last five years; and
- (ii) the number in which the verdict of guilty was given by the jury.
2. (i) The number of jury trials held during the last five years in respect of offences against the person in which the accused belonged to a different race from that of the person who was the victim of the offence; and
- (ii) the number of such trials which resulted in a verdict of guilty by the jury.

THE MINISTER FOR LEGAL AFFAIRS: I. (f) Thirty-nine jury trials have been held during the last five years.

(ii) In 19 of these trials the jury gave a verdict of guilty.

2. (i) Twelve of the jury trials held during the last five years were in respect of offences against the person where the accused belonged to a different race from that of the person who was the victim of the offence.

(ii) In five of these trials a verdict of guilty was given by the jury.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move that under Standing Order 168 the Standing Orders be suspended to the extent necessary to enable Council at its rising to-day to adjourn until 2.30 p.m. on Thursday, the 23rd of February.

The reason for this Motion is, Sir, that business is running a bit thin and it is thought there would be less inconvenience to hon. Members if business were suspended until there was a full day before us rather than to have an hour a day in the first few days of next week.

Hon. Members may wish to know the programme for next week. Business before the Council on Thursday will be Private Members' Motions, Supplementary Estimates and the First Reading of the African Representation Bill. On Friday there will be the Second Reading of the African Representation Bill.

I beg to move.

MR. HARRIS seconded.

Question proposed.

The question was put and carried.

MOTION

APPOINTMENT OF AFRICAN AS PRESIDENT OF NORTH NYANZA AFRICAN DISTRICT COUNCIL

MR. MATHU: Mr. Speaker, Sir, when I gave notice of this Motion, since that time I have found it necessary to make a very minor verbal amendment to it, and under Standing Order No. 34, Sir, and with your permission, I suggest that after the word "elect" to delete the word

"a" and insert the following words: "an African as" and between the words "President" and "among" to insert the word "from", so the Motion, Mr. Speaker, you agree, would read as this: "That in the opinion of this Council, the Provincial Commissioner, Nyanza Province, should instruct forthwith the African District Council, in North Nyanza, to elect an African as President from among its own members in accordance with the provisions of section 7 of the African District Councils Ordinance, 1950".

THE SPEAKER: As it does not alter the sense of the Motion in any way, Council will accept your amended Motion.

MR. MATHU: Now the present law which governs the African local government institutions is the Ordinance No. 12 of 1950, but before I come to it, Sir, I would very briefly refer to the very remarkable history of the African district councils' activities since their formation—then called the local native councils—in 1924. At that time, Sir, in 1924, they were based on the 1902 Native Authority Ordinance which gives powers to chiefs, or headmen, to run the affairs of their respective areas. By 1936, Sir, the experiment of giving some responsibility to the local population in the African areas was so successful that at that time there were 20 of these local native councils, now called African district councils.

The district commissioner, during that period between 1924 and 1936, was the *ex officio* chairman holding executive functions under the 1933 Native Authority Ordinance. Since that time, Sir, to 1950, the development of these institutions has become so successful that, not only ourselves, but outside observers of local government institutions have remarked on the great strides that the African district councils have taken.

I should like, Sir, to suggest that the form of methods of representation and the powers of these councils, between 1924 and 1950, have been tremendous and all to the good, and I should like, Sir, to hasten to say that the credit of this success goes to the British administrative officers who have guided the African community in the way of exercising their responsibilities, raising money to finance their local services, and I should like, Sir, to pay my very warm

[Mr. Mathu]

tribute to the British officers in the field for the success that they have made of running these institutions. But, with that, it is also—between 1924 and 1950—the declared policy of this Government and, indeed, the declared policy of the British Government in the United Kingdom; that gradually as a sense of responsibility has been aroused amongst the local population that they should be given the opportunity to exercise greater responsibility in the running of their local affairs.

I would like, Sir, to say that in 1938, when a very great British administrator, Lord Hailey, wrote a monumental book called a *African Survey*, he observed, if I may say, in a very short paragraph, this, referring to the African district councils, then called the local native councils, "They are by their constitution so largely an official control that it is not easy to determine how far they are likely to constitute genuine organs of local self-government. It is perhaps from their educative value that their executive powers are limited. The potentialities of these bodies will only become apparent if official control of their proceedings is progressively withdrawn and replaced by supervision from outside".

Now, Sir, I think that under modern conditions Lord Hailey may not want perhaps, if he came out to-day, to write on the subject or be as sweeping in his criticisms as he was in 1938. But I would say, Sir, that there is still some truth in what he did say 17 years ago, and it is for one of these reasons that we find it necessary for us to move the Motion which is before the Council.

Now, Sir, since 1950, the African district councils, during the last five or six years, have even made greater strides in assuming responsibilities for the services in their own areas than any time before. They have raised more money to finance these local services, with subsidies from Government, than at any time in the history of African local government in this country.

Our suggestion, Sir, as far as North Nyanza is concerned, is that we should now give an opportunity to an African full-time president to hold executive responsibility in running the affairs of that district. I should like to say, Sir, that we

do not intend to suggest in the least that the district commissioner, who is responsible, through his provincial commissioner, in the running of his administrative district, should be thrown out completely from the purview of the activities of the African district councils.

What we are suggesting, Sir, is that his control and his executive responsibilities should be reduced to the extent that the African president will be able to assume these responsibilities and the district commissioner therefore, in the background, will supervise to see that the welfare of his district does not suffer as a result of the activities of the African district councils under the management of a capable African president.

Section 7, Sir, of the Ordinance, Ordinance No. 12 of 1950, provides that the provincial commissioner may, by notice in the *Gazette*, appoint a president from among the members of a council, or may provide for the election from such council in such manner as he may specify of a president from among its members. It is the alternative part of that provision, Sir, that is the gist of this Motion. In other words, it is not going to be necessary to amend the present law. The provision is already provided: What we are asking, Sir, is that that should be implemented in this very progressive and wealthy district, at the present time. It further provides, Sir, that the president, who has always been the district commissioner up to now, should hold office for three years and that the deputy president should hold office for one year.

I should like, Sir, to suggest to the Minister, who is in charge of this matter, to consider later on amending that last part in order that the deputy president, whoever he may be, should hold office exactly at the same period as the president—that is a period of three years. One year is not sufficient to train a deputy president with the ultimate aim of him taking full responsibility as permanent president of a council.

Section 7 then provides that when the president is absent from the meeting, the deputy president should take control, but my experience of attending meetings of these African district councils—and I think I have attended practically all of them with perhaps one or two exceptions

[Mr. Mathu]

—Is that the president is never absent—he is absent for a day when they look at their agenda of the proceedings—but anything that goes in the minutes and the decisions taken, are always taken when the president is there. That has been the view and, therefore, even to that extent, the deputy president does not get the opportunity of exercising authority and responsibility in reaching decisions uninfluenced by the official representative of the Government.

Further, I would like to say, Sir, that the district commissioner has very many functions to do, not only that he is in charge of practically everything that goes on in the district, but he is also, as I have pointed out, the *ex officio* president of the African district council. I should like to say, Sir, that the district commissioner plays a very important part in the administration of this country. I personally sometimes wonder how he manages to shoulder the responsibility he does and does it so well. Not only that he is in charge of law and order, the prosperity of his own district, but, practically everything. Under certain laws he is the chairman of the township authority under Chapter 133 of the Laws of Kenya. He is the chairman of the district education board. He is the president of *ex officio* African district councils. He is the chairman of the district team. He is the chairman of the local land board under Chapter 100 in the Laws of Kenya. He is a member of the local authority in a European area, under Ordinance 30/52, Chapter 136 of the Laws of Kenya, and he is an *ex officio* first class magistrate. He is also the chairman of the liquor licensing board, whatever they are, and he has specific powers conferred to him by the Emergency Regulations under the present time. As I say, Sir, he is in charge of practically everything, and if you accept him, a human being as he is, to control all these affairs and do it efficiently, I think it would be demanding something from a human being which it is demanded only from an angel. It is for that reason we think the time has come that there should be a division: that these responsibilities should be shared by a responsible African and in this case a president of the African district council in order that the district commissioner's burden may

be reduced to the amount that we are suggesting.

Now, Sir, towards the end of last year I put a question to the Minister on this matter and his reply was that he thought that although there has been progress made by a large number of the African district councils, the majority of them were very much immature. Those are the words he used. I would like, Sir, to suggest to him that for the last 15 years this particular council has brought before Government, the Governor, the Secretary of State, even the Local Government Minister himself, about this matter. In 1940 or 1941, Sir, this district made strong representation to His Excellency the Governor, Sir Henry Moore, on this particular issue. They did not get what they wanted, and they waited until 1946 when the then Secretary of State, the Rt. Hon. Creech-Jones, appeared to visit this country. They made the same request in a memorandum to him. In 1951, the then Rt. Hon. the Secretary of State for the Colonies, Mr. James Griffiths, appeared and they gave him a memorandum requesting the same thing, and if I may just quote one sentence out of that memorandum. It is: "The powers of the African District Council, although in Ordinance No. 12, 1950, are really given to the Europeans who have executive responsibility", and the request of the council then was that they should have a permanent president of their own. In 1953 and 1954, His Excellency the present Governor visited North Nyanza accompanied by the present Minister for Local Government, Health and Housing and they received the same petition. Now, if I may quote from that memorandum, they said, "We request your Government to accede to our overdue request in having a full-time African president of council", and they said, "Of course, the European president, although no reflection on his ability or his integrity in the work of the council, was overburdened". The memorandum which was presented to my hon. friend, the Minister for Local Government, on the 15th of June, 1954. I quote the paragraph, which reads like this: "That in view of the numerous duties and heavy responsibilities which are borne by the district commissioner who is also the president of the African district council, we believe it is time for

[Mr. Mathu]

the North Nyanza African District Council to have a full-time African president who would devote all his time to the functions of the African district council". Now that, Sir, was presented to the Minister only a year and a bit ago, and the people expect some action to be taken on this matter.

His Excellency the Governor went to open a new district which was formed by dividing the then North Nyanza district into two. One, the North Nyanza African District Council and the other, the Elgon/Nyanza African District Council. When I gave notice to this Motion, Sir, the district was still intact and had not been split into two, but that I do not think affects my Motion in the least, because there is still a section of it in North Nyanza with headquarters at Kakamega. His Excellency's speech which he delivered before that Council on the 10th of January, this year, praised the people of the district, because of their progress and their loyalty to the Government, not only in peace but during the troubles we have had in this country, and he said he is glad to see that they are ready to accept responsibility. Now, Sir, this is the responsibility we are asking on their behalf that they should have a member of their own to be the President of the Council.

Now, this district, Sir, last year had estimated that they would spend over £400,000 and, I think, that is a large sum from a small area like that in comparison with the rest of the Colony and I suggest, Sir, that ratepayers of such an area require more direct participation in the executive responsibility of their area. Mentioning the financial parts of this council as the Minister for Local Government last year, confirmed his refusal to accede to the repeated requests of these people on their financial position, and he quoted the auditor's report. I understand, Sir, that since his answer the President of the African District Council, North Nyanza, about November last year, has gone into the whole of the points that the auditor reported on and he was able to say this, Sir, "In a recent meeting of the council that they have perhaps one or two exceptions". In his speech, in the African District Council meeting on the 14th of December, 1955,

he says this, "The president explained that there was nothing in the report to show fraudulent accounting or dishonesty", but most of the report contained references to mistakes and inefficiency largely due to the lack of strict supervision.

Now, we suggest, Sir, that there is a picture, as I read it here, which is happier than was portrayed by the Minister in his reply to my question in October last year, and that the president thinks that the position would be under better control more quickly. At that point also, Sir, the Minister referred to the President of the Council and suggested that he was not quite as qualified as was necessary. I do not want to go into details of this matter, Sir, but I would like to say, Sir, that I have got the whole record of his academic qualifications, both in South Africa and the United Kingdom. But so far as the United Kingdom qualifications are concerned, I should like to cite, Sir, that he managed, in his examination, to pass diploma in public administration which made him a Member of the Royal Institute of Public Administration. Now, Sir, he wanted to qualify to be a Member of the Institute of Municipal Treasurers and Accountants, but he was recalled because it was necessary for him to resume work in the treasury of that council. So personally, Sir, I think that you have there a great asset to a man with such very wide experience in local government matters, in the United Kingdom, that I think he will be able to control the affairs in a way that will be satisfactory to the Minister concerned.

Now, Sir, before I sit down I should like also to refer to a point raised in a meeting of the Elgon/Nyanza District Council published by the *East African Standard* on 25th November, 1955, by the Provincial Commissioner, Nyanza. Now he says that local government is a big subject and it has taken hundreds of years to build up a satisfactory form of it in the United Kingdom. Do not think you know all about it, but rather be determined to learn it from those who have had experience in local government irrespective of which, until the time comes when you can take over the full management of your affairs. Now the authority I want to refer to, Sir, is "until the time comes when you

[Mr. Mathu] can take over the full management of your affairs". Well you see we think the time is here and that, I think, is the difference of opinion between the Government and ourselves, that we should be allowed to make mistakes in our local affairs, it is only by making our own mistakes that we can learn, and as long as we have the tutors, i.e. in the form of the administrative officers, I do not think that there should be any fear of taking the risk. It may be a risk, of course, it may be but I do think that it is a risk worth taking. It is a risk that has been taken by all countries of the world, by managing their own affairs and making their own mistakes. I suggest, Sir, that the time is here and this, I think, is an opportunity for Government to accede to this repeated request of the African people in North Nyanza; they should have appointed, among their own members, a permanent African president of their own council.

Talking about mistakes, Sir, many years ago Edmund Burke said this, "I am not one of those who think that the people are never in the wrong. They have so, frequently and outrageously, both in other countries and in this. But I do say that in all disputes between them and their rulers, the presumption is at least upon a par in favour of the people. Experience may perhaps justify me in going further, when popular discontent has been very prevalent it may well be affirmed and supported but there has generally been found something amiss in the constitution or in the conduct of Government".

Mr. Speaker, I beg to move.

Mr. Awori. Mr. Speaker, Sir, when a Motion like this has been so ably moved, for a second it is impossible to find the words with which to express himself. In fact, all the points that I would like to express, my able friend, Mr. Mathu, has already brought before the Council, but then, Sir, I do not want to rise up and say, "Mr. Speaker, I beg to second the Motion and reserve my right to speak later". For that matter I would just like to concur with the words that have been expressed by my colleague and add a few words which are almost akin to what my friend has expressed just now.

When this Motion was raised last year, it was a notice that was given, the North Nyanza African District Council, or the North Nyanza district, had not been split, and the fact, Sir, I said more than once, in this Council, with regard to splitting these districts, but, I was more keen on the question of local government, but not on the question of local government, because I have been in close contact with our district commissioner, and particularly, in North Nyanza, with an area of over 2,200 square miles with a population of nearly three-quarters of a million which has been a big burden for one district commissioner to observe, or to look after. I know very well when I say that, because even some of our Ministers on the other side of the Council, they have been district commissioners, they know the burden of work of the district commissioner. But, before I go ahead, Sir, I would like to pay my great tribute to the great work which is being done by the district commissioners, not in North Nyanza, Sir, but in every district throughout the Colony.

The reason why I was keen that this Motion should be moved by my colleague here, was, I find it, for an individual, a district commissioner, participating in the work of administration at the same time in the work of the local government. I would observe that in my own area that there was no reason why my friend, Mr. Mathu, could not have moved this Motion and said they should have a president in Kiambu, but why did he say North Nyanza? So for that matter I have not the slightest hint what my hon. friend, the Minister for Local Government, is going to say about this Motion, but I would prefer that he accedes to the request that has been made in this Motion.

Now, my hon. friend, the Chief Native Commissioner, knows very well why he acceded to the question of dividing North Nyanza in two districts, because of the burden of looking after the affairs of the district, and at the same time we know very well that the president who is the district commissioner cannot be able to handle the affairs of the administration and all the paraphernalia that might happen here. He is a chairman of this, he is a chairman of that, it is impossible, he is only a human being.

[Mr. Awori]

Now, according to the law which was quoted by my hon. friend, the Government made a law that the councillors would be able to elect a president from among their own members. Now, what is stopping the question of the implementation of the Government law? That is what we would like to know. I know very well. The reason why this Motion came, arose from a question which my colleague brought here last year. He was dissatisfied with the reply from the hon. Minister for Local Government, so he thought that the best way was that the Motion be debated here and we did so. The Minister looked into the dark side, he never looked in at the credit side at all. He got all his staff to go and find out all the audit queries; 91 were mentioned.

Mr. Mathu did not want to quote the reply from the president when the African district council in Kakamaga met. He mentioned there was no dishonesty, there was nothing at all, among those audit queries. There was nothing at all, and, I think, the Minister has already received it and that was the main reason why he said that, because there was very much work so it is high time that they get a financial adviser. Now, I wonder what the Minister is going to say, because he has already received, among those 91 queries, if my recollection is right, at least 85 queries have been replied to and they are all correct, so there cannot be anything dishonest.

There is another point which the Minister, either speaking to him or in the council, he feels that because the African district council in North Nyanza has refused a financial adviser, so well, they should not have what they are requesting. I could be able to quote from Minute 6, with your permission, Mr. Speaker, "Minute 6/2 Quote 56: 'When Finance and General Purposes Committee held on 21st January, 1956. Whereby the chairman, who is the district commissioner, stated the chairman recalls that the council has refused to accept the services of a local government inspector, who was appointed by Government for secondment to North Nyanza.' He wanted to open the issue, the question as he felt sure that Mr. Wabuti was the last person to deny the

advantage of having a financial adviser. The chairman explained, at length, what had happened in the Central Nyanza council, as he knew it to be a very progressive council. Rather than send Mr. Wabuti to England he believed that it was cheaper to have him work under a qualified person here, so that he could study at home and pass his intermediate examinations before going to England for the final I.M.T. examination. Mr. Wabuti, who is the treasurer, explained to the committee that he personally was anxious for the secondment of the financial adviser (who is a European). After the committee had debated the matter and asked many questions, it was unanimously recommended that this Council should request Government to second a financial adviser." Now, the other staff, I do not need to read that, I will be able to show it to the Minister later on.

So there is no question of excuse that our North Nyanza African District Council is a bit stubborn in having somebody to look up their affairs. But even if Government were to agree, I do not want a president who would be like a man to open functions, just to visit the health centre, and when a Minister comes from Nairobi, or from England, or the Governor attends, all he has to do is to put on big robes and then go to open functions elsewhere. No, I do not want that. I would like an administrator, that is what I would like, and we would still like the help of the district commissioner, because they know their field very well. We do not want to dispense with their services at all, we still need their services very, very much indeed. So it should not be misunderstood, Mr. Speaker, that when we move this Motion we are trying to be independent from the Central Government. That is far from true. All we want is, to learn by trial and error.

Now, as my hon. friend, Mr. Mathu, mentioned during the course of his speech, there have been requests, from time to time, and if I can remember rightly, because my father has been in the African district council as long as 1924 and I have been reading the Minutes. I can be able to recall that since 1935, the requests were made before His Excellency, Sir Henry Moore. The requests have been made to our present

(Mr. Awori)

Governor, requests have been made to Mr. Creech-Jones, then Secretary and to Mr. James Griffiths;

Now, with all these requests, when the Minister goes to a district—he says that "Yes, it is a progressive district," when His Excellency the Governor opens another district in Elgon/Nyanza, he says, "Well, you have made great progress." When the Chief Native Commissioners visit it is the same thing. When the hon. Chief Secretary, the same thing. Now, well, if they have made any progress why do not you give them something ahead, when they are in thousands, say, "You are making progress." Give them something, if they do not develop, you have got all the right to say, "Well, you have not done well, there is no question of having an African president, that is what you like." Have an experiment in an area where you, yourself, have expressed that it is a progressive area, then we can eventually have the same thing in other districts which are also progressive.

I know my hon. friend, the Minister for Local Government, would like this Motion to be general, but then he is going to quote some backward areas, Maralal or somewhere like that, who are not progressive. Now if we do not have anybody capable in North Nyanza among the councillors, I do not see any reason why the council should not be able to send one overseas for a year and make him look at the working of the county council, not only that, but I would like him to come in the office of the Minister for Local Government, and let the Minister himself devote an hour every day to talking about local government. (THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: The day is not long enough!)—because I mean, you cannot go and say, "You make the law so that the members can elect a president among their own members", then you say, "The councillors are immature", that does not make any sense, so now I want during the course of the reply, from the Minister, to tell us exactly when we shall be mature. If, of course, he does not accede to this Motion I would like him to let us know the date, whether next year, or the year after or 10 years hence, will not be satisfied at all.

Finally, Sir, I would like to comment on what my friend, Mr. Mathu, has said, because during the course of the reply from the Minister last year, he said that our treasurer did not have the experience. Now, he did not have the necessary qualifications. When this Motion was going to be moved my hon. friend, Mr. Mathu, was unfortunately sick, and I have from the treasurer the degrees and Diploma of Commerce. Unfortunately I do not have a diploma at all, but I have got from the treasurer himself, I brought for Mr. Mathu to present here before the Council a South African degree and an English diploma to prove that that person is fully qualified. Whoever makes the mistake, it is not him, it is the subordinate person. Now, who are the subordinate persons? Every branch is in charge of somebody else. Now, who are in charge, the medical in charge of European, the European, the veterinary, forestry, that is why even the president said himself, during the course of the reply to the African District Council, North-Nyanza, he mentioned that there was no question of these queries to which the Minister replied. But then who can never make any mistake in this world? Everybody makes a mistake.

So, Mr. Speaker, I should like the Minister and the Government to support this Motion and if there is anything on any question of the time when we can have an African president then let us be told, otherwise what I am going to do is to bring a Motion in this Council to amend that law, whereby it says the councillors can appoint a president among their own members, I would like that to be amended so that we do repeal, as the Minister for Commerce repeated the law yesterday, I would like it to be done, Sir.

Mr. Speaker, Sir, I beg to second the Motion.

Question proposed.

MR. COOKE: Mr. Speaker, I would like strongly to support this Motion.

Now, we hear from the hon. Chief Secretary about the lot of overwork which the district officers have to do, and here is an admirable opportunity for delegating that overwork to an African.

Now, it is absurd to say that, after all these years, you cannot find an African

(Mr. Cooke)

in a progressive district—as I believe North Nyanza is—who can undertake such work. I remember when, 20 years ago, I was district commissioner at Tabora, I always handed over the chairmanship of the local district council—as it was called then—to an African, and I think it always worked very favourably. Certainly I can never remember one instance of any defalcations during the two-and-a-half years I was at Tabora.

Now, I cannot believe that, amongst that galaxy of talent on the other side of Council, they have not in 20 years produced Africans of the same type that we in Tanganyika produced in a few years. If the confession is that they have not produced that type of African, well then one can only say it is just too bad, and they have dismally failed in their duty.

I therefore strongly support this Motion. I was sorry to hear the hon. Mover laying more emphasis on academic qualifications than on character. After all, we all realize you can obtain a great many Africans who are academically well qualified, but not always are they as trustworthy in money matters as we would hope them to be, but, nevertheless, I am certainly prepared to give them this opportunity in this particular instance. That does not say, of course, that the district officer or the district commissioner should not keep a stern eye on what is happening. Of course he should, but he need not be the whole time on the right-hand side of the chairman. He can go out and do other more useful work, such as road-making and bridge-making and so on, instead of sitting on an office chair and wasting a good deal of his time.

Now, I do not know what the answer of the hon. Minister is going to be, but I would remind him that it would be an extraordinary position if we found that we could not trust an African to be President of this Local Native Council, when the Government has found an African to be a Minister of an important department on the other side of Council. Now, some of us have always felt, and some of us—strange as it may seem—were just as keen as the supporters of the Lyttelton Plan to see the African go ahead—and some of us are determined that he shall go ahead—but we would

prefer to see him get his experience in local government structure such as this is, before he takes on the even more onerous duty as a Minister on the other side of Council; but, however that may be, it would be, it seems to me, quite illogical that Government should turn one down—one suggestion down—and accept the other.

Sir, I heartily support the Motion.

MR. GIKONYO: Mr. Speaker, Sir, I rise to support this Motion very strongly, and, in doing so, I want first of all to congratulate my friend, the hon. Mover, and the Seconder of the Motion, for the very able way in which they have put the Motion before the Council.

Of recent years there has been a very great interest taken by the people of this country in the local authorities' institutions—European and African—and they have demanded from time to time that certain powers should be handed over from the Central Government to local authorities, and the Government has on many occasions acceded to that, and I believe that the trend of affairs in the country will be for local authorities to have more and more powers handed over to them; and this is one of the genuine demands from the Africans that the Government should allow one of the members of the African district council to be the chairman of that particular district council. It is their wish because they feel that their own president, would perform the duties, could guide the council to be more efficient. I do feel, Sir, although this Motion only refers to one particular district council, many other district councils are of the same opinion, and I am sure this Motion will also interest many other African district councils. Not all African district councils are of the same level. There are different levels of progress. I feel that this would be very appreciated by the African district councils that when they feel they are mature—and that they can conduct their own affairs better—their demand for a president should be seriously considered by the Government. I feel that it is a matter that affects many African district councils, and I would advise Government very strongly to accede to this request.

I beg to support.

MR. CHANAN SINGH: Mr. Speaker, Sir, I wish to give my support to this Motion.

I think, Sir, the time has come to take the next step in local government in African areas and that next step, I think, should be to allow Africans to become chairmen of their own councils. After all, Sir, the idea of local government is to enable people of a locality to govern themselves in local matters. That, in effect, is the reason why in some countries, Sir, local government is called "local self-government".

There is another point, Sir, and that is this. We have, as you know, two different systems of local government in the Colony. I think we must prepare the district councils in African areas for the day when we shall have a common system of district administration throughout the Colony. That will be impossible, Sir, unless we give Africans in their own areas the right to govern their own institutions. That does not mean, Sir, that there should be no link with the district administration. That link should, in my view, remain, and the district commissioner or his nominee should continue to attend the meetings of African district councils and give the councils the advantage of his experience and of his knowledge: but, Sir, if the head of the African district council is an African, that will give a great psychological effect to the people in African areas, and they will feel that they are being prepared for greater participation in the administration of the country in the future.

MR. ARAP MOI: Mr. Speaker, Sir, it is now clear beyond doubt that the main purpose of this Motion is to enable Africans to participate more fully in the affairs of local government. It will mark a great step forward in the constitutional progress of local government.

The hon. Member on the opposite side will agree with me that paper work in the last five years has increased to such that the district commissioner is not able to cope with such, as well as attending other matters affecting the whole district.

When I look back over the history of the African district councils, I cannot but recognize how much more Africans owe to Her Majesty's Government—

administrators who have done so much in the darkest years—days when Africans were in the dark, and now have come to see the light, and it is now time that the Government should hand over the affairs of the people into their own hands.

Sir, Lord Hailey, an eminent authority in the field of British administration in Africa, sympathizes with the way in which the powers and executions and functions of the African—or local native councils, as they were then—were vested in the hands of the district commissioners. Well, I am not of the opinion, Sir, that the whole executive function should be withdrawn from the district commissioner, who is in charge of all the affairs of the district. He is interested in everything in the district, and I do feel that, even if the presidency of the council is granted, there is no need—no fear—at all for us to think that if powers have been given to Africans they will misuse them.

I cannot say much, because my hon. Members have said all that I could say, and all that could induce the hon. Minister who is concerned to accede and agree to this Motion, which has been very fairly given and moved, and I support it very strongly.

Mr. Speaker, I beg to support.

MR. HARRIS: Mr. Speaker, Sir, I did not intend to intervene in this debate. I had kept an entirely open mind on this Motion but, even without Government replying—I do not know what their reply is going to be—I am afraid I must oppose the Motion.

The argument, as I see it, so far as that local government is most important. It would be a great constitutional step forward for the chairman to be an African and the district commissioner is so rightfully busy, therefore he would be shelved of the responsibility for this work. That, I understand is the argument. Well, Sir, if local government is as important as this—and I believe it is—then I am quite sure that there are far more duties that the district commissioner should have shorn from him, before he gives up this very important activity.

But, in any case, Sir—as I understand the suggestion—the district commissioner is not, in fact, going to be saved

[Mr. Harris] any time at all, because, instead of sitting in the chair, he is going to sit on the right-hand of the chair to advise how local government should be run. That is the argument as produced by the supporters of this Motion. I do not feel that that can really help the district commissioner very much, because he has got to give up the time anyway, and he will not be out making the hon. Member for the Coast's roads!

Now, Sir, I come to the hon. Member for the Coast. He thought that there was an inconsistency in having an African Minister, but not having an African chairman of the district council, which only goes to show, Sir—as I have always suspected—that he does not really understand the responsibilities of a Minister. The responsibilities of a Minister are to advise, and I believe in the field of advice on African opinion there can be nobody better than an African to give that advice to his fellow Ministers, but, Sir, a chairman of a council is executive and, even if he should not be—in fact, having been the chairman of a council which has been under a certain amount of criticism lately, I do know that in the end it comes to executive work. In any case, Sir, the functions of a chairman of a district council and the functions of a Minister are rather different, and I believe that if you attach the tag of merit and ability in the matter of giving advice on African feelings and reactions, it is possible to find an African who can give that advice very much better than a European, but, Sir, when you have a man trained in administration, with a very expensive background of education and training in a district, and you have an administrative job to be done, then I should have thought, on the measurement of merit and ability, that that was the man to fill the post of chairman of the local authority.

Therefore, Sir, for those reasons I beg to oppose.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, a number of hon. Members have spoken on this Motion but I think that as the hon. Member for Nairobi South has just said, there are not so very many points to cover. I would like,

when I start, Sir, to congratulate the hon. Member in putting forward, I think, a very reasoned argument for his case, in very moderate terms, although I know he feels rather hot under the collar about it, and I would also like to say straight away that I have very considerable sympathy with his view and I hope that the views expressed by himself and his colleagues may well be met by the Government in the not too distant future.

Now, Sir, but—of course there is always a but to those sort of remarks—but I am afraid Government cannot accept the Motion.

In answering the question that the same hon. Member put some months ago, I did, of course, stress specially the financial angle, but I did say in the answer to the question—the financial aspect is only one consideration, and until such time as an African district council can demonstrate clearly and beyond all doubt that it has fully matured and in every way can manage its own affairs with a staff of trained and experienced officers, I should not be prepared to agree to remove the influence of the district commissioner, etc. That, Sir, is really the hub of my argument. It seems to me that in local government the foundation—and it is necessary to have a very secure foundation—for a local government structure is finance, but the key to the building itself to prevent the walls from falling apart is good, reliable, trained staff, and of course the key man of all staffs is the clerk.

Now I presume, Sir, because of the terms of this Motion, one has to confine one's remarks more or less to the North Nyanza African District Council and although I was accused by one hon. Member—I presume of some form of chicanery—in that I suggested that the terms of the Motion might be widened, the only reason why I suggested that was because it might not be that the North Nyanza African District Council would be the first African district council to have an elected African chairman and I wanted, therefore, to discuss other African district councils more specifically, but there it is.

Now, Sir, the financial aspect, as I said, is very important and the founda-

[The Minister for Local Government, Health and Housing]

tion, and I am very pleased indeed to hear the minutes quoted by the hon. African Representative Member, Mr. Awori, with regard to the present attitude of the North Nyanza African District Council about a financial adviser, but it has taken an awfully long time for that council to recognize that the financial aspect and the accountability and so on should be strengthened. I hope it is not just because it has been divided that it has changed its mind, and I also hope, Sir—I am not sure myself—I also hope that those minutes which were only committee minutes have been confirmed by the whole council, because apart from the fact that they do not carry an awful lot of weight until they are—[An hon. Member: They are confirmed.] The hon. Member tells me they are confirmed. Well, Sir, Government will now try our best to obtain a financial adviser for this council. Those particular remarks and the quotation of that minute, I think rather detract from the effusion which other hon. Members made about the treasurer of the North Nyanza African District Council. I do not want to go into personalities about it at all; I understand he is a very willing and pleasant man, but he has not got the qualifications. I do not like personalities being slung around and details about people being slung around in this Council, but it is correct to say that he has not got the accountability qualifications and the mere fact that he himself admits that he would like to have advice now, I think, proves that he himself understands that he is not yet fully experienced—sufficiently experienced—to carry the whole burden of financing an accountability of this district council. As hon. Members may know, members of my staff have been working—or the local government inspector's staff have been working—in that particular area of late and I have full reports on the present condition of the accounts and other matters and I am very satisfied that with regard to finances, a financial adviser is essential and desirable and again I express my appreciation that the council itself agrees to that.

Now, Sir, the situation is, as I think the hon. Member for Nairobi South pointed out, that with regard to African district councils, the structure or the ad-

ministration, one might say, of them is very different, at the moment, from that of other local government authorities, in that the chairman—the district commissioner—is also the executive officer. That is, in fact, what he is and he has to do all the work—or is doing a very considerable amount of the work—of what should be done, or what would be done in another local authority, by either the town clerk or the county clerk. Now it is my view, Sir, that that is the wrong set-up for a local government authority. This is merely a stage; African district councils are in a stage, and quite an advanced stage, towards full development as local government authorities, but they are in that stage, and it would seem to me that in the future the better—and very much better—situation will be when proper qualified staff, and including the district clerk or district council-clerk, are available, then the chairman will be what a proper chairman should be. Although the hon. Member for Nairobi South, ex-Mayor of Nairobi, did say that a chairman of such a council is in some effect executive, I agree he is in some effect executive but he is not executive to the point of being an executive officer and he never should be, and the real, proper executive is the town clerk or the county clerk. When that state is reached—and I hope it will not be so very long—then I see no reason myself why the council should not elect its own chairman and I am quite certain that the district commissioner would be very pleased to be relieved of this very onerous and detailed work which he has to do on behalf of the council at the moment. He, I do hope, as with other local authorities, as has been stated by hon. Members, will remain a member of the council just as the district commissioner is a member of the Kisumu Municipal Board or the Nakuru County Council and so on, and I think that will be very valuable, but until that time comes, Sir, I do not see—I will put it this way—until we can divorce the executive functions of the county clerk from that of chairman, it would not be advisable to remove the district commissioner from the chair.

Now, Sir, this is a difficult question from another point of view. Each committee of African district councils relies very considerably on the district officers of the different departments to advise

[The Minister for Local Government, Health and Housing]

and help them with their particular problems; the agricultural officer, the veterinary officer, the medical officer and so on. Now those men are employees of the Central Government and are paid fully by the Central Government. They are also members, as the hon. Member said, of the district team and therefore within the general purview of the district commissioner as such. It would seem to me very inadvisable, until a new system can be devised whereby the African district council really employs their own staff, not just uses Government staff, it would be very inadvisable to divorce the chairmanship from the district commissioner, because in that he has another function of being the chairman of the district team.

Now I am not just trying to push this off to the future because Government at the moment is considering a reorganizing of African district councils, and the finances especially, with this sort of thing in view. Now in other words, if I can give you an example, it might well be that the African district councils should pay for the services of whoever it may be, whether he be a servant of Government or not, as an officer of the council or part-time officer of the council, and when that particular matter is settled, then the whole situation—the whole pattern—will be much easier to fit into what the hon. Member requires.

Now there are one or two actual remarks that have been made, Sir, by hon. Members, which I think I must refer to. There was one with regard to—I think the hon. Member said that so far as he knew, whenever he was present the president was always present in the chair and the deputy president really never had much chance to take over. Well, I am told by my staff and told by the district commissioners and members of the council when I have been round, that it is very, very seldom that the deputy president does not take meetings and that the president does come in. I have no doubt that in courtesy to the hon. Member, the president was present when he himself goes to special districts; as a Member of Legislative Council such courtesy should be shown to him; but

I am told that on very many occasions indeed in the day-to-day workings the deputy presidents in most districts do carry on in the chair. [Inaudible interjection.] But, of course, if I may point out that is exactly the lead that I required, which the hon. Member for the Coast so often does give, that of course his being in the chair at meetings is what the chairman should be; that is really what his function should be. But I tried to point out before that the main function of a chairman of an African district council at the moment, and that function is carried out by the district commissioner, is an executive officer not a chairman, and it is when those two functions can be split that what is desired will come about. I am not going to enter into arguments, Sir, about the political side as to whether there is any comparison between an African Minister and an African chairman of an African district council. I do not think that really affects this particular issue at all. I personally feel that the more we can keep the development of local government in any area away from political influences, the better—and even comparisons with political set-ups are not desirable.

The hon. African Representative Member, Mr. Awori, stated that in answering the question I took the dark side and did not give much credit on the credit side. Well maybe I did because I felt that one should not hold out false hopes, but I quite admit, very much admit, not only the admirable efforts of the Administration in building up local government in the African areas and the very hard work they have put into it which has been acknowledged by hon. Members, but also the hard work that has been put into it by the nominated and elected councils themselves and no one knows better than myself, although I have not personally experienced it—what a trying job it is to be a councillor of any local authority council, because there is nothing in it for anybody. There are no fees, nothing like that. You certainly get no fees; no help like hon. Members of this Council. I do not think I need either; Sir, try to draw a parallel or to answer the parallel that was drawn by the hon. Member for the Coast between African district councils like the North Nyanza African district

[The Minister for Local Government, Health and Housing] with which we are dealing in this Motion and the Tabora local native district or something just 35 years ago. I do not think, Sir, that that either enters much into the argument one way or the other.

I was not quite certain, Sir, and I should be glad if the hon. Member would interrupt me if he wishes to, what the hon. Member for Central Electoral Area was getting at in his speech, apart from general support for the Motion. I do not know if he was trying to advocate—I may be entirely wrong—if he was trying to advocate that there should be members of all races on African district councils. I see he shakes his head so I assume he was not. Maybe he will do that on another occasion.

Now, Sir, I have no doubt that hon. Members will be disappointed in what I have said and, unusually, the hon. Mover has the last word in this particular Motion and not the Government and no doubt he will come back, but I do want just to recapitulate on this. Firstly I believe that the development of local government in African district council areas must be on the line of the executive responsibility being held by permanent officials, well-trained—and there is no reason why we should not get them in the very near future—I do not mind what race they belong to. When that happens, then the council must be able to elect its own chairman, and I personally feel that, especially with the attitude that is now being shown by the North Nyanza African District Council, they are much nearer to that stage than two or three months ago, and I am very glad indeed to hear it.

Now there is only one thing I want to add—a point I forgot—the hon. Mover did mention the term of the period of service, one might say, of the chairman of an African district council being three years, and the deputy chairman or deputy president one year. It is, of course, usual in all local government for only one year and an annual election for such officers is rather a basic matter in local government. I believe it is right and proper that you should have an annual election, provided those officers

are doing the job which they should be doing, and that is being the chairman or the mayor and not being the executive officer and a bogus town clerk or county clerk. That is just about what they are trying to do to-day. Therefore, if the functions were properly defined and the Administration in that way properly amended, there would then be no need to have extended tours of office for those officers.

Sir, I beg to oppose.

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, my hon. friend, the Minister for Local Government, has covered the field most adequately, but I would like to make one or two points.

One is that I detected among certain hon. Members opposite what seemed to me a misconception—a misconception that there can be two governments in a country—one a local government, and the Central Government something quite apart. I do think, Sir, that this does sometimes creep in as a misconception. There is, in my view, one government of any country—and that is the Central Government—although it may delegate its functions in certain respects to local authorities. It cannot divest itself of the responsibility for overseeing the general government of the country, in which local authorities play a very important part although they cannot assume powers—they cannot take powers from the Central Government in the sense that sometimes is suggested—in the sense that the Central Government can be expected to divest itself completely of responsibility. I make this point, Sir, because the Kenya Government has very much at heart the development of local government in Kenya—and particularly African local government—and the picture the hon. Mover drew of the progress of African local government brought this out.

I, indeed, have had 25 years' experience of the development of African local government, and I well know the progress that has been made. I am also very well aware—really aware, Sir—of the progress that still needs to be made, particularly in this vital one of training staff, which my hon. friend, the Minister for Local Government, has drawn attention to. I do agree with my hon. friend,

[The Minister for African Affairs] the Minister for Local Government, on this point particularly and I do also think that, in the light of experience we have gained in the years, that there may well be a case for considering some amendment to the Ordinance that empowers these local authorities, possibly redefining the functions of the president and the executive staff.

I think that it was a pity perhaps that the hon. Mover had to pinpoint one council in this Motion—that of the North Nyanza district. There are—as has been suggested—a large variety of councils in many stages of development, and it may well be that, as we progress, certain powers and certain functions under this one Ordinance may have to be reviewed in the light of certain councils struggling away in the rear in their state of development.

The hon. Mover also made some play of the ratepayers in North Nyanza demanding increased responsibility in the executive functions of the council. Well, Sir, I would ask him to remember again the responsibility of the Central Government for these ratepayers, and for the money that they contribute, and it is really for this reason, Sir, that we cannot accept this Motion. From my knowledge of the internal affairs of this particular council, and the personalities involved, I can say, Sir, that I do not believe that the ratepayers would find it acceptable in any way if we were to accede to this particular Motion, Sir. I think that my hon. friend, the Minister for Local Government, has drawn that out.

As progress has come in the years for these district councils, so also complications have grown, and I think that that is a point to be remembered—that we always have a certain time lag in the development of progress and the development of complications—and therefore the greater need growing every year for the training of staff to cope with these complications. I think that should be remembered, Sir.

In conclusion, I would like the hon. Mover and the hon. Members who have spoken in support of this Motion to realize that Government does realize—the Kenya Central Government does attach the greatest importance and the

greatest value to the development of these African district councils. We do appreciate, and we are not unsympathetic to the aspirations of those who may wish for the office of president or other offices in these councils, but our main consideration is the sound development of local government, the proper training of their staff and the protection of those who contribute rates to the development of these councils, Sir.

I beg to oppose.

THE SPEAKER: No other Member wishing to speak, I will call upon the hon. Mover to reply.

MR. MATIU: I should like to say that I do not agree with the Minister for Local Government that the African Members will be disappointed that the Government have turned down this Motion, because we are used to it. We are so used to disappointment and frustration that we are almost immune now, because the constructive suggestions coming from Africans on this side of Council are turned down by Government and, in fact, they go further, as the story in the Bible. There the child asks bread from the parent, and the parent gives him a stone. It is quite a common thing, and so you should feel glad that we take it with the humour that, fortunately, God has bestowed upon us.

Now, there are a few points I should like to mention in reply to hon. Members. First of all, I should like to thank those hon. Members on this side of the Council who have supported this Motion, and in particular my hon. friend, the Member for the Coast, who has had practical experience in the administration of these territories, and therefore he is speaking from inside knowledge in these matters.

I should like to answer other hon. Members who have spoken on this side of Council. I should like, as far as my hon. friend, the Member for the Coast is concerned, to assure him that I did not want to emphasize the academic qualifications as against the character of the individual. That is certainly a prerequisite in every person holding a position of responsibility, but it has been said so often in this Council that it has

[Mr. Mathu]

almost lost its meaning now, so I thought I should not mention it again.

My hon. friend, the Member for Nairobi South, who—I regret to say—opposed this Motion, and either he did not quite listen to what we were saying or not, because of the reasons that he mentioned which we have given to get the Government to accept this Motion, so that the Africans of North Nyanza should appoint their own African president—he only mentioned a minor one. It is not just because the district commissioner is busy and therefore gives responsibility to somebody anyhow. That is not the major issue. The issue is we have provided the law five years ago providing that a council can appoint its own president, and that we think that during that time we ought to be able to implement that provision if it is worth putting it in.

The second reason is that I have given about fifteen years of public expression by the African district councillors in North Nyanza, and by the taxpayers, of their desire that this should be so. That is a 15 years' request, and when you hear the Minister for Local Government saying these views—they are sympathetic, but—not yet. You see the block he puts against the mind of the community that have constitutionally—constitutionally, Mr. Speaker—asked the Government to accede to this request, and he puts a block like that and says "not yet!"

Now, Sir, that is the second reason, and the third reason, Sir—which I want to recapitulate in order to convince my hon. friend, the Member for Nairobi South—it is not just because the district commissioner is busy that that request for the last 30 years has been such that it has given a sense of responsibility to these people in North Nyanza, and that they are therefore in a position to try it out on their own, with the advice and the support of the Administration and the local government.

That is the third reason, and the final reason, Sir, is this—that they have raised money themselves to give services in education, in health and in other matters in their own district to the tune of over £400,000 anyway—or more—last year in this matter, and an authority that has

done that is doing a good service, and if the district councils—that one particularly—do that, surely the Government could not say we are not going to provide services. We know elsewhere—for instance in Nairobi, the City Council has refused to take over the primary education of Africans. Well, the Central Government is doing it. It may be the same thing in North Nyanza. That is the state of things, and that is a very important reason—you see that is so—and I should like to ask, Sir, that with that—with the education that we have given to our people in this country—and abroad—the time has come when we should think whether we should test whether we have wasted our money in investing these human assets to the country by giving them real responsibility, and those, I think, are the points, Sir, and I agree with them. Merit should come into it, but the yardstick has never been produced properly—never got to the point that we can measure what we have achieved in this question of merit and ability.

Now, Sir, to answer some of the points raised by my friend, the Minister

THE SPEAKER: Has the hon. Member much more to say?

MR. MATHU: I shall be about five minutes more.

THE SPEAKER: I think the time has come to take the customary break. We will suspend business for 15 minutes.

Council suspended business at fifteen minutes past Four o'clock and resumed at thirty minutes past Four o'clock.

MR. MATHU: Mr. Speaker, Sir, when Council rose I was beginning to answer some of the points raised by the Minister for Local Government in his speech.

Now, I agree with him that the two most important points that he has advanced in his very poor opposition to this Motion is that we must control the public finance and local government activities properly, and secondly that we should have trained staff who can do this. I should like to ask him to do this, to get the Africans in North Nyanza, or any other district for that matter, and encourage them to study for accountancy, either locally or abroad, as

[Mr. Mathu]

speedily as possible because I do not think there is any lack of material, human material, for that purpose. Every time we raise the issue, the Government says, "What about money for doing it?" And then when we raise what we want he says, "Well, do you have trained staff?" Well, we cannot have it both ways, Sir. Either we become generous and provide funds to train these people so that these replies should not be given.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: I would like to explain to the hon. Member, the financial advisors who are being appointed to the African district councils are not there for ever. They will be training staff and I hope the staff will be able to take over from them in the near future.

MR. MATHU: I agree, Sir, but I want to go further. In addition to that, if you want to have these qualifications, which the present staff have not got, and even when they are trained without these qualifications, when we raise this matter again, as we shall with every opportunity we get, you will give us the same reply. It is these letters after other people's names that you attach tremendous importance to and you say we should pursue them, so that you do not push us aside like you usually do in these matters—they are convincing, I must say.

The other point, Sir, is in regard to what he says, Sir, about the relationship, the financial relationship, between the African district council and the Central Government finance. The Government, I hope, are coming nearer to finality in this matter because it has been hanging on for a very long time. We suggest, Sir, that as soon as we know these matters and if they are to be the condition of our having an African president of the council in North Nyanza, or anywhere else, the sooner we know about them the better.

As far as the meetings of council are concerned, I think I can assure him that I am right in what I say, that the deputy president presides over the first sitting of the African district council meeting, or the preliminary meeting, and as

agenda of all meetings of the African district council come to me, that I think is quite strong evidence that what I say is correct.

Secondly, I have personally been a member of an African district council for nearly ten years and I have seen the working of it myself. That is one of the reasons why we were suggesting that if this deputy president is going to have a proper training in order to run the affairs in due course, he should have not one year but three years until you can have a trained man who could be appointed annually when the time comes.

I have already suggested, Sir, that the Government should sometimes meet requests made in the way we have done in this matter, because I think it is unfortunate that we should give a feeling of frustration to the people we represent.

From there, Sir, I should like to go to some of the points raised by my friend, the Minister for African Affairs. Now I, personally, do not think that any of us have any misconception, at any rate the African Members, that there should be two governments in the country. I made my position very clear in moving this Motion. We want close association with local authorities in African areas with Central Government, but, in fact, the powers of Central Government arise only from the Central Government through this Legislature, and I never suggested in the least that there should be two governments. What I suggested was that in the local government level in African areas, the African should feel, not only that he has some participation in this, but he has also an executive responsibility. That is the point I wanted to emphasize in my Motion, but not at all to divorce the local authority from the Central Government. It cannot happen and I want to assure my hon. friend, the Minister for African Affairs, that it was never our intention to give any impression of that kind. I think he got us wrong there.

Now, Sir, he says that it was unfortunate that I pinpointed the one district to move this Motion. I have given my reason for doing so, Sir, that the people in North Nyanza have been persistent in their request, and the documents I have got here, and the memoranda they have produced either to the local officers

[Mr. Mathu] of Her Majesty's Government here, or officers in the United Kingdom, I have here, and no other district council has been so persistent in requesting that they should have an African president of their council.

That is one reason. Now, the other reason is this. Ever since we raised this matter in October, in the newspapers we have had tremendous support from those who have written to *Burata* and the *East African Standard*, and in that respect, Sir, I assure the Minister for African Affairs that we are not playing with the ratepayers that they should participate in the Government; or we are not playing with them at all. I am only trying to represent what appears to me to be a majority view of the ratepayers in North Nyanza as far as this matter is concerned. As he says he wishes to meet the aspirations of the people in this matter, then this is just the opportunity, as my hon. friend for the Coast said, this is the opportunity to demonstrate that what he says can be carried out in actual fact.

I never suggested, Sir, that local funds should not be safeguarded. I have already said, Sir, in answer to the point raised by my hon. friend, the Minister for Local Government, that we should protect the taxpayers, but that does not suggest that sometimes mistakes will not occur, not only in an African local government, but in other local governments as well, or even in Central Government. That is no reason why we should not go ahead in giving people the opportunity to exercise authority in the proper way at the local government level.

Now, Sir, I am going to all down and would like to say, Sir, to ask, that the Government should give a free vote to their members, but we would like first of all to know how African Members on that side are going to vote, because if they have joined the Government in opposing this Motion, it would put them in a very embarrassing position, but, however—and the Minister for Local Government too—but I do not think, Sir, that we are going to press this Motion to a division. I think it has served a very useful purpose. It has, I think, demonstrated that we have a case, and that the Government has a very weak case, Sir, in opposition to this Motion, as every-

body has seen, and we hope that our views will be met sooner than we had expected.

Sir, I beg to move.

The question was put and negatived.

COMMITTEE OF THE WHOLE COUNCIL

Order for Committee read.

THE SPEAKER: Before Council resolves into Committee, I would like to point out to hon. Members that there have been requests, since the Order of the Day was printed, by the Ministers in charge, to withdraw from consideration by a Committee of the whole Council, the Trade Unions (Amendment) Bill and the Pyrethrum Bill. That is numbers (c) and (f) of the Order. As these Bills are down in the Order Paper for consideration by a Committee of the whole Council, this withdrawal can only be effected by the leave of Council. I will accordingly put the question that the Trade Unions (Amendment) Bill and the Pyrethrum Bill be withdrawn from consideration by a Committee of the whole Council to-day and that the Committee Stage of the two Bills be postponed until a future occasion.

The question was put and carried.

[Mr. Speaker left the Chair]

IN THE COMMITTEE

[D. W. CONROY, Esq., O.B.E., T.D., in the Chair]

THE TRANSFER AND DELEGATION OF POWERS (AMENDMENT) BILL

Clauses 1 to 5 agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE TRUSTEES (AMENDMENT) BILL

Clauses 1 to 3 agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE CREDIT TO AFRICANS (CONTROL) (AMENDMENT) BILL

Clauses 1 and 2 agreed to.

Clause 2

MR. TYSON: Clause 2, Sir, may I ask the Minister in charge whether it would

[Mr. Tyson]

not be desirable to include a paragraph or a section referring to another Ordinance which enables Africans of standing to get credit beyond these figures with the consent of the district commissioner?

THE MINISTER FOR AFRICAN AFFAIRS: I would like to thank the hon. Member for giving publicity to the point that he raised, but I quite frankly do not think it necessary to refer to any other Ordinance. I think there is adequate provision in the main Ordinance for this purpose of exemption.

Clause 2 agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE RADIO-ACTIVE MINERALS (REPEAL) BILL

Clauses 1 and 2 agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE LEGISLATIVE COUNCIL BILL

Clauses 1 to 5 agreed to.

Schedule agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE LOCAL GOVERNMENT (COUNTY COUNCILS) (AMENDMENT) BILL

Clauses 1 to 4 agreed to.

Title and enacting words agreed to.

Bill to be reported without amendment.

THE PERSONAL TAX (AMENDMENT) BILL

Clause 1 agreed to.

Clause 2

SIR CHARLES MARKHAM: Clause 2, Mr. Chairman, section 6. Sir, this question of a penalty, Sir, normally if you are in the country on the 1st January, you get three months to pay this, if, however, you come back to Kenya any time after the 1st April you get one month to pay it. I did give warn-

ing yesterday, Sir, that I would like to move an amendment to substitute for within 30 days, within 60 days, to get two months' grace for those who come out on 1st April and three months' grace on the 1st January. I think it is fairer now, because at the moment the Commissioner is using a discretion in allowing people a longer extension than the 30 days, and I think this will put it legal and also will not place him in the embarrassing position of being asked to give discretion as it is not legally right for him to do so.

Question proposed

MR. CONROY: The question is that clause 2 of the Bill be amended by the deletion in the fifth line of the proposed section 6 of the word "thirty" and the substitution therefor of the word "sixty".

MR. MACKENZIE: Mr. Chairman, this point was raised yesterday and in the discussion on the Second Reading of this Bill I thought that I could see difficulties in agreeing to any extension of this kind, but since then I have given the matter further thought and I am glad to say that we, on this side, can accept the hon. Member's amendment.

THE MINISTER FOR FINANCE AND DEVELOPMENT:—Mr. Chairman, I am glad that my hon. friend has been able to accept the amendment of the hon. Member for Ukamba. I trust he will realize that although the Treasury may be mean, though it may be not quite human, at least it has a sense of humour and knows a good joke when it sees one.

The question was put and carried.

Clause 2, as amended, agreed to.

Title and enacting words agreed to.

The Bill to be reported with amendment.

THE AFRICAN COURTS (AMENDMENT) BILL

Clauses 1 to 3 agreed to.

Title and enacting words agreed to.

The Bill to be reported without amendment.

THE CHIEF SECRETARY: Mr. Chairman, I beg to move that this Committee do report back to the Council that it has considered the following Bills and

[The Chief Secretary]

has approved the same without amendment. The Transfer and Delegation of Powers (Amendment) Bill, the Trustees (Amendment) Bill, the Credit to Africans (Control) (Amendment) Bill, the Radio-Active Minerals (Repeal) Bill, the Legislative Council Bill, the Local Government (County Councils) (Amendment) Bill and the African Courts (Amendment) Bill. Also that this Committee has considered the following Bill and has approved the same with amendment. The Personal Tax (Amendment) Bill.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORT

Mr. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Transfer and Delegation of Powers (Amendment) Bill, 1956, and directed me to report the same without amendment.

THE TRANSFER AND DELEGATION OF POWERS (AMENDMENT) BILL

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, I beg to move that the Transfer and Delegation of Powers (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

Mr. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Trustees (Amendment) Bill, 1956, and directed me to report the same without amendment.

THE TRUSTEES (AMENDMENT) BILL

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, I beg to move that the Trustees (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

Mr. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Credit to Africans (Control) (Amendment) Bill, 1956, and directed me to report the same without amendment.

THE CREDIT TO AFRICANS (CONTROL) (AMENDMENT) BILL

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, I beg to move that the Credit to Africans (Control) (Amendment) Bill, 1956, 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. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Radio-Active Minerals (Repeal) Bill, 1956, and directed me to report the same without amendment.

THE RADIO-ACTIVE MINERALS (REPEAL) BILL

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move that the Radio-Active Minerals (Repeal) 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. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Legislative Council Bill, 1956, and directed me to report the same without amendment.

THE LEGISLATIVE COUNCIL BILL

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move the Legislative Council 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. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Local Government (County Councils) (Amendment) Bill, 1956, and directed me to report the same without amendment.

THE LOCAL GOVERNMENT (COUNTY COUNCILS) (AMENDMENT) BILL

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, Sir, I beg to move that the Local Government (County Councils) (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

Mr. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the Personal Tax (Amendment) Bill and made amendments thereto.

THE SPEAKER: Date for consideration of Report?

Mr. CONROY: Sir, it was a small amendment made by agreement, and subject to the approval of Council I would suggest we have the Report Stage now.

THE SPEAKER: It was almost a matter of principle, was it not, an alteration of 30 to 60?

Mr. CONROY: It is an amendment to increase the period of grace within which tax could be paid, from 30 days to 60.

It was made with the approval of the Government, Sir, and I wonder whether it would be possible to take it now or take it on another day, Sir.

THE SPEAKER: I would prefer as a matter of principle, though I am quite prepared to waive it on this occasion, that where an amendment of any substance has been made to any Bill, that opportunity be given to all Members, especially to those Members who may not have been present, to ascertain exactly what alteration is being passed.

In this case the amendment is actually of some substance, although it is by agreement. On this occasion I will take it to-day, but in future, if hon. Members will support me, I think we should always allow at least 24 hours when there has been amendment in the Committee Stage of a Bill.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I agree wholeheartedly with you, Sir, I would suggest under the circumstances that we ask that it might be taken to-morrow.

THE SPEAKER: Thank you very much.

REPORT

Mr. CONROY: Mr. Speaker, Sir, I beg to report that a Committee of the whole Council has gone through the African Courts (Amendment) Bill, 1956, and directed me to report the same without amendment.

THE AFRICAN COURTS (AMENDMENT) BILL

THE MINISTER FOR AFRICAN AFFAIRS: Mr. Speaker, Sir, I beg to move that the African Courts (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 SPEAKER: Hon. Members, in accordance with the terms of the Motion passed earlier this afternoon, I adjourn Council until 2.30 p.m. on Thursday, next, 23rd February, 1956.

Council rose at six minutes past five o'clock.

Thursday, 23rd February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

ADMINISTRATION OF OATH

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

Mr. Norman Burton Larby,

Mr. Wanyutu Waweru.

PAPERS LAID

The following Papers were laid on the Table:—

Schedule of write-offs authorized by the Minister for Finance and Development during the September quarter of 1955 for amounts exceeding £250 each;

Accounts of the funds of the Colony and Protectorate of Kenya for the year 1954/55 and reports thereon by the Controller and Auditor-General.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT)

Department of Agriculture Annual Report, 1954, Volume II, Record of Investigations.

(BY THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES)

ORAL NOTICES OF MOTIONS

COTTON LINT AND SEED MARKETING BOARD—EXEMPTION FROM PAYMENT OF INCOME TAX

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

WHEREAS the Council of Ministers has advised that the income of the Cotton Lint and Seed Marketing Board be exempted from the payment of income tax thereon;

AND WHEREAS such exemption can be granted by the Governor with approval of Legislative Council under paragraph (a) of sub-section (2) of section 11 of the East African Income Tax (Management) Act, 1952;

BE IT RESOLVED that the income of the Cotton Lint and Seed Marketing Board be exempted from the payment of income tax thereon.

AFRICAN EDUCATION

MR. MATHU: Mr. Speaker, Sir, I beg to give notice of the following Motion:

BE IT RESOLVED that in the opinion of this Council Government should state what action, if any, it proposes to take to avert the disturbing situation resulting from the present policy for African primary and intermediate education.

HOTEL ACCOMMODATION

MR. USHER: Mr. Speaker, Sir, I beg to give notice of the following Motion:

BE IT RESOLVED that this Council considers that improvement in the quality and quantity of hotel accommodation both for domestic and visitors' use is of urgent importance and requests Government to take steps to provide inducement to enterprise in this field.

ORAL ANSWER TO QUESTION

QUESTION No. 60

MR. CHANAN SINGH asked the Minister for Internal Security and Defence to state the number of firearms lost by or stolen from—

- (i) Europeans;
- (ii) Asians;
- (iii) Africans.

since the commencement of the Emergency.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Statistics by races are not available prior to 1953, but from the beginning of 1953 until 15th February, 1956, the number of licensed firearms lost by or stolen from civilians of the three races was:—

- (i) Europeans 323, or 36 per cent of firearms licensed by Europeans during the period.
- (ii) Asians 177, or 59 per cent of firearms licensed by Asians during the period.
- (iii) Africans 80, or 4.0 per cent of firearms licensed by Africans during the period.

[The Minister for Internal Security and Defence]

Of this total of 580 firearms lost, 374 have been recovered to date.

MR. LETCHER: Arising out of that reply, would the Minister tell us what number has been lost during the last six months?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: I am afraid I have not got figures for the last six months, but over the year 1955, the numbers lost were European 19, or .09 per cent of European weapons licensed; Asian 11, or 15 per cent of Asian weapons licensed and African 2, or 4 per cent.

MR. MATHU: Arising out of the original reply, Sir, would the Minister say what procedure is taken to return firearms recovered after they have been stolen, or are they kept away by the Security Forces or what procedure is adopted?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Mr. Speaker, Sir, I do not think that arises out of a question requiring statistical information. I would be very pleased to answer it if the hon. Member would put down a question.

BILL

FIRST READING

Legislative Council (African Representation) Bill—(The Chief Secretary) Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

MOTION

LIBURY PROPOSALS—REVIEW

MR. HARRIS: Mr. Speaker, Sir, I beg to move:—

WHEREAS the Libury proposals have now been in force for sufficient time to see the results of their practical application; and

WHEREAS the Libury proposals were accepted by the Legislative Council and the Civil Service in the belief that theoretical advantages would be apparent in practice;

BE IT RESOLVED THEREFORE that a local committee consisting as under be appointed with the following terms of reference:—

To report to the Legislative Council on the practical application of the Libury proposals with particular reference to:—

- (a) New recruitment.
- (b) The opportunities and inducements to local Europeans joining the Civil Service.
- (c) The maintenance of standards of efficiency and integrity of the Civil Service.
- (d) The contentment of the service as a result of the Libury proposals.

The committee to consist of:—

Chairman: Director of Establishments.

All members of the Executive Committee of the Whitley Council with powers to co-opt other members of the Whitley Council to ensure representation of all major departments.

Now, Sir, in moving this Motion, it is necessary for me I think to give a little bit of the atmosphere prevailing in this Council at the time when the Libury proposals were approved. The proposals, Sir, were accepted generally on both sides of the Council in the belief that by their implementation we would get a more contented Civil Service than we had at that time, that we would improve recruitment and that we would step up the efficiency of the service.

At that time, Sir, the Council accepted the increased cost of implementing the proposals in the belief that we would attain these three major objects, but it also made a condition, which I think was generally accepted on both sides, that the standards of the Civil Service would not be allowed to be reduced. In order, Sir, to give an idea of the atmosphere at that time, I would like to quote from HANSARD, column 1171, of 15th December, 1954, the following remarks made by the Minister for Finance and Development. He said: "I am surprised at the inconsistency of some hon. Members opposite. If they do not believe that the Government intends to carry out its intentions, then let them say so honestly and openly. I challenge them to turn from clodding the stream with mud to looking at the

(Mr. Harris) achievements and to looking at what has been done by this Government in the way of moving towards a service where merit and ability and all the things they have asked for have been based on promotion and development." The concluding words, Sir, of that long and tedious debate in 1954 were again spoken by the Minister for Finance and Development. He said: "I repeat, Sir, that I believe in the long run this report will have been shown to have sown the seeds of a happy, contented and loyal Civil Service prepared to carry out the policy of the Government in a manner authorized by this Legislative Council". That is the atmosphere, Sir, in which we accepted the Libby proposals some fifteen months ago. We believed that those three factors were going to be achieved, but, Sir, I now have to draw the attention of the Council to the present position. To say that the Civil Service is contented, I think would not be strictly true. There is obvious evidence of discontent in various grades of the present Civil Service.

As for recruitment, Sir, I challenge any Member on the other side who is in charge of a department, to tell us that his recruitment troubles have been eased by the implementation of the Libby Report. And, Sir, there is now in the Civil Service, a whole stratum of what one might term, in military parlance, the old backbone of the army, the warrant officer class—those people half-way up the scale who, to-day, are being grossly overworked because of the implementation and the implications of the Libby Report.

The discontent, Sir, which I have mentioned, and the lack of recruitment, is not restricted to any one race. I think it is common knowledge that there are very serious difficulties in some departments over recruitment of professional staff which is usually considered to be European staff. I would ask, Sir, for a question to be asked of the Audit Department as to whether they are finding all the case that they require in recruiting Asian auditors. But, Sir, by implementing the Libby Report, we started on a process of what I believe has been called the "Africanization of the Civil Service". This had two very serious effects. It has caused at two

steps in the general scale: a complete vacuum due to lack of recruitment. At the bottom of those salary scales where one would usually expect to attract the young and the new European there is a vacuum. At the step where one would usually expect to recruit the young and the new Asian to the service, there is another vacuum and the result of these—I am not sure, Sir, what the plural of vacuum is, but for the sake of argument I will call it vacuums—

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Vacua.

MR. HARRIS: Vacua, Sir. I expected the Minister for Education to come to my assistance, but it was the Minister for Defence.

The result, Sir, of these two vacua is that people have been promoted and have taken the same work with them up the scale. In other words, they are being paid more for doing the same, and as one gets to the higher levels, because of the inefficiency, or inexperience below, one finds highly paid officers, not only doing their own work, but doing half the work of the man immediately below, a quarter of the work of the man immediately below that, and, Sir, the general feeling throughout the Service to-day, is that the man of responsibility is performing a lot of almost menial tasks because of the inability of those below him to perform them accurately and efficiently.

If, Sir, proof were required of the inadequacy of the Libby proposals, I would draw the attention of the Council to a number of *ad hoc* instructions which have been given in the last year by the Director of Establishments, where, in fact, *ad hoc* suggestions have been made in order to entice people into the Service absolutely and completely outside the original proposals put up by the Libby Report. I cannot help feeling, Sir, that these *ad hoc* instructions can be looked on as nothing more than propping up a rather unhappy and certainly a very confused service. It is within the knowledge, Sir, of anyone who has ever had anything to do with salary scales to know that immediately one starts to *ad hoc*, then one creates anomalies, and, as soon as anomalies are created, one creates discontent and, as soon as one creates discontent, one creates inefficiency.

(Mr. Harris)

Now, Sir, I would like to pay a tribute to the way in which many European, and Asian, civil servants have tried hard to implement the main proposal of the Libby scheme. That proposal was that the Service should be non-racial and that anyone who had the qualifications for the job should get it regardless of colour, but, Sir, there comes a time when even the most loyal of servants get tired of carrying the burden of those who are inefficient and I believe that there is to-day a serious risk of a breakdown in the Service because of inefficiency in certain grades.

The Civil Servants' Association, Sir, 18 months ago, made representations that they were glad to accept the principle of a non-racial Civil Service, but, Sir, non-racialism does not mean the elimination of the European. That is just blatant racialism. Non-racialism means equal competition among all and to compete successfully, one must be more efficient, more honest and more hard working than the next man regardless of colour or background. There can, Sir, in a truly non-racial organization be no concessions, no allowances and also, Sir, no prejudices because of colour. It is just a straight decision as to who is the best man to fill the particular post, a decision which must be made without bias, certainly, Sir, without sentiment, and made with no other consideration than the good, the ultimate benefit of the Colony as a whole.

But, Sir, the civil servants to-day, are not only worried about the general conditions in the Service, they are also worried at the increasing cost of living which I believe may furnish the subject for a debate later on in this Council. At this stage, Sir, I would only remind Members that within the last year, the cost of living index has increased by eight per cent.

It may be said, that what I am suggesting is greater inducement to the Civil Service. If this greater inducement means greater pay, then, Sir, we must find corresponding economies, and I believe that a careful scrutiny of nearly every Government department to-day, would find ample room for economies in manpower. I believe too, Sir, that we have been saddled in the last year or two with organizations which we cannot

afford and which we could well afford to dispense with. Until the Libby Report, we had a thing called, I think, the Civil Service Advisory Board which was chaired by my hon. friend, the Member for the Coast. That Board, as far as I can determine, Sir, did everything that the Civil Service Commission is to-day doing. The only difference was that my hon. friend used to give his time, possibly getting sixty shillings attendance money, but the cost of the Civil Service Commission is placed at £15,000 per annum and I cannot see, Sir, where we are getting £15,000 worth of value from that Commission which was so ably done by an amateur committee before the Libby Report.

There is another new thing, Sir, on which we might economize, and that is we now have a Bazaar Road Branch of the Coast Agents, called, I think, the Transport and Stores Organization, or some such name, which again is costing this country many tens of thousands. I am informed, Sir, that the same people who used to raise tenders, still raise tenders, the only difference is instead of sending them direct to the Coast Agent, they now send them to Bazaar Road where they are initiated and forwarded to the Coast Agent in London for the purchase of the goods.

But, above all, Sir, I believe that the time has come when, if we are to have contented civil servants, they have got to be properly paid and we have got to economize on the number of them that we use.

I would draw the attention of the Council, Sir, to another matter which I feel should receive consideration by Government. At present the Civil Service is under very serious competition from commercial undertakings, particularly in the provision of unskilled or clerical labour. If technical staff are required for a manufacturing process, the industrial concern has to either find or import the necessary technicians to do the work, but, to-day, we are encouraging the investment of capital in this country, we try in every possible way to get new businesses, new enterprises to start, but we are making sure that in doing so we are not only creating a greater pressure on the very few available clerical and other comparatively low-paid workers?

[Mr. Harris]

Now, Sir, in this Motion, it will be noticed that I have proposed that we should receive a report from a committee of local people. They are the Director of Establishments and members of the Executive Committee of the Whitley Council. I believe, Sir, that the Libury Report may have been a very nice blueprint for the Civil Service, but I believe in practice it has been shown to be a somewhat theoretical blueprint and now, I am suggesting in this Motion, that our own local Civil Service should report to this Council and tell us what is wrong and what they think we ought to do to put it right. I believe that that is a sensible way of tackling the question. There can be no doubt that everything in the Civil Service to-day is not quite as we would all wish it. Britain, Sir, from whom we take so many examples, has always depended on a very high grade of civil servant. We, in our present state of development, consider that it is even more essential that we should have a similar standard. By accepting the original Libury proposals, we have demonstrated our willingness to pay providing we get the goods at the end, but there is a feeling that Libury did not give us, at any rate, the whole answer, and the only course therefore is now to ask the Service itself to tell us what is wrong and what solutions they suggest.

Going once more, Sir, to that fount of wisdom, the Minister for Finance, on column 887 of the debate last year, he said, "There will I think be no argument with the final sub-paragraph 4 that the standards of the Service must be maintained, because in changing constitutions and in times such as those we have passed through and, indeed, are likely to pass through in the future, whatever the form of Government, whoever the men who compose the Government, whatever your Ministries and Ministers may be, the success of the administration and the Government of this country, the day-to-day running of the business, would depend upon the integrity, the character, the ability and the strength of the Service which supports the Government." I believe that that remark of the Minister's would be echoed by every Member of this Council and it is in an endeavour, Sir, to try to get the kind of Civil Service that we want and the

kind of Civil Service that, if we are to progress, we must have, that I would ask the Council to approve the Motion before them.

I beg to move.

MR. USHER: Mr. Speaker, in seconding this Motion, I think perhaps I ought to start by saying that the result of it, that is to say the report, might almost have been achieved by setting down a series of parliamentary questions; almost but not quite, because those questions would have involved long and complicated answers, a multitude of supplementary questions and would have, in some cases, involved really asking for expressions of opinions. So, Sir, we have put forward a Motion asking that the Council really be informed by a body whereon there was the representation of the rank and file of the answers to the questions stated in the Motion. I do not think that this need give rise to a prolonged debate for the main arguments about the White Paper on the Libury Report must be fairly fresh in the minds of hon. Members, and I shall try, myself, to set an example of brevity.

I must say that I had a little hesitation in seconding this Motion so soon after the acceptance of the Government Motion on the White Paper and when, indeed, I believe it to be the case that some of the civil servants have still not received their back pay due from that report.

Now, I have listened, as no doubt my hon. friend, the Mover, to the comments of civil servants for the last two or three months, and I may say that most of the people to whom I have spoken have not been directly affected by the matter and I think perhaps most of them have spoken to me with a view to righting the wrongs of others rather than to grinding their own axes. I particularly wish to refer to my own part of the world, Mombasa, where the Civil Servants' Association has addressed itself particularly to this subject recently, and to say that although I was not present at the meeting I have seen the very full record that they put forward, and that I am convinced that those people were, as I say, representing the views of those who they thought had not got a fair deal and also representing the view that the adoption of the report had not resulted in its primary

[Mr. Usher]

object. Whether they were right or wrong, I believe that those people were faithfully presenting the views of the people they represented. The meeting I have in mind was, in fact, quite representative of all departments, except I think the Administration—the Provincial Administration—and the Provincial Administration was, in fact, represented by proxy.

The particular matters which have been brought to my attention, not only by that meeting but by conversations I have had with members of the Service are the following and I will give them briefly.

That, in fact, special contract terms have had to be resorted to by the Government in order to fill vacancies which were required to be filled urgently. There were resignations of members who were in the Services before and who had not succeeded in getting into the inducement category. I have also, at least one case of a candidate for the Civil Service, a local youth, who, when he was presented with the terms, found that they were not really good enough and he could do better outside. He went home, presented himself to the Crown Agents, was accepted and got, not only inducement pay, but his passages. Then, there is, and I believe this to be vicious: I did not at the time but I do now, the practice which has arisen of placing candidates, or applicants, for Civil Service appointments at a place in the scale where they will be checked by jostle with men who have done many years of service. That is the sort of thing that is bound to produce discontent.

Last of all, I would like to mention that, if my information is correct, the Government has singularly failed in securing the services of well-qualified professional and technical men which it requires to carry on the work of the Government without offering special terms.

During the Libury debate, Sir, I think there were two main bones of contention. One of them was inducement, and I will deal with that one first. I, myself, although I realize, that many civil servants disliked it, was in favour of giving the inducement principle a trial. Now I believe it to be utterly vicious and the fruit of it we see in that

we cannot secure recruitment of our local people and so carry out one of the main objectives of the Libury Report, which was to lay the foundation of a Civil Service of our own people.

The second matter I wish particularly to refer to is this doctrine of market value. It is that which causes the placing of officers at a point in the scale to which, if they had been earlier in the Service, they would not have attained. I was rather interested, too, in looking through the arguments on this matter during the Libury debate, I believe the point was put by my hon. friend, Mr. Patel, very succinctly. He used these words: "If the local market fluctuated after two years, what is the position of a man who is appointed two years before?" It sounds involved, but the point must be abundantly clear, and Sir, of course, my hon. friend, the Minister for Finance, answered that, "The entry point only was determined by that particular factor and that is the cause of a great deal of discontent."

Finally, Sir, I can only reiterate that it does seem, at the moment, as if the adoption of the new deal has failed to induce the recruits which we required, either men of professional or technical ability or those of our own people who should find a place in the Civil Service.

Of course, this Motion was not brought without some forethought, as my hon. friend said it might involve, if the answers are what we think they are, a revision of the terms of service which would confront the country with a very serious bill. I can only say this as to that; that I think the Civil Service has always maintained that it would keep up its standards of remuneration and would be willing to face a cut in the establishment if that occasion arose. In the meantime I would invite the Government to consider, very carefully, whether it should not, at this time, refrain from filling, at least a proportion, of the very many vacancies which now exist.

I beg to second, Sir.

Question proposed.

MR. CHANAN SINGH: Mr. Speaker, Sir, I support the Motion in principle, but I have fears with regard to certain parts of it.

[Mr. Chanan Singh]

First of all, the composition of the proposed committee is not given in the Resolution. The Resolution refers to the "Executive Committee" of the Whitley Council. I do not know for certain what the composition of that Executive Committee is. I believe the correct name is "General Standing Committee".

I was also told that there are on that General Standing Committee four Officials and four Unofficials, and that on the Unofficial side there is one Asian and one African. I request the Government to confirm whether or not this is the composition, because if, in fact, this is the composition, then the proposed committee should consist of equal representation of the three Civil Service Associations, plus the same number on the Government side. I do not think that the General Standing Committee is the proper body to consider these matters.

Then, Sir, the second matter to which I wish to refer is clause (b) of the proposed terms of reference of the committee. That clause (b) reads: "The opportunities and inducements to local Europeans joining the Civil Service". My own view is, Sir, that if the proposed committee is to examine the working of the Libury proposals then, I think, those proposals should be examined in their relation to all the three racial groups not only in their relation to local Europeans. The essential idea of the Libury Report was to introduce into this Colony a non-racial service. We were to go away from the three racial services. In the Libury Report this significant sentence occurs: "It is axiomatic also that a public service in any territory should be a reflection on the community, in a multi-racial territory a healthy and balanced service must be multi-racial". The Commission went on to say: "We have endeavoured to fulfil the task of revising the salary structure in such a way that racial distinctions shall disappear". Well, Sir, in view of that, I think the word "Europeans" in the proposed terms of reference should be replaced by the word "people". For that the proposed committee will consider how the next structure affects the three racial groups. After all there should be no objection to bringing in the other racial groups.

As I have stated, the very idea of the Libury Report was to make one service for all the three races. Now that one service has been introduced and now that such a service has been in working for over a year let us see how it affects the three racial groups. If the proposals are not satisfactory to the European group then it will be time to think about doing something, but let us, first of all, have the facts, see whether or not it in fact injures the interest of any particular racial group.

I propose, Sir, that the word "people" be substituted for the word "Europeans" in clause (b) in the terms of reference of the proposed committee.

THE SPEAKER: Is that an amendment, Mr. Chanan Singh?

MR. CHANAN SINGH: Yes, Sir.

Well, Sir, I also have listened carefully to the two speeches that have been made in support of this Resolution. Both the speakers have referred to the possibility, or the desirability, of considering a cut in the numbers of civil servants. Well, Sir, that is one thing which I do not like. I say let us have the salary scales which will keep at least the existing number, or the numbers that we want, in the Service. The question of retrenchment, I think, should not be raised.

DR. HASSAN: Mr. Speaker, I rise to second this amendment, Sir.

In seconding the amendment, Sir, I find that the Motion itself has clearly stated that the idea is to find out the effects of the Libury Report on the services to-day. I agree with the Mover of the amendment that when the object is to find out how the Libury Report is affecting the services it should include members of all races, not particularly the Europeans.

I would not like to comment on what my friend has said regarding retrenchment, because as the Director of Manpower, I never had any department not bringing to my notice that they were very seriously suffering from this shortage of staff. This shortage of staff was even brought to my notice by a commercial firm. I know the question of retrenchment is one of the matters which will be considered for the economy and finances of the country but at the moment the work in the Civil Service is

[Dr. Hassan]

such that the present staff is not considered to be enough by all departments to work satisfactorily. There have been reports of discontent about the working of the Libury Report. I think in many more cases among the Asians and Africans than the European community; and although it is not possible to find 100 per cent contented service in any country at any time, yet it is essential to find out if application of this report has caused any injustice whatsoever. With a view to satisfying those dissatisfied elements of the Civil Service, I believe this Motion is the ideal one to be accepted.

Question proposed.

MR. HARRIS: Mr. Speaker, Sir, I think I might be able to shorten the debate on this amendment because, I think, there is probably a misunderstanding. I cannot, of course, accept it, but if the hon. Member will look he will find that "item (a) is 'New Recruitment'" which covers all races. The purpose of putting (b) in, Sir, is that there was a peculiar item in the Libury Report which offered inducement pay. Now, that inducement pay does not apply to local people of any race in this country and it is only where the local European is in competition with the expatriate European that I consider that the inducement offered to the local European, not the local Asian or African, is probably the reason why, at the moment, there is not the recruitment we would like to see.

I think that is the point, Sir, that this particular (b) in the Motion ties up with the inducement principle and has nothing whatsoever to do with a racial Civil Service.

MR. MATHU: Mr. Speaker, I should like to support this amendment, Sir, and to point out arising from what my hon. friend, the Member for Nairobi South, has said that during the Libury debate it was also suggested that if a local person of any race was recruited in the same way as an expatriate person, that is, under the Colonial Secretary Appointment Board and its projection to the Colony, then that person could also have inducement pay; and therefore, there we have also put in and, if my recollection is correct, Sir, I suggest, therefore, that the Mover's inclusion of the word "Europeans" and the exclusion of "other

communities" conflict with that understanding during the Libury deliberations in this Council.

I support the amendment.

THE SPEAKER: No further discussion on the amendment; I will put the amendment.

The amendment was put and negatived.

THE CHIEF SECRETARY: Mr. Speaker, Sir, I am most indebted to the hon. Member for Nairobi South for his clear exposition of the Motion and the many valuable contributions which he has made to the whole subject of the recruitment for and the administration of the Civil Service. My fears that the terms of the Motion might lead the Council into an excursion in darkest "whereas" land have, I am pleased to say, owing to the hon. Mover's eloquence proved quite unfounded, and my own translation of the Motion into a less formidable type of English has turned out to be an accurate one. This is the manner in which I reworded it. Since it is the case that the Libury proposals were intended to make the Civil Service more attractive, and since they have now been going for long enough for us to see if they are working as they should, let us have a local committee to see if they have, in fact, achieved their object.

The Government agrees that the Libury proposals were designed to improve the Civil Service generally. As hon. Members will remember their major objects were the introduction of a new salary structure, not based on any racial differentiation, the abolition of the three-fourths rule, the application of the inducement principle, the setting up of training grades for local candidates and the formation of the Civil Service Commission. In a large reconstruction of this sort, it is quite inevitable that there should have to be interim adjustments and this explains the "ad hocery" which has been criticized by the hon. Mover.

The Government cannot agree that these proposals have been in operation long enough for us to know whether or not they are likely to require modification and, if so, what form that modification should take. In the report itself it is said: "We do not recommend any

[The Chief Secretary] sudden and spectacular changes, and no one could expect them, given the intention that racial differentiation where it exists is to be removed, its complete achievement is only possible after an interval of time.

Now, not only has the Libbury scheme been in operation for a comparatively short space of time, but the first year of its working has been one of great difficulty and abnormality. Internally the continued expansion of the Service and the immense number of Emergency appointments have made an accurate estimate pretty well impossible and externally the whole question of recruitment and salary scales has been completely bedevilled by the increased cost of living, by world shortages of professional and technical officers and by the increasing competition from industry for the kind of men that we require for the Colonial services. The Government does not consider that any useful purpose would be served by a formal inquiry on the lines advocated in the Motion. It considers it most improbable that anything of real value would be brought to light which is not already known to the Government. These inquiries eat up much time and staff and money, and whilst they are in progress, not only the routine work, but much of the forward planning, upon which the efficient administration of the public service depends has to go by the board.

In the past year, arising from questions and resolutions in this Council, the Government has had to spend hundreds of man-hours on inquiries and investigations of various sorts, although I would not say—I would be wrong to say—that the work has been completely futile, it has certainly been profitless. I am not prepared to commit the Government to a further organized diversion of effort unless I am completely satisfied that the results likely to be achieved will be worth the disorganization caused. There would be no point in assembling a special local committee to examine problems, many of which, are not susceptible by the very nature of things, on purely local grounds; all the Whitley Council inquiries in the world cannot solve the problem of inflation, nor can they shorten the time it takes to train a doctor, or a geologist or a surveyor. In any case as the hon.

Mover has so clearly said, the Government has already at hand an organization, the special function of which is to examine all matters which affect conditions of service; I refer to the Central Whitley Council. Its responsibilities include a determination of the general principles governing recruitment, promotion, discipline and so on. There is, therefore, this permanent body which is well able to look into matters of the sort which have been referred to in this Motion; and I agree with the hon. Mover that in many cases this body is well fitted to make these inquiries. There is, of course, a continuing examination by the Whitley Council, and with the council is closely associated the Treasury and the Establishment Division.

All the same, I do not wish to brush aside these very urgent matters with the usual bland assurance that an investigation is necessary but that the time is not opportune. There clearly is a need for an inquiry into many aspects of the Civil Service problems. I propose to deal with the various separate issues raised by the hon. Mover in the following way.

First, to consider if an investigation is, in fact, necessary then to decide what body is best qualified to conduct such an investigation and, finally, to judge whether the investigation can most profitably be undertaken now or whether we should be better advised to wait until further evidence of the working of Libbury proposals is available.

I now turn, Sir, to the question of recruitment, in particular recruitment of overseas staff. As has been made clear on a number of occasions, we hope ultimately to recruit all our professional and technical men locally, but until our educational institutions have developed we have no alternatives but to rely to a very large degree upon getting these people from the United Kingdom. Our position, as far as overseas recruiting goes, is not, in fact, much worse now than that of other Colonial territories. I know that this is pretty cold comfort to a head of a department who is trying to carry out arduous duties with insufficient or inadequately trained staff, but it is true. Our salary structure does not compare unfavourably with most of our competitors and, as far as I can gather, our problems of recruitment are very much the same.

[The Chief Secretary]

There are, as I have already said world shortages in schoolmasters, engineers, geologists and administrators and it is in respect of officers of this category that we are feeling the pinch so badly. These shortages are far more closely related to the question of supply and demand than they are to salary scales, although, of course, it needs no special inquiry to confirm that every civil servant would like his salary raised. Nevertheless, when you exclude the rank and file of the Police and Prisons, vacancies in the posts for graded staff, that is, those in the Colony Estimates, amount overall to less than five per cent of the total. I give this figure with some diffidence for no overall average figure of staff shortages, or staff vacancies, can mean very much. It would, for instance, be quite absurd to equate a Weights and Measure Inspector who might represent 50 per cent of the establishment with 20 District Officers who might only amount to 10 per cent. We must be careful not to be deluded by statistics, but that is the figure. The short point and the main problem is this, that we have an uncomfortably large number of vacancies in the permanent establishments and we are manning our services with a larger number of contract officers than we think is really desirable. That is the matter that we have to remedy.

I have explained the causes of our difficulties in recruitment. They arise primarily from the world conditions and not from the Libbury proposals. They include the world shortages which cannot be remedied by any increase in salary and, of course, the charm of the Welfare State; for nowadays fewer and fewer people are prepared to abandon the security of the United Kingdom for some unpredictable career in the Colonies. It is an unhappy fact that the minor inconveniences which would have been taken in their stride by the hon. Member for the Coast and the hon. Member for Mombasa and which the hon. Member for Nairobi, North would not even have known were inconveniences are now regarded as intolerable privations.

We are trying to remedy this position in a number of ways. We have arranged for the officers of the University Appointments Board to make tours in East and Central Africa in order to find out in what way overseas careers can be

presented more attractively, and a senior officer of the Administration has been posted to the Colonial Office in order that his advice can be available at that end. As far as the Administration is concerned we hope to introduce a scheme for a junior grade. This is a problematical one and I make no promises that it will, in fact, take place. But, if this scheme is adopted, officers who enter it will have the choice of making a worthwhile career for themselves in that grade; or if they prove their worth in the field and show that they are of the quality required for the Overseas Civil Service they can apply to enter into that Service through the Appointments Board which meets here twice a year. We hope this will mend matters to some extent. But I must make it clear to hon. Members that nothing we can do here is going to increase the number of places available in British Universities for doctors and engineers and schoolmasters, nor will it reduce the demands which are being made in increasing numbers by industry and commerce for such officers. I do not feel that there would be any point in the Whitley Council, well-informed body though it is, taking part in any investigations into those problems.

As far as opportunities and inducements to local Europeans to join the Civil Service are concerned, I feel that this is a matter which might easily be examined by the Whitley Council and I shall be happy to make such arrangements as are necessary to ensure that this examination is made.

The hon. Member chided me some time ago for my lack of *elan* in dealing with matters concerning the Pension for Asian Widows. May I say I find it equally difficult to be amusing on the subject of inducement pay; therefore, since this matter will be gone into by the Whitley Council I trust he will excuse me if I pass over the complicated question of which officers in the (B) and (C) scales are entitled to inducement pay owing to an increment of their former emoluments having taken that form, and pass on to the question of efficiency and integrity.

As regards the maintenance of standards of efficiency, we must admit that it is true that in the lower grades there has been a falling off of efficiency. I do not say this by way of acquiescence in this

[The Chief Secretary]

state of affairs, but rather to make it clear that we accept the need to maintain the standard. We hope that an improvement will take place as the training schemes now being drawn up, and which are a result of Lidbury, come into operation. If an inquiry in efficiency is necessary, it is up to the Department or the Ministry concerned to undertake it. We certainly do not want a formal committee of the Whitley Council getting involved in one of these interminable efficiency probes. We have had two in the past 10 years and we have wasted a lot of time and have achieved nothing.

Now for the integrity of the Service, which I think is the matter referred to in the last part of the Motion. We have no evidence to show that it has not been maintained; but if there are instances of dishonesty or malpractice, the investigation of them is the concern of the Head of the Department, the Attorney General and it may be, the Criminal Investigation Department and myself. It is certainly not a matter properly to be inquired into by the Whitley Council.

Finally, Sir, the question of the contentment of the Service, as a result of the Lidbury proposals. I think it is wrong to suggest that such discontentment as exists, and I am well aware that much does, is a direct result of those proposals. In the inflationary period in which we live civil servants all over the world are engaged in a race to keep up with the increased cost of living, and it is very galling for a man to find that in spite of his yearly increments and in spite of voluntary reductions in his standard of living he can scarcely pay his way, let alone put aside money for the education of his children. The civil servant is not in the happy position of being able to pass costs on to the consumer; he is the consumer and the costs get passed on to him. His lot is a very unfortunate one. In circumstances of this sort it is only natural to look round for a whipping-boy, but the Lidbury scheme can no more be blamed for our present discontents than the state of the Emergency can be attributed to the recent epidemic of sun spots. They took place coincidentally in time, that is all. Contentment depends on a score of factors and there is no doubt that some means of overcoming this wave of inflation is the most

pressing; but if any changes are made they will have to be made as a result of some far wider assessment of the problem than could be conducted by the Whitley Council; and as the hon. Member has said, it may be that changes can only be made at the expense of the present establishment.

Of the various minor criticisms which were made concerning the present conditions of the Service, I think the most cogent was that made by the hon. Member when he said there was a tendency for the senior members of the Service to do half the work of the men below them. That, of course, is to some extent true, and always has been true. It is not a result of the Lidbury proposals; it is a state of affairs that we hope to remedy by the introduction of these trading grades. In my own experience, and I come from a rather specialized service, one was happy to do anybody's work; indeed the one forbidden phrase in the Administration is "hapana kasi yangu".

Sir, I beg to oppose.

MR. SLADE: Mr. Speaker, Sir, I am sorry that the hon. Chief Secretary feels unable to accept this Motion. The reasons he gives, I understand, are mainly that an inquiry of this kind would not get us anywhere. The Government is aware of some of the problems to which this Motion points, and is going to be aware of them, and alive to them, and study them; and any inquiries that are necessary will be organized by Government and that will be enough.

Mr. Speaker, it is a matter of opinion. I agree.

THE CHIEF SECRETARY: I thank the hon. Member for giving way. I said in the case of local investigations inquiries would be made by the Whitley Council, as recommended in the Motion.

MR. SLADE: I understand that, Mr. Speaker. It is a matter of opinion as to the extent to which inquiries are needed in these matters, the time when inquiries should be made and the people by whom they should be made; but what struck me, Sir, forcibly in the speech of the hon. Chief Secretary was that he completely overlooked the main purport of this Motion, which was that

[Mr. Slade]

there should be an inquiry for the benefit of this Council; and a report to this Council. There was no suggestion in the hon. Chief Secretary's speech that any inquiry he did see fit to organize would result in a report by the inquiring body to hon. Members.

Now, Mr. Speaker, when we debated the Lidbury Report, many of us accepted with firm approval the objectives enunciated by the report—and by Government in its White Paper—on that report. We did, at the same time, question whether the methods recommended by the report, and adopted by Government, were going to give effect to those objectives—were going to achieve what the report and Government purported to be after. In fact, some of us went so far as to suggest that we looked like starting off at a smart trot in the opposite direction.

Now, Sir, we have reached a stage where we, in this Council, having raised those queries as to whether we really are going the right way to achieve what we unanimously agreed as desirable objectives—now we want to know whether practice is showing that we were justified or not in those queries.

So, Mr. Speaker, we come back to this—that we, in this Council, want to know where we are, and it will not be enough for Government to look into the matter themselves and keep the answer to themselves. We must have, I do submit, in the near future, some form of investigation of these questions, and a report—an authoritative report—back to this Council.

I beg to support, Sir.

MR. MATHU: Mr. Speaker, I should like, Sir, just to comment on three points made by my hon. friend, the Mover of this Motion.

He started by saying, Sir, that the Lidbury proposals—or rather before the Lidbury proposals, or during the discussion—we were talking about the Africanization of the Civil Service, and that, with him, non-racialism should not mean the removal of Europeans from this country. I cannot actually understand, Sir, how my hon. friend started in that way, because I cannot remember any occasion, Sir, that any Members of

this Council—certainly not African Members—suggested that any community in this country should not have an opportunity to serve the Colony as a whole; and I thought I should point this out, Sir, because it hurts sometimes when statements such as these are made without giving the background from which they come.

The second point, Sir—which again I think is a misconception, or rather a misjudgment of the issue—by my hon. friend, the Member for Nairobi South—is the question of, when discussing efficiency and the maintenance of standards and integrity, and so on, to give me the impression, Sir, that the African community who are in the service—that none of them have showed up—measured up to the standards, the efficiency and the integrity which are absolutely necessary for any public service. Now, if that was his intention, Sir, I should like to suggest to him that he should give more facts to justify that point.

MR. HARRIS: Would the hon. Member substantiate what he says, and quote where I suggested that no African measured up to these standards?

MR. MATHU: Mr. Speaker, Sir, my hon. friend gave me the impression—and that is exactly what I wanted him to reply to—and if that is not the impression, then I should say, as he went on to say, that the European and the Asian in the Civil Service have done well to carry out the proposals of Lidbury so that the service becomes non-racial, depending upon the standards, he did not mention, Sir, that there are Africans also in that service who have been loyal to the proposals of Lidbury in making the service work as a non-racial service, according to the recommendations of the Lidbury Commission.

Now, what I am suggesting, Sir, is this: that every cloud, Sir, has a silver lining, and if there are certain inefficient African civil servants, there are also certainly efficient ones who have served this country, very well, and I think it will be most unthankful for any public figure in the country not to recognize that fact.

Finally, Sir, he dealt with this question of keeping up the standard—dear with this question of competition—that the

[Mr. Mathu] colour of the skin of any member of the service should not justify any person holding the post. I could not agree with him more. I entirely agree that no person should hold a post because he belongs to any colour: What I should like to see is a person holding a post because he can do it, and do it better than any other person, and, during the Libury proposals, Sir, I think non-Europeans in this Council suggested there should be a public examination—a competitive public examination—and I think my hon. friend, the Member for Nairobi South, was one of those who opposed that suggestion, and, apart from a public examination—a competitive public examination—for those who want to enter into any grade, it is very difficult to convince anybody that colour does not come into the picture.

Sir, I personally would like to support my hon. friend, the Chief Secretary, in opposing this Motion.

MR. MACKENZIE: Mr. Speaker, Sir, I think that the most important part of this Motion turns on the first clause, which suggests that the Libury recommendations have now been in force for sufficient time to see the results of their practical application. A great deal depends upon whether that particular statement can be accepted or not.

My hon. friend, the Chief Secretary, has already given several reasons why it is doubtful whether that particular proposition can be accepted. The Libury recommendations have now been in operation for approximately one year. During the whole of that time we have had an Emergency on our hands. There has been inflation during the period, and the Service has been expanding, and there has been a call-up affecting large numbers of local candidates for the Service.

Well, Sir, even when times are normal 12 months is a very short period in which to weigh up whether the results of a report as far reaching and complicated as the Libury Report was—to weigh up whether its results have been beneficial or not, and, Sir, that was recognized at the time the Report was being debated in this Council.

My hon. friend, the Member for Nairobi South, in moving the Motion, referred to various statements made by my hon. friend, the Minister for Finance and Development, in speaking during the debate on the Libury Report. I would like to refer to one or two of the passages in question.

For example, Sir, in winding up the debate, my hon. friend was quoted as referring to our having sown the seeds of a happy contented and loyal Civil Service, but I think it should be emphasized that he said that—his actual words were: "I think that in the long run this Report will have been shown to have sown the seeds of a happy, contented, and loyal Civil Service."

My hon. friend did not expect—and no one on this side of the Council expects—that we should have miracles overnight, and I do not think that that could be expected, particularly in view of the circumstances that we have had ever since the adoption of the recommendations.

That particular point of view was also mentioned by my hon. friend earlier in the debate on the Libury Report. He said: "This Commission recognized that there could be no sudden or spectacular changes, and it emphasized that no one should expect them. It said, given the intention that racial differentiation—where it exists—is to be removed—its complete achievement is only possible over an interval of time, and I must emphasize that—over an interval of time. It is a process of very slow development in some cases and, of course, there will, I think, be no argument with the statement that the standard of the Service must be maintained."

Well, Sir, that shows quite clearly that people on this side of Council did not expect that there would be a sudden transformation of the service overnight, and for that reason alone I think that we would be expecting too much to think that, after this short period of one year, it would be possible to reach any firm conclusions on the benefits which the Libury Report may or may not have conferred on the Service. On the contrary, Sir, what a formal investigation would probably lead to would be the raising of a good many hopes, and they

[Mr. Mackenzie] would be followed up with the usual disappointments, and all that kind of thing.

No service is at its happiest if it feels that its affairs are constantly being probed into, and if we were to have a formal investigation into the report, that is what, in fact, we should be doing. I think, Sir, in this particular connexion, that it is very relevant that in the United Kingdom they have recently had a Royal Commission on the Civil Service, which sat from 1953 to 1955; but Sir, that was the first full-scale investigation that they had had into the Civil Service for some twenty-two years—the previous one being in 1931. In the meantime, however, the Service was not static. They had their Central Whitley Council, just as we have ours, and the Departmental Whitley Councils did a great deal of good, investigating difficulties as they arose, and that, Sir, is what we would like to do here. We think that it is a far better way than sitting down and solemnly looking through the Libury Report, and the White Paper on it, and seeing whether it can be improved on or not.

So far, Sir, as the detailed points in the Motion are concerned, my hon. friend, the Chief Secretary, has already dealt very effectively with most of them. As he said on recruitment, there is something rather less than five per cent vacancies overall. That must be regarded as not a great number—in fact, it is the sort of percentage that must be almost normal for most grades of the Service. There are always people coming in and going out, and there are always vacancies waiting to be filled while people move on to other jobs or retire and their posts are being filled. It is, of course, true that there are larger numbers of vacancies in certain particular categories, but there, again, we know that those categories—engineers, and people like that—there are great shortages all over the world, including the places from which we have to recruit our engineers. The same applies, of course, to our doctors, and to many grades of teacher.

As regards the opportunities and inducements for joining the Civil Service, the Motion actually refers to the opportunities and inducements given to local Europeans joining the Civil Service. They are, of course, as good, and no better

and no worse than those for anybody else joining the Civil Service, but, in view of the fact that we have had the Emergency and the call-up, and so large a proportion of the boys leaving school have gone direct into the Army, it has been, I should say, quite impossible to say whether there really has been a falling-off of people coming forward among the local European population to join the Service or not. We shall not know how that stands until times return to something much more approaching normal than they have been during the past year.

There are, of course, other difficulties that we face generally so far as recruiting people to the Service is concerned. There is the competition, to which the hon. Member referred, from commerce. It is very difficult in present circumstances to know quite how to deal with that particular side of the problem. In an age of inflation, such as we have been having recently, the man with a thriving business is always prepared to pay that little bit more in order to get the staff he needs, and the Government is in great difficulties in meeting competition of that kind. It may, of course, be said that what the Government should do is to compete in order to get the staff that it needs at any cost, but I would hardly expect anyone in this Council to support a policy of that kind, since the only result that we should have would be that we should be forcing wages and salaries up all round, and we still should not be getting the people we needed.

So far as the standards of efficiency and integrity are concerned, I can only repeat what my hon. friend, the Chief Secretary has already said—that, while it may be true that in certain spheres there has been a certain falling-off of standards, it is most certainly the Government's intention to see that the standards are restored, maintained and improved. So far as integrity is concerned, we have no reason to believe that the integrity of the Service is any lower than it normally has been. In fact, Sir, we believe that generally the high standards of integrity of the public service that the Colony is used to—and expects—are being maintained.

Finally, Sir, we come to this question of contentment, and, of course, that raises a great many questions. Nobody is ever really contented, particularly

[Mr. Mackenzie] when living in an age of inflation. No body is absolutely contented, either here or anywhere else. All over the world we have this constant calling for higher rates of pay and better conditions; and all the rest of it. That is all very natural but, when one has constant inflation, one does not get the normal degree of—I would call it acceptance rather than contentment—of one's lot, which I think we all regarded as pretty well normal in the years before the present inflation began.

Well, Sir, for the various reasons which have been given, and which have been explained by my hon. friend, the Chief Secretary, we, on this side of Council, do not feel that a formal inquiry is called for, and, in fact, we believe that it would not be at the present time in the best interests of the Service. There is, however, one way in which the various matters which have been raised can be dealt with, and that is through the Central Whitley Council, and the departmental Whitley Councils, which meet at regular intervals, and which are fully competent to look into any question which either the staff side or the Government side may raise affecting the well-being of the public service. Through their regular meetings these councils ensure that we do not merely get an occasional review, but that there is a continuous review, not merely of the results of the Librery Report, but of everything of importance to the Service.

We can, therefore say, Sir, that while the Motion is not accepted—cannot be accepted—as it stands, the points that have been made will constantly be borne in mind; and that the machinery exists to give effect to its general aims, and the machinery for doing so is in regular use.

Mr. Cowin: Mr. Speaker, I was very thankful to hear the Secretary to the Treasury refer to the opportunity which is available to members of the Civil Service for a continuous review of any difficulties. I do think it would be a very great pity if anything that is said or decided in this Council, gave members of the Service the impression that Members here are not in sympathy with any endeavour to improve their lot.

The second point which I do think is much more important is the question of

recruitment. During the period that I had the privilege—if it were a privilege—of trying to direct people out of their employment into other spheres of activity, I found in many branches of Government departments that they were below establishment. Well, that seems to me to point to one of two things. Either the establishments were overestimated, or they must be running inefficiently. Well, now, that is much more serious and much more urgent than has been so far recognized, because unless those establishments are filled, or unless somebody finds out exactly why more recruitment is not possible, there will be serious trouble before we realize it, and that is a thing which, in my opinion, cannot be left indefinitely, and which requires attention sooner than the rest of it.

I therefore commend, Sir, to the hon. the Chief Secretary, if it were possible to turn attention to this one feature of recruitment, it is something which cannot be left very much longer.

THE SPEAKER: If no other hon. Member wishes to speak, I shall call upon the hon. Member to reply.

MR. HARRIS: Mr. Speaker, Sir, it is not often in this Council that a Member has the honour of congratulating the hon. Chief Secretary and the hon. Secretary to the Treasury on making maiden speeches in an afternoon. They were both thoroughly maiden in that they both of them took a frightfully long time to say "no" when it was very obvious that they both meant "yes". In fact, the Secretary to the Treasury even went so far as to say that he would commit these matters to the Whitley Council; but, Sir, I think the hon. Member for Aberdare made the very point I would like to underline now.

It is not sufficient if all is not well with the Civil Service that the result of any inquiry—be it by the Whitley Council or anybody else—should remain in the archives of Government. I have to remind the Government, Sir, that this happens to be our Civil Service. It is the Civil Service of this country, and, if there is anything wrong with it—brought out in an inquiry—then we should know what that wrong is, and make every endeavour in this Council to put it right.

[Mr. Harris]

The other plea, Sir, that came from both the speakers, was that we had not yet had long enough in which to find out what was going on. I would suggest, Sir, that both of them, again, are rather like the motorist who thinks he has got a puncture, but waits until he gets to his destination before he finds his tyre is completely ruined—(laughter)—and I believe, unless steps are taken to see whether things are going wrong or not with the Civil Service to-day—this desire to wait until something really serious happens may cause great disservice to this country.

I do think the hon. Chief Secretary, Sir, for agreeing that he will consider the points made in this debate, and will decide whether any sort of investigation is necessary, and when he has decided what shall do the investigation, he will then institute one. That almost meets me, Sir; but I wish he had said that: "I will then let hon. Members know the result of such investigation". I think that merely underlines the point I have just made.

I also welcome the suggestion that there should be a junior grade in the Administration which, I think, may enable us to get better recruitment—and possibly better recruits—into the Service at that level. I would also like to congratulate him, Sir, as leader of the Council, on agreeing to undertake to do the very thing that the Council, a little earlier, had decided by an amendment that we should not do—in other words, to refer the whole question of European recruitment and its inducement to the Whitley Council. I should like to thank him, Sir, for his undertaking in this respect.

Now, Sir, I would like to deal with discontentment. I hope I made it quite clear that a great measure of the discontentment which I mentioned is not generally individual—the sort of discontentment in the individual. It is the discontent of the loyal civil servant with the Service as a whole at the present time—not with his individual lot in the Service—and that, Sir, is one of the reasons why I purposely mention the executive members of the Whitley Council as being a good committee to investigate this matter. They are presumably on

the Whitley Council because they are responsible civil servants who—at any rate during their period on the Whitley Council—have had to deal with the very problems that have been mentioned in this debate, and it is because I could not think of any more responsible people, with day-to-day knowledge of the individual problems of the Civil Service, that I suggested the Whitley Council—not the Whitley Council, but the members of the Whitley Council—as the basis of this Committee, and I would still suggest, Sir, even though Government has not accepted this Motion, that the Chief Secretary might give consideration to asking those individual members of the Whitley Council if anything is going wrong and, if so, what, and what is the solution.

Now, Sir, the hon. African Representative Member, Mr. Mathu, raised two quick points, to which I would like to reply. The first is that the reason I mentioned that Europeans and Asians had loyally supported the underlying principle in the Librery proposals was because, Sir—I think even the hon. Member will admit—that the African is the "new boy" who had to be encouraged in the Civil Service, and it was dependent on the attitude of the responsible Europeans and Asians as to how the Africans were brought into the Service in increasing numbers, and I paid tribute to the fact that those civil servants had tried to encourage the African in the Civil Service.

The second point, Sir, was that I opposed in the last debate an examination—public examination—for entry into the Service. Of course I did, Sir, for the very reasons the hon. Member mentioned. There are certain standards which we must keep, and those standards are not all of them to be determined by the public examination.

I would like to get quite clear, Sir—I wish somebody over there had the right of reply, because I would like to find out about this five per cent of establishment vacancies, because every time, when any Member on this side of Council asks Government why they have not done anything, it is always because of shortage of staff. Now, if Government, Sir, is 95 per cent up to establishment, I cannot believe that this five per cent holds up

[Mr. Harris] very conceivable activity of Government on every possible occasion, when any Member on this side wants something done, or some information produced; and I would, Sir, ask the Secretary to the Treasury to let me have privately later an analysis of his five per cent vacancies that are hamstringing Government.

Finally, Sir, I would like to thank the hon. Nominated and gallant Member, Colonel Cowie, for saying "yes" when he really meant "yes"!

I beg to move.

The question was put and negatived.

THE SPEAKER: I think this will be a suitable moment for the usual interruption of business for fifteen minutes. Council will suspend business for fifteen minutes.

Council suspended business at twenty minutes past Four o'clock, and resumed at thirty-five minutes past Four o'clock.

COMMITTEE OF SUPPLY

Order for Committee read.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, with your permission, and before the Motion is committed to the Committee, I would like to point out a misprint in (b) (i), Development Supplementary Estimates No. 1 of 1955/56 in parts, which reads:—

BE IT RESOLVED that a sum not exceeding £442,528 be granted to the Governor

It should read "£442,529". With your permission, Sir, I should like to see it altered before it is committed.

THE SPEAKER: I like it if it is the wish of the Council that the misprint is corrected.

Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. Conroy, Esq., O.B.E., T.D., in the Chair]

SUPPLEMENTARY ESTIMATES NO. 2 OF 1955/56 IN PARTS

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

BE IT RESOLVED that a sum not exceeding £71,052 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56, Part I.

I should like, Sir, with your permission, to draw attention to three misprints in this Supplementary Estimate.

Page 3, Serial No. 4, first line: the scale of the Archivist to read C3—2.

Page 7, Serial No. 10, paragraph 2 of the Memorandum, where it reads "May, 1955" to read "May, 1956".

Page 8, Serial Nos. 19/20, the amount in the Approved Estimates column to read "£120,800".

None of these misprints, Sir, have of course, any effect on the Estimates before the Committee.

I should like, Sir, with your permission, when you have dealt with that, to make a few remarks on the Supplementary Estimates in general.

THE CHAIRMAN: The three misprints to which the Minister has referred do not affect the Supplementary Estimate itself. Two of them affect the particular Memoranda dealing with the particular items in the Estimate, and the third, on page 8, merely corrects a misprint under the column "Approved Estimates, 1955/56", and does not affect the item which is now before the Committee for its approval.

For those reasons, it will not be necessary to move an amendment to correct these misprints, as the matter which is before the Committee now, for its consideration and approval, is not affected by any of these three misprints.

LT. COLONEL GHERSIE: Mr. Chairman, I believe there is a further misprint—I would not be certain—on page 3, Serial No. 1, where it says £2,000 was provided in the annual estimates for the replacement "or" a motor vehicle. Would that not be "of" a motor vehicle?

THE CHAIRMAN: Page 3, Serial No. 1, second paragraph of the Memorandum, first line: The hon. Member is quite right. It should read "£2,000 was provided in the annual estimates for the replacement of a motor vehicle".

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I would like to draw the attention of the Committee to certain points in connexion with the general position with regard to supplementary provision, and would take this opportunity of so doing. The point, Sir, is that a comparison of the supplementary provision made to Votes in 1955, as compared with that made, or proposed to be made, to the same Votes this year, shows, indeed, that a much stricter control of Supplementary Estimates has been obtained. This, of course, relates to the recurrent expenditure. The significant points are, Sir, first, that in 1954/55 we had five Supplementary Estimates, one of which was taken before the close of the previous year, whereas this year we have had two Supplementary Estimates of which one was taken before the close of the previous year.

Secondly, Sir, that the total amount, if we leave out the £7,500,000 voted in 1954/55 for the Emergency Fund through Supplementary Estimates was then £638,000 as against the total for the same period of £187,000 this year.

Now, Sir, the advantages of keeping the supplementary provisions low are, of course, obvious. They mean that the potential commitment of the taxpayer's money is considerably lower than would otherwise be the case and it also ensures that the amount of money of the department is kept to a minimum with the result that they are unlikely to be tempted, if I may so put it, to incur unnecessary expenditure. It is intended as far as possible, Sir, to pursue this policy of keeping the number of Supplementary Estimates to a minimum, because we believe that the best way of ensuring economy in public expenditure is to re-establish the position that as a normal rule the provision made in the Annual Estimates represents the maximum amount which is spent on any service during the year and because we believe that anything else is not only conducive to extravagance but is misleading to the Legislative Council. It is only if the whole annual expenditure can be seen at once that Members of Legislative Council are fully able to appreciate the effect of any measure of expenditure on the finances of the Colony, and if, as used to happen in the past, we have eight or a dozen Supplementary Estimates in a

year, this is certainly not achieved. But, Sir, I must point out that since it is completely impossible to anticipate all commitments because there are things which cannot be postponed or which invariably crop up during the year, it is impossible completely to avoid Supplementary Estimates. It is the intention of the Government, however, to reduce these, if possible, to two a year, the first of which will either be taken in the October or in the February sitting and the second which will be taken towards the end of the Budget Session. The first will, as a rule, only be concerned with new services for which no provision exists in the Estimates and for which the authority of the Legislative Council is required.

The second, that which will be taken towards the end of the Budget Sitting, will not normally be concerned with new services since provision for these will be made in the Annual Estimates for the following year. It will, therefore, be used merely, as a normal rule, to provide additional money for approved services where it is impossible to meet the excess by reallocation within the Vote.

I outline this now, Sir, because, I think, with the present position under the procedure that we have adopted, it is right that we should now inform the Council of the general procedure we expect to follow in this regard. It seems that, perhaps it will be too early to put this forward at this stage, but it seems that the next step that we can take in financial procedure would lead, I think, to an even greater measure of economy and save some of the time of this Legislative Council would be, of course, if agreement could be obtained, as is done in the larger legislatures, to our creating the Government creating, abolishing and up-grading posts, at any rate in the lower grades provided the expenditure so called did not entail an excess on the Vote as a whole, and that, indeed, the details, as it were, of the Estimates should be left to the Government and the legislature should concentrate on the essentials which are, in my opinion, the policies and the total figures. I do not suppose—I do not propose to put that forward as a proposition at the present moment, but having made this general statement on the policy of Supplementary Estimates, showing how

[The Minister for Finance and Development] the procedure has been working, I think it wise to let the Committee know of what is going on in the minds of the Ministers concerned.

Sir, I beg to move.

Serial No. 1

MR. COOKE: Sir, in view of the unsatisfactory financial position this country is in, will the Minister give consideration to dispensing with the services of the Deputy Governor in as short a term as possible? Before I can vote for this item, I should like an assurance to that effect.

THE CHIEF SECRETARY: I think the hon. Member does not really require an answer to that one.

MR. COOKE: Yes, Sir, certainly I must insist on an answer of some kind.

THE CHIEF SECRETARY: No answer will be available in this Council.

MR. COOKE: Why should it not be available in this Council? We are responsible for the finances of this country.

THE CHIEF SECRETARY: Because, Sir, I am not in a position to dispense with the services of the Deputy Governor.

MR. COOKE: I did not suggest that the hon. Member was not in a position. I said would he give consideration for dispensing with the services of the Deputy Governor.

THE CHIEF SECRETARY: No, Sir.

THE MINISTER FOR FINANCE AND DEVELOPMENT: With respect to my hon. friend, the Member for the Coast, Sir, I would point out to the hon. gentleman that we have had this question raised once before and I did point out the Deputy Governor's salary was completely met, in every respect, from the Emergency Fund and not from the ordinary recurrent expenditure of the Colony.

Serial No. 2

MR. CROSSKILL: Mr. Chairman, we seem to be establishing here a precedent about which I am not altogether happy. The reason given for this expenditure is to increase salaries to conform with those of the United Kingdom. I do not know whether this is a precedent which is going to be repeated

but I would be glad, if the Minister could justify the expenditure in a further way.

THE CHIEF SECRETARY: The intention was to bring the salaries into line with those drawn in the High Commission office, which are based on the salary scales of the Civil Service in the United Kingdom.

MR. SLADE: Mr. Chairman, I would suggest that this is just the sort of thing that we should not do in the middle of a financial year. If it is appropriate that a salary should be at a certain rate, the time to fix that surely is in the annual Estimates and if it was not fixed then it cannot be a matter which should be dealt with by way of supplementary estimates half-way through the year.

THE CHIEF SECRETARY: I appreciate the hon. Member's point. I am afraid, Sir, it was done in the half-year as it was the only way of ensuring a proper staffing of the office.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I would like, Sir, to reply to the hon. Member who raised the question originally that this is not a principle which is accepted for officers of the service in this country; it merely applied to those people actually working side by side with the people in London who were being paid on the United Kingdom Civil Service level.

Serial numbers 1 to 4 agreed to.

Serial No. 5

SIR CHARLES MARKHAM: Mr. Chairman, the Clerk is rather galloping at the moment, when he might well be cantering instead. No. 5, Sir, there is a rather unfortunate warning coming to us in the future if this is going to be the establishment of the coming year's Estimates on the Information Services of the African Section. Producers' entertainment. Could perhaps the Chief Secretary give an indication whether it is going to be a permanent establishment or just over one year or so. It does say under Serial No. 3, Mr. Chairman, "... will be a charge to the Emergency Fund, etc., etc." that is to establish posts now, in order to train staff to be available. Is it the intention for the future or just for one year, Sir?

THE CHIEF SECRETARY: This, Sir, is for the staff which will be required for the new Regional Broadcasting Station at Kisumu. It will not only operate the station but will serve the whole of the Nyanza Province. It will also collect and treat material for broadcasting. It will be a permanent commitment.

MR. TYSON: Could I ask, Sir, how this fits in with the whole of the broadcasting licensing arrangements for Kenya which cover, for example, Nairobi as well as Mombasa and Kisumu and whether this, in turn, is being linked up in any way with an East African Service?

THE CHIEF SECRETARY: Can I take the last point first, Sir? I think I have already made it clear earlier, there can unfortunately be no question of an East African Service, because the Uganda and the Tanganyika Services are very fully developed and they would have no wish to run their services from here any more than we would wish to run our services from Entebbe or Dar es Salaam. It will be, as they say, integrated with the future broadcasting plans when they come into operation.

Serial Nos. 5 to 7 agreed to.

Serial No. 8

LT.-COL. GHERSIE: Mr. Chairman, Sir, I wonder if we could have some further information on this item? As I see it, Sir, £250 was provided for in the Estimates and we are now asked to approve another £5,460 which is 22 times the amount estimated originally. I know it states it is rather difficult forecasting these matters, but perhaps we could have a little more information why this large sum is now required.

THE MINISTER FOR LEGAL AFFAIRS: Sir, this Vote is commonly a nominal Vote because it is wholly impossible, as the hon. Member has said, to forecast it. It is a Vote from which is paid fees to Counsel employed locally when, as has been the case during the period of the Emergency, there have been so many courts sitting concurrently that it has not been possible from the capacity of the Legal Department to provide counsel from the staff of that Department for all the courts, and, it is also a Vote from which are paid charges, solicitors' and counsels' fees for proceedings in the

United Kingdom, particularly in the Privy Council which, of course, have been more frequent during the Emergency than is common in less troubled times. It is a Vote which one might almost term as an unforeseen, or unforeseeable, contingencies vote. It is not a Vote which is susceptible of estimation in advance.

LT.-COL. GHERSIE: Mr. Chairman, Sir, are we to understand then that this £250 was merely a token Vote when the original Estimate was asked for?

THE MINISTER FOR LEGAL AFFAIRS: That is so, Sir.

Serial Nos. 9 and 10 agreed to.

Serial No. 10 (a)

LT.-COL. GHERSIE: Mr. Chairman, Sir, it is purely a matter of interest. We find here in 10 (a) that the reason for this request is that "The value of contracts made by the Government for the supply of goods locally is now in Nairobi alone of the order of £400,000 per annum . . . and so it goes on . . . this excludes oil and petrol". Now, Sir, it is also suggested that an individual is required to inspect these contracts. Is it really suggested that a person of the calibre, whose value is of something in the nature of £262, asked for this period, would be really capable, Sir, or the right person to inspect contracts and goods to the value of £400,000?

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, my hon. friend knows well enough that the £243 asked for in this particular Vote does not, of course, represent anything like the salary of the man concerned.

Now, Sir, my hon. friend has asked if this post is necessary. We believe that it is very necessary that there should be an increase, and I say increase in respect of this kind. We have, I think, Sir, realized that lack of inspection facilities, other than by the user department and, I think, I must emphasize that, all the user departments other than, of course, their own inspectors, but we have had no facilities for inspection other than by the user or receiving department from the receipt of the goods and then there has not been a quick means of check because the sample remains with the Central

[The Minister for Finance and Development] Tender Board. Now recent irregularities, Sir, reveal, for instance, that in a contract at £15,000 goods were delivered below specification to the value of £800. That is, the quantities were checked by the user department and were found correct, but there was this need of a check between the user department and the original Central Tender Board. We have had a number of complaints from various user departments about the materials used and the tailoring of uniforms supplied under a contract which was of an estimated value of £15,000. In one case, a situation was brought to my personal notice and I handed it over to the people concerned for investigation and, I think I may say, that the investigation results did indicate that there had been this type of thing happening.

There are other items for which contracts have placed, already been placed by the Central Tender Board; such things as soap, charcoal, maize meal, vegetables, fruit, meat, some of them covering the Colony-wide aspect and others, and in the main, the greater part, of the business for Nairobi alone I have felt, therefore, that the introduction of an inspector of materials would be required to ensure that all Central Tender Board contracts are fulfilled in accordance with the terms of the contract and would keep in close liaison with the user departments, would indeed be a great economy and safeguard to the Government expenditure. I think, Sir, it can be said that items such as tents, uniforms, mosquito nets will probably be delivered in future at the Central Store and only after inspection will they be distributed to the user departments.

I would say, I think that this institution of inspection and the liaison between the user departments and the Central Tender Board will, indeed, prove a very great safeguard against the type of irregularity which I am convinced has been happening in a quite large measure in the past.

LT. COL. GHERSIE: Mr. Chairman, Sir, I have listened with great interest to what the Minister has said. I was not for one moment disputing the merit of an inspecting officer at all. What I was concerned about was this, what I might regard as a very small sum, £262. Are we

to understand that one of the existing officers is to have his emoluments increased by this amount or are you seconding somebody there; to inspect these goods? I am not arguing the merits of the inspector.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I am grateful to my hon. friend who is indeed supporting me in the main aspect of this. What I tried to point out, perhaps somewhat inadequately, is that this represents only a part of his emoluments from the time he is appointed to the remainder of the financial year, and, of course, his salary will be much higher and he will be a new officer. In fact, the scale is, I think, mentioned here as C4—3.

MR. HARRIS: Does the Minister consider, Sir, bringing another Supplementary Estimate for another £25 to give this gentleman some travelling expenses so that, in fact he can go and inspect the goods where it is convenient to inspect them rather than have double transport bringing them to the central depot, inspecting them and sending them out again?

THE MINISTER FOR FINANCE AND DEVELOPMENT: Sir, the gentleman will have I am afraid ample travelling allowance, if you look at the overall approved figure. I am perfectly certain without asking for another £25 we can find his travelling, and he must find it, from what has already been voted.

In the second place, I think that it is more important that there should be in some of the big contracts that we have the delivery at the central point and the checking and testing there than the handing out to user departments which, in my opinion, lends itself to the type of irregularity which we know has occurred in some cases.

MR. HARRIS: I am sorry, Sir, but during the war the aeronautical inspection department was one of the biggest inspecting departments of Government contracts. You did not have to send all your aeroplanes to Reading; to be inspected; they sent inspectors who used to inspect them before delivery.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Yes, Sir, they had (a) a lot more men to spend on inspection and

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(b) a lot more money to spend on inspection. I would not like to see the type of expenditure that can take place during a war on such things as aeronautical things and aeroplanes developed as a system for our inspection. Our inspection must be brought about with due regard to (a) economy of expenditure and (b) assurance that the contract is fulfilled in the proper manner.

Serial Nos. 10 (a) and 11 agreed to.

Serial No. 12

MR. COOKE: Sir, in view of the unfortunate experience with the first settlement of Wanderobo, is Government taking particular care to see that a suitable officer is posted to that area in future?

THE MINISTER FOR AFRICAN AFFAIRS: Yes, Sir.

Serial Nos. 12 to 14 agreed to.

Serial No. 15

MR. SLADE: No. 15, Sir, Sir, I had a point on 15, there is a very small amount involved, but it does seem to involve something of principle. Extra money is required for the increase in the number of persons attending courses at the East African School of Co-operation. What I want to inquire, Mr. Chairman, is whether there is a limit of the number of the people who are expected or allowed to attend this School of Co-operation, or whether it is quite unlimited and open to all comers. It appears to me, Sir, that there is a place for the School of Co-operation—I hope to see a little more of it, Sir—but the question is whether we say, "Let all come and study at the school who feel like it," or whether you really only require it for a certain limited number of people engaged in the particular undertaking. I would suggest the latter, Sir, and I would like some assurance that schools of this kind are designed to cater for a limited number, in fact, those only who really need a course of this kind, without mentioning any names.

THE MINISTER FOR AFRICAN AFFAIRS: It is only for a limited number of people, largely the staff of co-operative societies and staffs of the various societies who

are brought in for training or refresher courses.

Serial Nos. 15 to 17 agreed to.

Serial No. 18

MR. COOKE: The increased salary seems to me to be pretty large in this case, 25 per cent from what I can make out. Does Government really think that is justified in the present state of our financial finances?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Yes, Sir, under the new Agricultural Ordinance very considerable increase and responsibilities lie on the Chairman of the Agriculture Board, and Government is quite satisfied that we ought to meet that by an increase in the emoluments of the post of the officer concerned. It is of great value to Government and I believe we will not get the type or calibre of man we want unless we pay for him.

MR. COOKE: Does he get cost of living allowance on top of this £1,600?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: That I am unable to tell the hon. Member, I will look it up, but I doubt if he does.

No.

Serial No. 18 agreed to.

Serial No. 19

LT. COL. GHERSIE: No. 19, Mr. Chairman, May we have some further information on this, Sir? This serial number points out that the £20,000 is required in regard to the failure of wheat crops and we are referred, Sir, to Serial No. 41 which also deals with a similar amount of money, £20,000, and the wording is exactly the same. On reference to the actual amount required under Supplementary Estimates it is £30,000. In the serial number here it is £20,000 and in Serial No. 41 we have practically the same wording in regard to the further £20,000.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I regret to say, Sir, that my hon. friend has misread that. In this case there is £30,000 being asked for, at the moment, for guarantees to farmers, the details of which, of course, will be

[The Minister for Finance and Development] explained by my hon. friend, the Minister for Agriculture. The memorandum note says: "An advance of £20,000 was made from the Civil Contingencies Fund to enable the Government's obligations to be met". The Civil Contingencies Fund, as the hon. Member is aware, is that point of Government money which is available on authorization from the Minister for Finance to enable money to be advanced in advance of authorization of this Legislative Council to enable commitments to be met; and afterwards accounted for to this Committee. So that the total sum required is indeed £50,000, £30,000 now and £20,000 which has already been advanced from the Civil Contingencies Fund to enable the first obligations to be met. Is that clear?

The point being, Sir, that of course, the £20,000 still awaits confirmation of this Committee when Part II is dealt with.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Does the hon. Member require any more information?

LT.-COL. GHERSIE: No, thank you, Sir.

Serial No. 20.

LT.-COL. GHERSIE: This "A replacement is urgently needed for the Ministry of Agriculture's car". Are we to understand that all Ministers have motor-cars paid for out of public funds—(Shouts of "No, no" from the Government benches.)—"I am very glad to hear it, Sir. I should have thought, Sir, there was some standard laid down surely for cars, even of Ministers. Is it not possible to give us some information what this car is going to cost? You put down a token of £1 and as we know it costs a good deal more than that.

Another point, Sir, it is stated that the motor-car is over six years old, I suppose you are governed sometimes by the mileage these cars do, quite apart from the age in years?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I am grateful to the hon. Member for his suggestion that all Ministers should have cars, it is

a matter the Government should consider.

LT.-COL. GHERSIE: Sir, the hon. Minister has misunderstood what I said. I do not think he has really—in any case I refute the statement.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Shame! I accept the hon. Member's explanation, Sir. The car in question will cost £850 new. It will be met out of savings from the Agriculture Vote. The present car is over six years old, it is very dilapidated and decrepit indeed and was, in fact, a legacy left to me and the Ministry by my distinguished predecessor. I must say something, Mr. Chairman on this. The car will hardly go at all. I have to use it for various duties within the Ministry, not for my own personal use but for duty and I must advise the hon. Member that if the Vote is not passed, the car will remain and go only with very great jerks. What I would like to say, Sir, is this, that the car is not dismissed lightly because it is six years old. It is a matter of old age which has overcome it and in any case I cannot dispose of it nor would my hon. friend, the Minister for Finance, agree with me in disposing of it, until it has been boarded.

MR. CROSSKILL: Would not the Minister agree though that it would be preferable to put down the price required for the car rather than a token of £1. We might possibly by accepting the principle by this token vote, that this will be a precedent for the next Supplementary Estimate for the balance on a Rolls-Royce.

THE MINISTER FOR FINANCE AND DEFENCE: Intervening in this debate, Sir, I would say that it is most undesirable that £850 should be put in, since we have insisted, as a Government, that the hon. Minister for Agriculture must find this from savings. If you were to put £850 in this, you would indeed place another £849 at the disposal of my hon. colleague, something to which I could never agree at this particular stage of the Estimates. And, Sir, I would like to say, contrary to my hon. friend, the Minister for Agriculture, I am not grateful to the hon. Member for Nairobi.

[The Minister for Finance and Development] North: for his suggestion which he is suggested to have made.

Serial Nos. 20 and 22 agreed to.

Serial No. 23.

LT.-COL. GHERSIE: Mr. Chairman, again a matter of information. The amount asked for here is in respect of the Prisons Department and it states, "The present Prisons Department Estimate is based on a daily average prisons population of 14,000". It goes on to say, Sir, that "The revised daily average prison population of all kinds is unlikely to be less than 23,000". At this stage, why is the Estimate to be more than originally stated?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Sir, the actual captive population is, in fact, 70,000. This is an attempt to assess a likely figure on which we should base a permanent establishment, as the hon. Member can see, it is adding ten Assistant Superintendents to our permanent establishment. We do not want to base a permanent establishment on the inflated figures due to the Emergency.

Serial No. 24 agreed to.

Serial No. 25.

Mrs. SHAW: Mr. Chairman, there is an indication of a rather regrettable incident in the department, of police amongst young officers and I would like as assurance from the Minister for Law and Order that steps are being taken generally for the tightening up and not allowing, or, in some cases, curtailing, the credit available for young police officers.

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: I readily give that assurance in respect of the Regular Police but, I would point out that this was a case of a Kenya Police Reserve officer, and the Police Department is not responsible for debts which officers in the Reserve may have incurred, perhaps before they joined it.

LT.-COL. GHERSIE: Mr. Chairman, Sir, it would appear, Sir, that this is a case of a police officer misappropriating some in the year 1953. Why is it, Sir, only brought to this Council for a write-off in 1956?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Sir, the officer in question was sentenced to three years' imprisonment and the attempts to obtain money from him have continued during that period.

LT.-COL. GHERSIE: Mr. Chairman, Sir. Serial No. 25 (b).

Now, Sir, this is also an incident which took place in 1953, and it deals with the cheques which were issued to up-country traders and crossed. The cheques were in fact cashed, but the traders denied having received them. Now, Sir, if the cheque was issued, in the first instance a receipt should have been issued, or a receipt received by Government.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I would like to say, Sir, that I think my hon. friend, the Member for Nairobi North has again misread the memorandum note. It does not say the crossed cheques were issued in the first place. It says, "As small traders of this kind often do not possess bank accounts and, therefore experience difficulty in cashing crossed cheques, the cheques were uncrossed." In other words, the cheques in the first instance were uncrossed and there was no question of duplication as suggested by my hon. friend, the Member for Nairobi North.

Mr. HARRIS: These traders must have known what a crossed cheque was, if they had experienced difficulty in changing them.

THE MINISTER FOR FINANCE AND DEVELOPMENT: That, Sir, is not a suggestion worthy of a man trained in business like my hon. friend, the Member for Nairobi South.

Serial No. 25 (c).

Sir CHARLES MARKHAM: This must be one of the shortest periods of service ever known to the Kenya Police. I suppose of five days—but how has it happened? Presumably he is now back in employment. Did he come from England or locally?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Sir, what in fact happened was that this very short service officer was advanced Sh. 200 on arriving in the country. He resigned after five days, and the cost of his passage and his outfit allowance were both recovered

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from him, but the amount of the advance given to him was overlooked. He then left the country and the balance of the salary he earned for the five days was insufficient to cover the full sum, and left a debit balance of the extremely small debt of Sh. 19/50.

SIR CHARLES MARKHAM: Sir, do I understand the Minister to say that the passage book was recovered from the individual?

THE MINISTER FOR INTERNAL SECURITY AND DEFENCE: Yes.

SIR CHARLES MARKHAM: Definitely that makes a big difference because I would not have raised it otherwise.

Serial Nos. 26 to 31 agreed to.

Serial No. 32

MR. MATHU: I would like to know to what extent the money provided for the loans to African traders amounting to over £13,000 has been drawn on up to now. In other words, what amounts have been lent to African traders?

THE MINISTER FOR COMMERCE AND INDUSTRY: The position is, as the hon. Member knows that the money the local authorities have agreed to make available, namely £32,000—I think the correct words are “has only been obligated in the last few weeks” in the form of promises from those African authorities. The money that we are seeking will be re-imbursed by the

MR. MATHU: No. 32 please.

THE MINISTER FOR COMMERCE AND INDUSTRY: Oh, I am sorry, I could not hear you when you spoke.

Well, the position, Mr. Speaker, is that of the original pilot scheme—I am speaking from memory—something less than a hundred loans have so far been made. With the addition of the new schemes, it is necessary that there should be the provisions for travelling so that those who get the loans can be asked to make use of them so that the way the money is spent can be checked and, indeed, so that we hope, the loans having been made, the traders will be in a position to pay the money back through assistance and checking their returns.

I am sorry I misunderstood the hon. Member.

MR. CROSSKILL: On 32, Mr. Chairman, Sir, I do rather deplore the suggestion of extra posts at this time. I would have thought, although it is absolutely necessary to supervise the expenditure of this money, it could be done by agricultural officers, and veterinary officers and I should like a further explanation from the Minister.

THE MINISTER FOR COMMERCE AND INDUSTRY: Does the hon. Member really suggest that a highly qualified agricultural officer or veterinary officer should be taken away from his work and be made to do this work which is full time? I would have thought, as public money is involved, and for the reasons I gave to my hon. friend, that this is a post that can be justified on the grounds of economy and proper use of public funds.

MR. CROSSKILL: Mr. Chairman, Sir, the Chief Secretary has told us the Administration can do anything and will never say *hapana kazi yangu*.

Serial Nos. 33 to 35 agreed to.

Serial No. 36

SIR CHARLES MARKHAM: Sir, we seem to be creating another enormous section under this Ministry. Is it necessary to have a £2,000 a year person as a Senior Assistant Secretary, Sir? I would have thought that according to the speech made by the Minister in reply to a speech by His Excellency, he wants more and more people in the field, not in offices in Nairobi.

THE MINISTER FOR COMMUNITY DEVELOPMENT: Mr. Chairman, Sir, I appreciate what the hon. Member said. Actually he has also in the past referred to this matter. I should like to say it for the very reason that he points out that it is necessary to strengthen the headquarters staff. With increased field officers, it is necessary that those who are carrying out central administrative duties should be strengthened and, at the moment, with all the new plans that have taken place over the last two years, we have only had one Senior Secretary to the Ministry who is also the Commissioner for Community Development, and he is actually over-burdened, so much so that he cannot even have enough time to go out and have a look at things himself, and this is absolutely necessary. I should like to point out, Sir, if I may,

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that in actual fact, this is not going to be something entirely new. Already these two functions are being fulfilled at headquarters by people seconded from the rehabilitation staff, and it is necessary to place them on a much more permanent basis.

LT.-COL. GHERSIE: Mr. Chairman, Sir, arising out of the remarks made by the Minister in replying, we understand the build-up of the headquarters is to cope with the officers in the field, but it says here, “... if these new posts are established, two permanent posts of Community Development Officers will be surrendered”, so it appears you are surrendering officers in the field.

THE MINISTER FOR COMMUNITY DEVELOPMENT: That is true, Sir. It will mean the removal of two out of something like 36.

THE CHIEF SECRETARY: Perhaps I can explain. Those two officers who are to be surrendered are working in headquarters, but such will be the ability of this new fellow that he will replace those two Community Development officers.

MR. SLADE: Therefore, more headquarters and less field. The final result, Sir, is that we are going to have, instead of what we had in the past, we are going to have now at headquarters an additional Senior Assistant Secretary and an additional office superintendent and in the field we will have minus two Community Development officers.

THE CHIEF SECRETARY: Can I explain this? Although we are talking about an additional Senior Assistant Secretary, there is, in fact, no Senior Assistant Secretary. The Ministry consists largely of my hon. friend. The Secretary has to spend part of his time in the field and part of his time administering the Ministry. Neither job can he really do efficiently, it is therefore necessary to have this Senior Assistant Secretary, who will ensure that the administration of the Ministry is as it should be and so release the present Secretary for more outside work.

SIR CHARLES MARKHAM: Mr. Chairman if this is correct, if this man is going to be on the established staff, where is

the cost of living of the Senior Assistant Secretary? It is not on this sub-estimate. Again, Sir, is it £2,000 a year, plus all the benefits of Government—“hidden perks” as you might call them—because a Senior Assistant Secretary seems to me very expensive, Sir, when we are asking for economies in other directions.

MR. SLADE: I suggest also that there again it is a matter which is much more suitably dealt with in the annual Estimates, and not by way of supplementary estimates flung at this Council in the middle of the year, when it is a permanent increase in establishment. It is not an emergency or temporary necessity arising in the course of the financial year. It is a permanent increase which should be dealt with by the annual Estimates.

THE CHIEF SECRETARY: We are very fortunate to have got a man of the quality we require; we could not ask him to wait in a kind of fifth dimension until the end of the financial year. He has to be fed and clothed from the time he is employed.

MR. HARRIS: Mr. Chairman, I think the whole trouble with this particular item is that the Ministry seems to me to be a matter for deeper thought. Dissatisfaction has been expressed on this Ministry before and this Senior Assistant Secretary gets right to the very hub of the Ministry. It has been suggested from this side before, Sir, that this particular Ministry should not have the duties of rehabilitation within its portfolio. I believe, Sir, that rehabilitation should be taken out of the Ministry of Community Development, then possibly they might find a Senior Assistant Secretary who could do the remaining work.

Sir, I am not at all happy that this Ministry should be built up from a lot of hotch-potch jobs that seem to be thrown at it including what I have described in this Council before as probably the most important factor in future policy in this country, and I do not believe that the Ministry—I am not casting aspersions on the Minister—but I do not believe it is capable of doing the job of rehabilitation as we want it done. I would like, Sir, an explanation of what this Senior Assistant Secretary is going to do before I decide whether to move its deletion from the Estimates.

MR. MATHU: Mr. Chairman, I did not intend to intervene in this debate because Members were seeking information. As it is not now information mainly, it is an amount of castigation of this Ministry. I think I should have a word about it. I personally think that if some hon. Members on this side of the Council think that the Ministry has not been functioning properly, surely the request by Government to increase manpower, to bring efficiency, is correct.

MR. COOKE: Not necessarily.

MR. MATHU: Well my hon. friend, the Member for the Coast, in his usual way chips in and says "not necessarily". How can you bring efficiency to a department on paper unless you have manpower to execute duties that are given to the Ministry. I personally think, Sir, that it will be unwise to have a Ministry and to starve it, by not providing sufficient funds so that you have manpower to do the work of the Ministry. It will then of course be a phoney Ministry. I personally very strongly support these items and the points that my hon. friend the Member for Nairobi South has brought up about rehabilitation being removed from the Ministry, is a separate issue. The issue is that under the present portfolio, held by my hon. friend, the Minister for Community Development, he has certain functions, at the present moment, and if those functions are there, and are not being done properly because of lack of sufficient staff, it is right and proper for this Council to provide the necessary funds. I personally take a very poor view of the remarks made by my hon. friend the Member for Ukamba that this is another Secretariat. What about the other ministries? How many Secretaries have they got? Now have they also secretaries all over the country?

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Not enough.

MR. MATHU: My hon. friend, the Minister for Local Government says "not enough", but those things should be discussed on their own merits when they come. At the present moment, I think it is very unfair for any Member of this Council not to support the improvement of this Ministry by denying it funds.

MR. COOKE: Mr. Chairman, when I chipped in, as the hon. Member so eloquently described it, I contended that it would not necessarily increase efficiency by increasing staff, and I still contest that. It all depends on the efficiency of the Minister himself. He may get a hundred additional staff, a hundred additional secretaries, and his efficiency may not be increased.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: On that particular point, Sir, and speaking as a Minister with a portfolio with two senior Assistant Secretaries in my Ministry, I would say that the Minister himself without the proper staff underneath him is just not given a fair chance, and the Minister himself can be the worst or the best, but the staff are the people who carry on the policy. They are the most vital thing to the running of the Government. I would say that this particular post here is absolutely essential and I have had a considerable amount of experience about it because the hon. Minister and myself do overlap and do co-ordinate to a great extent on welfare duties. I know it. I know it from my own experience, and I hope I will be coming before this Council very soon to ask for more staff myself.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I rise just to deal with one point, Sir, and that was the point raised by my hon. friend, the Member for Aberdare, on the question why this was introduced in this Supplementary Estimate and why it would not wait until the Budget debate.

Well, Sir, as I tried to explain in the beginning of this Motion, there are commitments which cannot be postponed or which crop up during the year which make it impossible completely to avoid Supplementary Estimates and this is, in fact, the first one during the financial year 1955/56 to be placed before this Council. But obviously, Sir, we cannot hold back requests for expenditure if we believe that would be interfering with efficiency. We must, therefore, use the supplementary estimate procedure to place those requests before this Committee, and in my opinion, Sir, having looked at this case, it would have been entirely wrong for this request, be it granted or not, not to be placed before

[The Minister for Finance and Development] the Committee now instead of waiting, as it would otherwise have had to have waited for an officer to be authorized until after July 1st, 1956. That was the reason, Sir, and I think it is a correct procedure that it should be placed before the Committee for argument and discussion. I would remind the hon. Member for Aberdare that I did say in my opening remarks that this February or October one would be used for the introduction of new services which could not be postponed and that the one at the end of the Budget session would merely be used for votes for excess or reallocations.

MR. SLADE: Mr. Chairman, it is still my contention that Supplementary Estimates should not be used to effect permanent increases in establishment; but the position now appears, from what we have been told by the hon. Chief Secretary, that this particular post of Senior Assistant Secretary, has been advertised for, and a man has been found, before the post has even been authorized by the Council. Now that, Sir, surely is improper?

THE CHIEF SECRETARY: When I say advertised I do not mean to convey we have inserted something in *The Times*. We have sought round to find out what men of suitable calibre are available.

MR. SLADE: The man you found could not be held in the suspense you mentioned, because he was there before it had been authorized.

THE CHIEF SECRETARY: He is not there, Sir, he is in his present post; but if Council agrees to his being appointed, we are very anxious to take him on as soon as we can and we must pay him for the remaining few months of the year.

MR. COOKE: Was not this foreseen last June, last May, when the Estimates were presented?

THE CHIEF SECRETARY: It was foreseen, but we thought perhaps we could use the old, old dodge of taking a District Officer out of the field. Well, we could not. We could not spare a man from the field for this purpose.

MR. COOKE: Well, we suspected an old dodge; that is the reason we have been querying it!

THE CHIEF SECRETARY: Sir, this is a very honourable dodge.

SIR CHARLES MARKHAM: Can I have an answer, Sir, to my question to the Minister about its estimate accurate? You left out the cost of living allowance for this Secretary and the office superintendent.

Also, Sir, I would like to ask, or make one point clear, to my friend, the African Representative Member, there is no increase in manpower, Sir. You are going to get rid of two permanent posts and have two more, so two times two equals the same.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Sir, I am glad to hear that my hon. friend, the Member for Ukamba, now agrees that there is no increase in manpower. It is merely replacing something. That has been the argument that has been put forward by this side of the Council to the Committee for several minutes. However, Sir, the point with regard to the cost of living allowance is, of course, that, in our opinion, there is no need to put in an extra vote for cost of living allowances when the Ministry has a general cost of living allowance vote and we wish it to be found from that.

Serial No. 37 agreed to.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that—

BE IT RESOLVED that a sum not exceeding £45,698 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56 Part II.

This, Sir, is the reimbursement to the Civil Contingencies Fund Section.

Serial number 38 agreed to.

Serial No. 39

MR. HARRIS: Would the Minister, Sir, tell us whether it will be possible to see any savings anywhere in the departments which initiate indentations as a result of this scrutiny in the department, Supply and Transport, and is he completely satisfied that the staff of fifteen are necessary for the work detailed in the Memorandum?

MR. MACKENZIE: It is hoped, Sir, that when this department has been developed, it will be able to take over certain staff which is, at the moment, held by other departments. That is most certainly the Government's intention and has been from the start. So far as this particular staff is concerned, the matter was gone into at considerable length, and the Treasury were satisfied that the number of posts concerned were needed to enable the department to get on with the job it is doing of screening indents. And also, of course, it is busy working out procedures, stores procedures, and purchasing procedures, for the future and I am quite satisfied that when those procedures have been worked out, the Colony will be saved a great deal of money.

As a matter of interest, Sir, already the activities of the department have resulted in considerable saving. They have only been screening these indents for a matter of two or three months now, and already saving amounting to £5,750 have been brought about through the activities of the purchasing section and since the department took over the running of the Central Assembly Board. It is quite probable that further savings will be made through the better control of local purchase which is one of the major duties that the department will undertake. It is rather unfortunate that so far, owing to delays in building, it has not been possible to put up the actual buildings, but I am quite sure that when they have been built, we should find quite considerable overall savings.

MR. COOKE: May I ask, Sir, whether we shall continue to use the Crown Agents when this organization is really under way?

MR. MACKENZIE: This organization will, Sir, naturally purchase the goods which are bought from the United Kingdom through the Crown Agents, but, of course, there is a great deal of local purchase too, and it is very important that that should be properly controlled and also that purchasing through the Crown Agents and local purchase should be thoroughly co-ordinated so as to make sure the Government is, in fact, buying what it needs in the most economical and convenient way, taking everything into

consideration including the tying up of stock and that kind of thing.

Serial Nos. 40 to 44 agreed to.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move:

BE IT RESOLVED that a sum not exceeding £56,313 be granted to the Governor, on account, for or towards defraying the charges of Supplementary Estimates of Expenditure No. 2 of 1955/56; Part III.

This, Sir, is the revote.

Serial No. 45

LT.-COL. GHERSIE: Just a general observation, Sir. Serial numbers from 45 to 80 do represent nothing but Revotes and they amount to over £56,000. Is this not perhaps creating a precedent in support of the very argument put up from this side of Council, that Government should allow departments to carry forward their unexpended balances and therefore effect economy?

THE MINISTER FOR FINANCE AND DEVELOPMENT: No, Sir.

Serial Nos. 45 to 72 agreed to.

Serial Nos. 73 and 74

SIR CHARLES MARKHAM: 73 and 74, Mr. Chairman, I notice that the question of identity cards comes up again. I wonder perhaps whether the Minister will consider, as he now says we need more identity cards, whether he would not consider perhaps changing the form of that identity card, in other words, make it slightly better print or slightly better paper or perhaps with a place for a photograph. You see the note at the bottom. "No identity cards were purchased" and we now need some more. Would you perhaps consider, Sir, Mr. Chairman, changing the form of that card before buying new ones?

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: The amount of money required, Sir, is for a number of identity cards in its present form. I do not consider that the question of changing the actual form arises out of this particular Supplementary Estimate at all.

SIR CHARLES MARKHAM: Mr. Chairman, you are buying stocks. Is there any point in buying something you do not particularly approve of? It says that

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: It does not say that Government does not approve of these identity cards.

Serial Nos. 73 to 80 agreed to.

The question was put and carried.

MOTION

DEVELOPMENT SUPPLEMENTARY ESTIMATES NO. 1 OF 1955/56 IN PARTS

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

BE IT RESOLVED that a sum not exceeding £442,529 be granted to the Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56, Part I.

Serial No. 1

MR. HARRIS: Is that £25,000 in a "Scheme Value"—is that the total of Government's contribution or the total cost of the scheme?

THE MINISTER FOR FINANCE AND DEVELOPMENT: That, Sir, will be the total of Government's contribution.

MR. HARRIS: Then is this just for Covonation Avenue? If so, what is going to be the total cost of the scheme, because at the moment it looks something like £50,000 a mile.

THE CHIEF SECRETARY: The total of the Government's contribution, Sir, for Covonation Avenue is going to be £30,144. Adjustments were made in Sessional Paper No. 97 of 1955, making that point clear.

MR. HARRIS: Is that a 50-50 contribution?

THE CHIEF SECRETARY: No, Sir, the way it is done is this. Half the cost of the 44-ft. carriage way, the full cost of the parking bays, the full cost of the footways, half the cost of the combined sewer, half the cost of the surface-water sewer, half the cost of road drainage, the full cost of sewer connections and so on. The answer is £30,144. The estimated cost of the tarmac work is

£17,050, but this will be carried out by direct labour using a machine, which hon. Members will be interested to hear is called the "Barber Green Finisher".

MR. HARRIS: If the Chief Secretary is satisfied, I am

Serial Nos. 1 to 4 agreed to.

Serial No. 5

MR. CROSSKILL: May I know whether that is an advance that will be recovered out of the £5,000,000 belonging to the Swynnerton Plan?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: No, Mr. Chairman, the answer, I think, would be no. The hon. Member is asking whether this advance will be recovered from the £5,000,000 belonging to the Swynnerton Plan. I cannot really tell the hon. Member straight off, but I think that it is probably out of our own Development money, not out of the Swynnerton Plan at all.

Serial Nos. 5 to 24 agreed to.

Serial No. 25

MR. CROSSKILL: 25, Sir, Can it really be substantiated that the economic growth of Lamu justifies the expenditure on water of £21,000?

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: It can certainly be substantiated, both on health grounds and on other grounds.

Serial Nos. 25 to 36 agreed to.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move:

BE IT RESOLVED that a sum not exceeding £3,500 be granted to the Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56, Part II.

This, Sir, is the reimbursement of the Civil Contingencies Fund.

Serial No. 37 agreed to.

The question was put and carried.

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

BE IT RESOLVED that a sum not exceeding £64,636 be granted to the

[The Minister for Finance and Development] Governor, on account, for or towards defraying the charges of Development Supplementary Estimates of Expenditure No. 1 of 1955/56, Part III. This, Sir, is the revote.

Serial No. 38.

SIR CHARLES MARKHAM: Mr. Chairman: could I ask a question of the Minister of Finance? Is the new police headquarters under that item, or where does that come, Sir, I cannot see it.

THE MINISTER FOR FINANCE AND DEVELOPMENT: No, Sir, it is not, I think, in this revote section to all.

Serial No. 38 to 51 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 its consideration of the Motions on the Order Paper and its adoption thereof without amendment.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORT

MR. CONROY: Mr. Speaker, Sir, I have to report that the Committee of Supply has considered Supplementary Estimates of Expenditure of the Colony and Protectorate of Kenya No. 2 of 1955/56 and Development Supplementary Estimates of Expenditure No. 1 of 1955/56 and approved Resolutions in respect thereof.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I beg to move that the Council doth agree with this Committee in the said Resolution.

Question proposed.

The question was put and carried.

BILL

SECOND READING

The Employment of Women, Young Persons and Children (Amendment) Bill
Order for Second Reading read.

MR. LUYT (Nominated Member): Mr. Speaker, Sir, I beg to move that a Bill entitled Employment of Women, Young Persons and Children (Amendment) Bill be now read a Second Time.

The main purpose of this Bill is to give effect to recommendations contained in the Employment Chapter of the Report of the Committee on Children and Young Persons. The Committee, Sir, was presided over by the hon. Member for Aberdare, and is generally known as the Slade Committee. Most of the recommendations have been accepted substantially as made. They might not all appear to be in this amending Bill but that, Sir, is because the Committee itself recommended, and Government accepted their view, that only those recommendations which are fundamental and permanent in the control of employment of children and young persons should go in the principal Ordinance; the others should be implemented by rules. Some of the controls are of the sort that would vary with different times or with different areas, and the extra flexibility of implementing them by Rule, therefore has advantages.

Let it be thought that there is too much government by Rule in this matter. I think I might point out that Rules made under this Ordinance need prior consultation with the Labour Advisory Board and must lie before this Council for 30 days for objection.

While the implementation of recommendations of the Slade Committee are the main purpose of this Bill, there are some other subsidiary purposes. These include the necessity to bring our legislation into conformity with our international obligations, that is the I.L.O. Conventions, where in some cases we are at present not in order. Also, Sir, experience has shown that there are a few weaknesses in the Ordinance as it stands and the opportunity has been taken to remove them.

There is a third purpose, which I think will be a welcome one and quite an important one, particularly for persons who have to keep themselves fully informed on this subject, and that is that we are bringing, as far as possible, into one Ordinance all the provisions of the law concerning the employment of juveniles. At the present moment, some of these provisions appear in the Employment of Women, Young Persons and Children Ordinance and others appear in a chapter of their own in the general Employment Ordinance. Through the

[Mr. Luyt] medium of this Bill, most of the provisions of the chapter in the Employment Ordinance have been brought into, what I think is their rightful place; the Employment of Women, Young Persons and Children Ordinance.

I should emphasize, Sir, on repeating the title of this Bill, which like the principal Ordinance includes the word "Women", that we do not claim that there has been the same thorough survey of our legislation in respect of the employment of women as has been done in the case of the employment of juveniles. There has not been the same need for it and, had it been done, would have delayed the presentation of this Bill even further. Nevertheless there is at least one section of this Bill which deals primarily with the employment of women and is, I think, of sufficient importance to bring to the attention of the Council. At the present moment our principal Ordinance does not permit the employment of women in industrial undertakings beyond the hour of 7 o'clock in the evening. Now, with the development of industry in this country, we are finding firms—industrial undertakings—that wish to operate the double shift system—two successive shifts in the same 24 hours. Some of those firms have occupations which can very suitably be carried out by women, but as the law stands at the moment, women cannot be employed in both the first and second shifts because the second shift cannot be completed before 7 p.m. Now the amendment, which I think is in clause 5 of the Bill and amends section 7 of the principal Ordinance, will permit, under safeguards, the employment of women in industrial undertakings beyond the hour of 7 o'clock in the evening.

The Bill, Sir, is a collection of numerous individual points without perhaps any one particular feature dominating, and as the Objects and Reasons in respect of the individual clauses are set out fully, I do not intend to go into any detail. There is, however, one clause in the Bill which I think calls for some attention, particularly, because it runs to two pages and deals with controls and permits, which might be causing alarm that we are introducing excessive red tape; so perhaps I ought to explain briefly what part these controls and

permits play. The present position in respect of permits for the employment of children applies only in urban areas. In the rest of the country we have no permits. The Slade Committee, Sir, recommended, and Government has accepted, that that position should continue except in case where the employment of children involves the children having to live away from both their parents, and that where those circumstances obtain, the employer should be an approved employer. Now that principle has been included in this amended Bill; but in order that it should operate as smoothly as possible, we are not calling upon employers to seek permits on every occasion on which they wish to employ a child when the child cannot live at home; the employer can be approved for a period of 12 months, have an annual permit—a sort of season ticket, so to speak—and during that period he can employ children, even though they live away from their parents, provided that the child itself has permission to go into employment. Children going away from their homes into employment and being unable to live with their parents, also need permits. These can also be of the season ticket variety, but each case will be looked at on its merits and appropriate endorsements will be made on the permits.

So while, Sir, there is rather a lot said in this new Bill about permits, I would emphasize that no permits are to be required outside urban areas for the employment of children provided the children can live with at least one of their parents; and even in the requiring of permits for children who live away from home while the permit system provides the necessary safeguards—the system to be used should, we hope, provide the minimum of inconvenience to employers and employees.

I should mention briefly, Sir, amendments which will be moved in the Committee stage. One of these refers to the definition of "woman" in clause 2 of the Bill. During the lengthy period in which this Bill has been under preparation, numerous proposals have been considered in respect of the definitions; there have been various changes made in the definitions and I am afraid it was not noticed that the definition that was finally accepted for "woman" was, in

[Mr. Luyi] fact, both in substance and exactly in words, the same as the definition which already exists in the Ordinance. So this particular amendment that occurs in the Bill has no justification for its presence there and will be removed. I must apologize for this error, Sir, but I think the Council will appreciate the difficulty in attempting to define this particular word.

There is also to be an amendment of the definition of industrial undertaking. This amendment does not in any way affect the substance of the present definition and merely corrects faults in the present wording.

It is also, Sir, probable that there will be amendment to clauses 8 and 10 of the Bill, which propose to amend sections 11 and 13 of the principal Ordinance. The purpose of the amendments as they stand in the Bill as published were to introduce further control upon the employment of children in native vessels but further examination of these controls suggests that they probably go too far and the amendment, therefore, as appearing in the Bill will be altered to restore the present position as it is in the principal Ordinance, which will permit a child to sail on the high seas as a member of a crew of a native vessel, under those safeguards which already exist.

I have two final points, Sir, which I feel I ought to be made. Firstly, that this Bill is not brought in any spirit of disapproval of the general principle of the employment of juveniles or either in a spirit of criticism of the manner in which juveniles for the most part are at present employed in Kenya. There are, admittedly, some bad employers but for the most part, and I think I can say particularly in the rural areas, the conditions under which juveniles are employed are generally satisfactory and they frequently contribute to the well-being of the juveniles. In saying this, I think I should in fairness associate our biggest single employer of juveniles in Kenya—the tea industry—with these remarks. In urban areas, controls in respect of the employment of juveniles are necessarily tighter, but there again employment of juveniles is not, in my opinion, in itself any cause of juvenile delinquency, which is unfortunately on the increase, particularly in this city. In

fact, properly controlled employment can, I think, contribute a lot, to the removal of juvenile delinquency.

Finally, Sir, before sitting down, I should like to express gratitude to the Chairman and members of the Stale Committee for all the work they did on this most complex subject—and to congratulate them and express my admiration for the way in which they sought to ensure the observance of fitting standards in the employment of juveniles, while at the same time making very practical recommendations for our day-to-day use. I beg to move.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS seconded.

Question proposed.

MR. CROSSKILL: Mr. Speaker, whilst being in sympathy with the amendment proposed, I do feel that in some respects it is perhaps outrunning the conditions of development which obtain to-day. I would give one instance by referring to the definition of a child, which means "a person, male or female, who has not attained the age of sixteen years," and then turn to page 2, where it states that: "Provided that, in relation to a female child who is married and is living with her husband, the expression "parent" shall be construed as meaning her husband"; then, Sir, if we go to page 2, section 19, we shall see that "Any person who employs a child, or causes a child to be employed, or being his parent, allows a child to be employed as a porter, fuel cutter" or other, shall be guilty of contravention of this Order. There, Sir, I can see that an African would not be allowed to employ or allow his wife to cut *kuni*, which is cutting completely across the social customs of the country and I therefore think in some ways we have outrun the stages of development in which we are at the present time.

I am very glad, Sir, that the hon. Mover has seen fit to grant what he calls a "season ticket" for children to work when they are not living with one or both parents. That does affect a very considerable number of the Kamasia tribe who come up for a month or two and work together in a camp where they do have the benefit, in many cases, of primary education on the farms. Were

[Mr. Crosskill] they to be deprived of that, I think it would be detrimental to their welfare.

There is one point I should like the hon. Mover to explain when he replies, Sir, and that is with regard to clause 4, wherein: "No person shall employ a child, whether gainfully or otherwise, in any industrial undertaking." I should like him to say whether an industrial undertaking which is described as a factory would include coffee factories and pyrethrum driers, because both those types of factory do provide very suitable employment, in my opinion, for such children.

I beg to support.

THE SPEAKER: We have now come to the normal time for suspension of business, but I understand there is a Motion for the Adjournment.

MOTION ON THE ADJOURNMENT

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I beg to move that the Council do now adjourn.

The matter, Sir, which I wish to raise rises out of replies given by the hon. Chief Secretary in reply to my Question No. 58 last Thursday. The purpose of that question was to find out the Government's intention in regard to activities.

Now, Sir, it did not appear to me a matter that could be dealt with adequately by question and answer, and it seemed to me to be one of considerable public importance; and it is for that reason I gave notice that I would raise the matter on the Adjournment.

Now, Sir, the day before my question was answered in this Council, the Kenya Federation of Labour issued a statement which was published in the *East African Standard* of an entirely political nature. It seemed to me that the Federation is being used as a means to circumvent the Government's policy in regard to country-wide political organizations. The hon. Chief Secretary, in his replies, made it quite clear that, if the Federation of Labour applied for registration as a political body, it would obviously be refused, yet it is clearly acting as such and appears to be claiming to express the views of Africans held in this country on a country-wide basis.

What I would ask the Government to make clear is whether they intend to tolerate what appears to be an attempt to flout the declared policy of the Government, and I would ask the Government to state clearly the legal status of the Federation of Labour. If it is, as we are informed, a registered society, I would like to know what sort of a society it is, what its rules are, and if those rules have been approved, and are being observed. I would also like to know, Sir, whether those rules are framed in such a way as to enable the Society to ignore Government's declared policy. If this is the case, then I urge the Government to take steps to amend those rules, or, if necessary, take steps to amend the law. To my mind there is nothing more conducive to contempt for law and order than the evasion in this way of the declared policy of the Government.

On the 2nd of June last year I moved a Motion, the purpose of which was to warn Government of the danger of *Mau Mau* going underground and infiltrating the trade unions and the body that was then known as the Kenya Federation of Trade Unions, which is now known as the Federation of Labour.

Now, that warning did not appear to be, or does not appear to have been, heeded by the Government, anyway so far as the Federation of Labour is concerned. Nothing has been done in the meantime and, quite clearly, the political activities of the Federation of Labour have continued.

Now, anyone who takes any interest in world affairs, and policies of the Soviet Government, can hardly fail to find an association between Communism and *Mau Mau*. The pattern of events is only too familiar and it is clear that Africa as a whole has become a target for Communist activities. Therefore, is it reasonable to suppose, that Kenya has been left out of their plans?

I mention this because the Kenya Federation of Labour is, I believe, affiliated to the International Confederation of Free Trade Unions. Now, that international body was formed to replace the former Communist-dominated body which was, as I say, Communist controlled, but information which I have received suggests that it is quite possible that the International Confederation of

(Group Captain Briggs).

Free Trade Unions has itself become infiltrated, either by Communists or by fellow travellers.

Now, Sir, if the Kenya Federation is, in fact, influenced by the Communists or fellow traveller element in the International Confederation of Free Trade Unions, then it follows that the activities of the Kenya Federation must be regarded with some suspicion. It is, I think, a thousand pities that the Federation of Labour appears to look to the International Confederation of Free Trade Unions for guidance. I think it would be far wiser if they had, in fact, turned to that responsible body, the Trade Unions Council, and sought their advice and help.

For some strange reason, there appears to be some reluctance on the part of Government to acknowledge the existence of Communism in this country, and of the Communist menace, and I do believe that it is high time that they did face up to the realities of the situation. I believe the menace is a very real one.

Now that, Mr. Speaker, I think, concludes my remarks and I hope to receive a clear, definite, and, I hope, reassuring reply from the Government.

MR. USHER: Mr. Speaker, I too, share the anxiety of the hon. Member who has just spoken, and I, too, was a little disappointed at the replies received to the question he asked the other day. The hon. Member has referred to political pronouncements affecting the organization whose affairs we are discussing, and I have also noticed another matter. In the *East African Standard* of Monday, the 20th, there were two paragraphs relating to the Kenya Federation of Labour. They contained an announcement that this Federation was from March 1st to start a newspaper carrying world and East African trade unions news. The initial finance was to be provided by the International Confederation of Free Trade Unions and that is all at the moment that we know in the matter.

Now, Sir, we understand that this body is a registered society, and, of course, under section 5 of the Societies Ordinance registration might be refused if a body was found to be affiliated or con-

nected with any organization or group of a political nature established outside the country. Then, having been registered, if it were to be found in such a position that registration could be cancelled.

Now, Sir, I do not know what are the principal activities of the International Conference of Federated Trade Unions. It may be they concern themselves with conditions of employment. I dare say they do, but anybody who reads, and anybody who was able to study the agenda of the Vienna Conference and the part of this body in it, can have no doubt that it holds political views of a very extreme kind—political views which have at least the approval of the Communists.

Well, now, Sir, returning to the Societies Ordinance, I would like to remind Members—hon. Members—of the objections to this particular clause dealing with refusal on account of affiliation outside. Objection was taken particularly by a past Member, Mr. Odede, and a present Member, the hon. Mr. Awori. I should like to quote the words used by Mr. Odede on that occasion. He said, "I think it is brought in"—that is the Bill I think—"because it is known that we, the African community seek rescue from abroad because we have not been granted our rights". What rights? There we had it. As the hon. Member for Aberdare said on that occasion, and I believe it was well said, "we have only to read a few pages of history to realize that political interference from abroad is one of the worst poisons that the body politic can absorb".

Now, this connexion—you may call it what you like—with the International Conference of Federated Trade Unions may not be, of course, conclusive evidence of any general intention to concern itself mainly with politics, and with violent politics at that. Nevertheless I would point out, Sir, that the fact that there is this connexion established and the pronouncements to which, my hon. friend has just referred, and other pronouncements by spokesmen of the Kenya Federation of Labour, do amount to something. They are formidable and, Sir, circumstantial evidence, and I know that when I say, Sir, circumstantial evidence, many Members go to that excellent dictum by Thoreau, "Circumstantial evidence can be very compelling, as when you find a trout in milk". I hope, Sir,

(Mr. Usher)

Government will not fail to observe the trout!

MR. SLADE: In supporting my hon. colleagues who have just spoken, I would just like to point out that we have here an element very similar to that which we were discussing only a few days ago in the Bill on the Trades Unions Ordinance. There, Sir, in assenting to the existence and the desirability, in proper circumstances of trade unions, we were pointing out that they must not in any circumstances be allowed to abuse their privileged position of trade unions and the purpose for which they are given privileges, which is to look after the interest of the employers and employees in particular trades. They must not be allowed to abuse those privileges for other, more sinister purposes, and here, Sir, is the same position again. We have here what purports to be a federation of labour—a federation of trade unions. Well, Sir, such a federation may be very desirable if it is truly created for that purpose of helping trade unions to co-operate and stand together. It may be performing a good service, provided that is its intention, and that is its activity, like trade unions, is genuinely limited to such purposes; but such a federation of trade unions must not be allowed to be used as a cover for something entirely different, and what I have to say, Sir, in support of my hon. colleagues is this. This federation purports to be a federation of trade unions—a federation of labour; but it is busying itself with every political consideration under the sun that has nothing to do with the interest of trade unions, of employers, employees and trade, or anything connected with them at all. That seems to me, Sir, the sinister feature of this federation; and that is a thing that I want an assurance from Government, that it is going to be watched most closely. That trade unions or federations of trade unions are not used as a cloak for something entirely different, unrelated to the interest of employer or employee or trades at all.

SIR CHARLES MANKHAM: Mr. Speaker, in supporting what hon. Members have already said, I would like to make it clear that this is not an attack on trade unions in Kenya. It is an attack on a rather bogus—perhaps it might be called bogus—political party which has broken

out as a result of trade unionism in Kenya. But although, perhaps in the past, we may have attacked trade unions, we recognize that they had to stay and are worthy of our support, but at the same time, we don't want those unions to come into disrepute just because another body is open to suspicion.

Now, Sir, when the Kenya African Union was banned by the Government, it became obvious to certain of us that other methods would be found in order to express the Africans' voice over the world, and, of course, the easiest one became the Kenya Federation of Labour. Under the cloak of matters concerning trade unions, various subjects which were entirely political, were of course, aired to the world. For example, I can give, Mr. Speaker, the resolution which was debated at the Vienna Conference concerning forced labour in Kenya on farms, detention without trial, of innocents at both Mackinnon Road and Manyani, and various other subjects all of which were entirely political and could not possibly, even by the most wonderful stretch of imagination, be called matters concerning trade unions, but, and this is where, Mr. Speaker, I support my hon. and gallant friend, the Member for Mount Kenya, when he said the danger of course is that this has become the cloak for subversive activity. Although the Government are aware of the position, I wish publicly they would state what their policy is towards people who are known in this country to be fellow travellers. I believe some of the Ministers in the future are going to come from these so-called "fellow travellers", and it is very important that they should know when they stand in this country, and also, they should know that they will not be tolerated any longer. I should think we are about the only colony in the world where we do not seem to ban Communists, who are quite well-known in this country on the occasions they have been here. I refer, of course, to one gentleman who, luckily is incarcerated in the Northern Frontier District, but who openly practised here for two years before such incarceration. That was not a person from Africa, either.

Mr. Speaker, I support entirely what other Members have said to-day, and I do hope that Government will be strong

[Sir Charles Markham]

on this point, and issue a clear-cut statement of what their policy is towards the Federation of Labour.

MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, the Federation of Labour is a registered society registered under the Societies Ordinance. It is comprised of constituent organizations—workers' organizations as they are described, most of which, if not all, are trade unions. Its objects, and I think it is relevant to this debate to read out the objects, they are not very long—its objects are as follows:—

- (a) Generally to improve the economic and social conditions of all workers in all parts of Kenya and to render them assistance whether or not such workers are employed or have ceased to be employed.
- (b) To affiliate with, or to subscribe to, or to assist any other organization having objects similar to those of the Federation.
- (c) To assist in the complete organization of all workers eligible for membership in the trade union movement.
- (d) (And here there is a monumental split infinitive for which I take no responsibility.) To, as hereinafter set forth in these rules, settle disputes between the members of such organizations and their employers or between such organizations and their members or between the organizations themselves.
- (e) In pursuance of such objects the Federation may do or authorize to be done all such acts and things as it considers necessary for the furtherance of these objects.

Now, Sir, Mr. Speaker, these are legitimate objects in the sphere of labour relations and trade unionism, the sphere of what might be described as worker relations and worker conditions. In that sphere issues must inevitably arise from time to time, issues in regard to such subjects as workmen's compensation, conditions of employment, factories, shop hours, trade unions and trade disputes, and the like, issues which have some political import and in which an organization such as the Federation of Labour, with objects in its constitution

such as I have read out, has a legitimate interest and a responsible concern. As a registered society, with constitutional objects embracing such issues, participation on behalf of employees, workers, in promoting the resolution of such issues, is a proper and legitimate function of the Federation of Labour, and, provided the leadership and influence of the Federation in such matters be responsible, mature and constructive, it can play a useful part and a desirable role in the industrial and commercial life of the Colony; useful not only to the workers whom it represents, but also to the community as a whole. And, of course, it is not necessary, neither is it to be expected, that the views and policies of such a body should be in consistent and constant accord with those of the employer section of the community, or of the Government. Respect, stature and standing of such an organization will not depend on subservience or agreement with other views. They do depend on responsible leadership and a due sense of duty and obligation, not only to the workers of the community, but also to the rest of society.

Now, the Federation of Labour in Kenya is composed of constituent organizations which themselves comprise a membership almost entirely, if not wholly, African. Government's policy in regard to African political associations is well known and has recently been reaffirmed although it was declared some time ago, and it has now not only been reaffirmed, but sustained by legislation. Government will not at the present stage, in the interest of security, permit African political associations other than on an area or regional basis. By its constitution the Kenya Federation of Labour is not a political association. It is an organization to represent the workers comprising the membership of its constituent organizations, most of which, if not all, are trade unions, and its declared and constitutional objects lie in that field. In so far as politics intrude on that field, they do so incidentally, and in so far as the Federation concerns itself with political issues, within its legitimate sphere of activity, and within the confines of its constitutional objects, it does so properly, constitutionally and lawfully. If, however, such a body enters the wider, indeed the unrestricted, field of

[The Minister for Legal Affairs]
general politics, it exceeds its mandate, it abrogates its own constitution, and it offends against the law as laid down in the Societies Ordinance, under which it is registered and to the control and regulation imposed by which it is subject. Also, if it enters the field of general politics, being basically and mainly an African association; it circumvents and renders nugatory Government's policy in regard to African political associations, with resultant unfairness and disadvantage to and possibly disruption of, the bona fide regional associations which are currently in process of formation in conformity with Government's policy and permission, and, in prospect, the constituency organizations which will develop under the new system of African elections which we are shortly to consider.

A labour organization of this nature, Mr. Speaker, is concerned with people as workers. A political association is concerned with people as citizens, as voters or potential voters. That is, in my submission, a fundamental distinction.

Now, Sir, the Registrar of Societies has issued notice to the Kenya Federation of Labour under section 5, subsection (7) of the Ordinance, calling upon it, in effect, to show cause why its registration should not be cancelled, on the ground that it pursues objects other than its constitutional objects as set out in its rules and as declared in its application for registration. It has been given until the 10th of March to show such cause, if it wishes and is able. That being the case, Mr. Speaker, I do not consider that I should dilate on the action taken by the Registrar or on the ground on which he has taken that action.

ADJOURNMENT

THE SPEAKER: It is now time for suspension of business. Council will adjourn until 9.30 a.m. to-morrow morning, 24th February.

Council rose at forty-five minutes past Six o'clock.

Friday, 24th February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

ORAL NOTICE OF MOTION

COMMISSION OF INQUIRY—SAFEGUARDS

MR. SLADE: Mr. Speaker, Sir, I beg to give notice of the following Motion:

Be it resolved that Government be requested to introduce rules and procedure for the regulation of proceedings for commissions of inquiry, with particular regard to due protection of all whose conduct or character may, during such proceedings, be called in question.

Mr. Speaker, Sir, I should like to mention that though I am giving notice now, it is not proposed that the Motion should be debated until after the present Commission of Inquiry into the City Council of Nairobi has completed its proceedings.

BILL

SECOND READING

The Legislative Council (African Representation) Bill

Order for Second Reading read.

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move that the Legislative Council (African Representation) Bill be now read a Second Time.

The purpose of this Bill, Sir, is to translate into law the recommendations of the Courts Report in the form in which they have been accepted by the Government.

Put in as few words as possible, the Bill is designed to enable Africans to be appointed to this Council by direct election through a secret ballot on the basis of a qualitative franchise. The Bill lays down the qualifications which will be required of a would-be elector to enable his name to be placed on a voters roll. It also describes the qualifications required of a voter to enable him to stand as a candidate for election and sets out in detail the various disqualifications which debar a man from registration as a voter or from presenting himself as a candidate for election.

[The Chief Secretary]

Now, Sir, the Bill deals with the method by which African Members will in future be elected to this Council. It is not concerned with the number of those Members, except to express the size of the present authorized membership. I recognize that the question of the number of constituencies rather than the manner of representation, is a matter of very deep concern to many Members, but any changes in this respect do not and cannot come within the purview of this Bill. I trust, therefore, that hon. Members on the other side will not demand that clause 3 of the Bill should be amended in such a way as to increase the number of electoral areas, for it is not within my power at present to give any answer to such a request.

The Bill is not a notably lengthy one, but the matters with which it deals are of such importance and will have such far-reaching effects in the political life of the Colony, that I feel it essential that I should deal with the various issues in some detail. I propose to handle the matter in the following way. First, to describe the method by which African Members have in the past been appointed to the Council and the circumstances which led the Government to appoint a Commission to advise on the best system to be adopted in choosing African Representative Members. Secondly, to elaborate the reasons which moved the Government to accept the three principal recommendations of the Couits Report, that is to say, that there should be a secret ballot, a limited qualitative franchise based on education, experience, public service, standing and achievement and that the qualitative nature of this form of suffrage should be enhanced by a system of multiple votes. Thirdly, I shall describe the modifications which were made by the Government to the Couits recommendations to meet the conditions which the Government considers must be fulfilled in order to ensure the sound development of African political life. I shall then go on to explain the qualifications required of voters and candidates and to give hon. Members the reasons for the imposition of some of the disqualifications.

As hon. Members know, the present practice is for African Representative Members to be appointed by the

Governor in accordance with the powers conferred upon him under the Royal Instructions. The relevant Royal Instruction reads as follows: "The Representative Members of Legislative Council shall be such persons not holding public office as the Governor may appoint; of the Members so appointed, six shall be appointed to represent the interests of the African community in Kenya."

Since and including the 1948 elections, or rather the 1948 system of representation, the Government has made increasing efforts to associate African public opinion with these nominations. In 1948, the four African nominations, as they then were, were made from panels of names, produced by a council of representatives of the various African district councils in each of the electoral areas. At that time, of course, they were not referred to as electoral areas. The panels were examined by the Governor and appropriate appointments were made from the names included in those panels. In 1952 the process was taken a step further. Delegates were despatched from local councils to form district advisory nomination committees. Each of these committees then sent up to five of their number to form an advisory nominal college for the electoral area and the college then voted by secret ballot upon the candidates. As in 1948, the appointments were made by the Governor from the lists of names produced by these nominal colleges. Since 1952, there has been a good deal of criticism of these arrangements. They have been described as undemocratic, unjust and subject to every kind of improper influence. This I regard as completely unwarranted. The procedure was carried out with scrupulous regard for fairness and secrecy. The arrangements were, I need hardly say, controlled and supervised by men who had not the faintest bias towards the outcome of these selections. It ill-becomes us to denigrate or mock at these earlier indirect elections. They were, indeed, a most valuable and necessary preliminary to elections on a broader basis. Men of the quality required were, in fact, selected and much experience was gained. I can say "*Si monumentum requirit*."

Nevertheless, with the rapid political developments of the African community

[The Chief Secretary]

since 1952, there has been a growing reluctance amongst Africans to have the final choice made for them, particularly when the other communities are in a position to choose their own Members, and by 1954 it was recognized that the time had come to replace the earlier indirect method of election by some more direct method. At the time of the reconstitution of the Government in 1954, it was agreed that during the period up to 1956 the Government should initiate a study, in which Africans would play a prominent part, of the best methods of choosing African Members of the Legislative Council. Later that year it was decided, with the approval of the Secretary of State, that the practice whereby Africans were nominated by the Governor to be Representative Members of the Council should cease.

Early in 1955 the Couits inquiry was started. These were the terms of reference: "To investigate and advise on the best system or systems to be adopted in choosing African Representative Members of Legislative Council in Kenya, bearing in mind the differences which may exist between the various areas." The report was completed in August last year and was laid on the Table of this Council, together with a Sessional Paper, early in January.

Hon. Members who have studied the report will, I am sure, appreciate the care and thoroughness and the great understanding and sympathy which the Commissioner devoted to his investigations, and I should like to express here the Government's great indebtedness to Mr. Couits for his painstaking and ingenious inquiry.

I now come, Sir, to the second part of my examination of the principles of this Bill, that is to say, the reasons which led the Government to accept the basic principles of the Couits Report. The first major recommendation—that there should be voting by a secret ballot—needs no support or explanation. Experience all over the world has shown us that this is the surest and fairest method for the casting of votes.

The next recommendation is that universal adult franchise should not be introduced into Kenya at the present stage and that instead there should be a selec-

tive suffrage. The essence of this selective suffrage is that before a man's name can be placed on the voters roll he must show that he is possessed of certain simple qualifications. Further, the qualitative principle of the franchise is buttressed and enhanced by a scheme whereby those who have a greater knowledge of affairs or a more advanced educational background than the minimum electoral voter with his simple qualification, are given a correspondingly weightier say; in other words, have more than one vote.

This selective suffrage is no new thing. In any system of franchise in a given community, some kind of standard has to be applied. It is commonly a standard of age, education or property or a combination of those things; and what distinguishes one system from another is the precise set of standards—the level of standards—which is adopted. The lowest conceivable set produces what is known as universal suffrage and the highest conceivable set would result in a very small electoral college.

The Couits Report recommends a medium standard based on education, property, service and standing in the community. The chief reason for the Government's acceptance of the Couits principle of a standard above the minimum, is that the African communities in this country show a difference in education, in social and material development, in political experience, and in knowledge of the outside world, which separate the people concerned not by a generation but by hundreds of years, and the Government is convinced that before an African can be expected to play a proper part in helping to guide the affairs of the Colony, he must be accustomed to the exercise of individual responsibility and have at least some conception of the modern world and some recognition of the problems which confront us.

The Suk of the Masoi Plains and the Boni of the northern coastal forest are splendid fellows but, likeable and agreeable though they are, do we seriously expect them—or anyway more than a few of them—to have the slightest inkling of or interest in, let alone comprehend, the problems of what has now come to be known as the modern exchange economy? Africans immersed in the

[The Chief Secretary] placid medium of tribal life and remote from the problems and anxieties of the modern world, are of course entirely competent to choose people for specific responsibility in their own community, but to make a rational choice between rival political programmes is hardly to be expected of them. They are bound to be influenced by family and parochial views and to be swayed by those who promise most.

So much, Sir, for the qualitative aspect of the franchise. I now come to the question of the multiple vote. This raises a fundamental issue which cannot be evaded. The question put to the Government by the recommendation is this. Does the Government think that one African can be better qualified than another to decide who should be returned as a Representative Member? The answer is yes. At the present diverse stages of development of the African communities, this is precisely what the Government does think. The Government is firmly of the opinion that those who have contributed a greater share to the welfare of the state or who are particularly well qualified to play a part in public affairs, should have a greater say than those who can command nothing more than the minimum qualifications. In the words of a very great East African: "One long head is of far greater value to the country than two fat ones".

These considerations have been set out in the report with far greater learning and eloquence than I can muster. In Chapters 3 and 4 various factors involved, both rational and emotional, are carefully examined. The historical and geographical parallels are surveyed and the value of the probable objections is assessed by the Commissioner. The conclusions reached by him flow inevitably from his examination of the problem and from a logical development of his argument. They are these. That in our circumstances of place and time, a selective franchise, supported by a multiple vote, is the only practical way of ensuring that the views of informed responsible men are given the weight in public affairs that they deserve. The Government's acceptance of this conclusion is made clear in paragraph 5 of the Sessional Paper. All hon. Members have, I

imagine, studied this paper, and important though this paragraph is, I do not think I need read it to the Council.

I now come, Sir, to Part III; that is to say, the manner in which the Government proposes that the recommendations of the Couits Report should be modified. These modifications are set out in detail in the second part of the Sessional Paper. Before I describe these reasons, I should like to remind hon. Members of the object of this very important measure. It is that informed and responsible African opinion should be represented in this Council by Africans of standing and integrity, and that the form of suffrage adopted should be capable of successful application to a society as diverse as that of the numerous African communities of the Colony; also that it should be designed in such a way as to be easily adjustable to meet the educational and social changes which are taking place so rapidly.

Basically the modifications consist of a reduction from three to two of the qualifications required for voters and a fairly comprehensive revision of the methods proposed for dealing with the Kikuyu, Embu and Meru. There are other less fundamental changes to which I shall refer later. The reason for the reduction of the voters' qualifications other than the age qualification, which of course stands, from two points to one point, are set out in paragraph 8 of the Sessional Paper. If I may quote the paper, the Government considers "that the original recommendations would probably be too restrictive and that they are too complicated to be suitable for application to an electorate which will be partially illiterate and which will have had no previous experience of matters of this sort".

In changing the double requirement of the report to the single requirement of the Sessional Paper, the Government had particularly in mind the position of those tens of thousands of Africans who, in 1939, left their homes and joined the Forces. In those days, the number of intermediate schools in the Colony was far fewer than is the case to-day, and were we to adopt the attitude that none of these ex-soldiers could vote unless he had, in addition to his service, the K.A.P.E. certificate or a proved income

[The Chief Secretary] of £120 a year, we should be doing a great injustice to men to whom everybody in the Colony owes a very great debt indeed.

Further, this change, I think, solves a problem which must inevitably arise in a poor but developing country in which educational facilities have not caught up with the demands for them. Under the Couits proposals, a self-employed farmer earning £120 a year from his five- or six-acre plot, would be unable to vote unless, in addition, he had the K.A.P.E. certificate or had served in the Forces or had reached a certain age or was a member of a local government body. Under the revised proposals, a man who has had a primary education only, or perhaps no education at all but who has devoted his skill to the development of his land, would be no worse off as far as voting goes than his more fortunate companion who had contrived, perhaps just by good luck, to gain a place in an intermediate school and who had secured his K.A.P.E. certificate.

There is a point here, Sir, which requires emphasis. The purpose of the reduction of the number of qualifications required is not to increase the number of those enfranchised irrespective of merit. It is to make certain that those who are reasonably well equipped to vote, should be eligible to do so. I have no doubt that in this debate we shall hear a good deal about the percentage of various African communities which will be enfranchised. I should therefore like to make it quite clear that the view of the Government is that the percentage of enfranchisement is of secondary importance only. The virtue of a qualitative system cannot be the number to whom it gives the vote. What matters is the quality of those who vote. Readiness is all.

It is essential that these qualifications should not fall below a certain level and the Government has no intention of diluting the qualifications in such a way as to produce a predetermined proportion of voters; but by the very nature of this scheme, the proportion of those enfranchised is bound to vary from area to area. It will, for instance, be relatively high in the districts of Nyanza and relatively low in places such as the Northern Rift and the Tana River; but

as the educational and social standards of the community advance, so will the franchise be enlarged.

With regard to the question of the physical difficulty of putting the original scheme into operation, I cannot do better than repeat the words of the Sessional Paper: "From the point of view both of the returning officer and of the would-be voter, it is essential that the system should be as little complicated as possible". Indeed, the success of the system will depend upon the number of Africans able to grasp both the principles and the procedure to be followed.

I now come, Sir, to the question of the treatment of the Kikuyu, Embu and Meru. Hon. Members will recall that in the announcement made in 1954 concerning the appointment of the Commissioner, it was made clear that for a considerable time to come, only Kikuyu, Embu and Meru of proved loyalty would be permitted to take part in the election of the African Representative Members to the Council and that only loyalists would be permitted to assist the Commissioner in his inquiry. In view of the harm which has been done to the whole life of the Colony, both before and during the Emergency, by the majority of the members of these tribes, I cannot believe that any hon. Member would suggest that this is not the proper procedure. There can be no question of all Kikuyu, Embu and Meru being allowed to take a full part in African political life at present, but it is important that this general disability should not be applied to the body of loyal Kikuyu, Embu and Meru to whom we owe so much. Indeed, but for whose help the Emergency might have taken a far more serious turn. The revised proposals set out in paragraphs 14 and 15 of the Sessional Paper describe the arrangements suggested for these people.

The only point which may require some amplification is that concerning the loyalty test. The district commissioner has been made the officer responsible for the conduct of this test because it is he who is in the best position to determine whether a man has, in fact, actively supported the Crown, and because he can have no possible personal interest in the outcome of the election. If a local tribunal of loyalists were to undertake

[The Chief Secretary]

these tests, there is no doubt that they would be subjected to an active campaign of malicious denigration—*fitina*. I would also say that, by "active support", the Government has in mind not only the deeds of those who took part in active operations, but the conduct of the many ministers of the church, church elders, schoolmasters and similar folk who, although they did not bear arms, demonstrated their loyalty to the Government by their devotion to their duty—very often at the risk of their lives.

There are two further amendments to which I would direct the attention of hon. Members. One concerns the taking of the oath of loyalty by electors and the other the position of civil servants. The reason which led the Government to drop the proposal that every elector should take an oath of loyalty was briefly this: that the swearing of an oath of allegiance should be a solemn act undertaken personally and in circumstances of awe and dignity. To avoid this problem—the problem which would be created by the very large number involved—by substituting for such a ceremony the completion of a printed form would, in the opinion of the Government, be most undesirable. The oath of loyalty stands as a requirement, of course, for the candidate.

I now come to the question whether persons holding or acting in any public office should be permitted to present themselves as candidates. In paragraph 51 of the report, the Commissioner remarks that: "Africans have stressed the fact that it is not only in their own interest, but in the interests of the Colony as a whole, that the best possible Africans should be returned to Council." Later, he says, "most Africans take the view that at the present time those who serve the Government either directly as civil servants, or in some local government authority, may probably number amongst them some of the best potential candidates". With this view he expresses great sympathy, and indeed, we all do, and he recommends that civil servants should be given leave in order to allow them to stand as candidates if they so wish, but that, if they are elected, they should be required to resign.

The views of the Government on this point are expressed in paragraph 11 of

the Sessional Paper. The Government feels that it is essential to adhere generally to the principles governing the propriety of Government servants standing as candidates and, therefore, proposes a limitation of the categories of civil servants who should be allowed to present themselves for election.

Briefly, the Government proposes that the following persons should not be allowed to stand as candidates, without first resigning from the Government service. Those who are members of Her Majesty's Overseas Civil Service; that is to say those who have been appointed with the authority of the Secretary of State. Members of one of the uniformed disciplined forces of the Colony. Officers who are concerned with the direction of policy to an extent which, in the opinion of the Government, would make it undesirable for them to take part in active politics.

The Government has added a rider that this qualified recommendation should be applicable to the forthcoming election only, and that the whole question of civil servants standing as candidates should be re-examined in time for the election after next.

The policy of the Government in this respect follows, as far as local conditions permit, the practice adopted in the United Kingdom. The position there is that civil servants above a certain grade are not permitted to stand for Parliament, or to take an active part in politics. The reason requires no elaboration. It would clearly be most undesirable that a senior civil servant or those who carry responsibility which brings them into the field of policy-making, should undertake their duties with one eye cocked on the electorate.

As is made clear in the Sessional Paper, the question of whether the servant of a local government authority should be permitted to stand is regarded as a matter for decision by the authority concerned.

Now, Sir, I have dealt in some detail with the general principles of requiring voters to measure up to certain defined standards. I should now like to make a few brief observations upon some of the vote-earning points set out in Annexure II of the Sessional Paper, and also in the Schedule to the Bill.

[The Chief Secretary]

The first concerns education. Hon. Members will note that literacy is not insisted upon as a qualification for registration as a voter. Mother-wit, courage and loyalty may be quite as sound a guide to the world as the ability to read and write, and shrewdness and character may be detected without the possession of a certificate or the passage of an examination to prove their existence. At our present stage of educational development, where, by force of circumstances a large proportion of the African population has not had the opportunity to acquire the arts of reading and writing, it would be wrong to make literacy a *sine qua non* for inclusion in the register.

I would repeat here that the Government is most anxious that the man who has had the good fortune to get a place in an intermediate school and to gain his Kenya African Preliminary Examination Certificate, should not, on these grounds alone, be in a more advantageous position than his brother who has served in the forces, or who has devoted himself to the improvement of his land or his business, and may, after all, perhaps, be the better citizen of the two.

Secondly, property. The figure of £120 per annum has been chosen because it is thought to represent a degree of ability amongst self-employed men and a scale of trustworthiness and reliability amongst employed men which, at the present level of wages, should be regarded as a proper qualification for a vote. If the standard is to be maintained, this figure may have to be varied in subsequent elections. In any case, I would make the point to which reference has been made in the Sessional Paper, that the figure must be regarded indeed, the whole property qualification must be regarded—as provisional only, and as being subject to a complete re-examination in the light of the requirements of any graduated poll tax system which may be introduced. Evidence of civil responsibility is not so much the possession of an income or a property, as the willing payment of taxes.

Thirdly, Sir, seniority. The allocation of a point to men who have reached the grade of elder or the age of 45, is intended to give the necessary weight to

the views of those who have reached a position of authority and respect in their own community. As hon. Members know, in most African communities, a man on reaching the grade of elder is required to accept traditional responsibilities and to carry out a number of special obligations. It is the assumption of responsibility and of these special obligations and not the attainment of some particular age which is regarded as the criteria.

With regard, Sir, to disqualifications for both electors and candidates, a number of minor changes have been made for the purpose of bringing the matter into line with the corresponding requirements of the Legislative Council Ordinance. There is, I would explain, one point of disqualification which, although not appearing in the Sessional Paper, has been included in the Bill. The Sessional Paper provided for the disqualification of those who are detained but not of those who have been detained and have subsequently been released. Item (2) of clause 13 of the Bill provides that no person shall be included in the register who is or who has been the subject of a detention order. The proviso is, however, made that the provincial commissioner concerned may remove such disqualifications.

The effect of this part of clause 13 will be to ensure that persons other than Kikuyu, Embu and Meru, who have been detained, will be required to undergo the equivalent of the Kikuyu loyalty test before being permitted to be entered upon a register of voters.

I would also mention, Sir, the question of the exclusion of the men of the Northern Province from the scheme. These people are inspired by a background, a history and a tradition very different from that of the rest of the Colony, and it is their wish that until they can be represented by somebody who knows their way of life and who understands their problems, they should be permitted to continue to rely upon my hon. friend, the Minister for African Affairs, to look after their interests. May I say how much it grieved me to see no less a paper than *The Times* refer to these splendid people as "primitive nomads".

The reason for the wording of paragraph 3 of clause 3 is that the Samburu

[The Chief Secretary] district, which is administered as part of the Rift Valley Province, is still *de jure* a part of the Northern Frontier District and unless special provisions were made, the people of Samburu would be excluded with the rest of the Province, and would be unable to take part in the elections.

Sir, I have dealt with the major principles of the Bill. I recognize there must be a score of points upon which hon. Members will wish to be informed, and later I shall be happy to do what I can to resolve their difficulties.

In conclusion, may I return to the general purpose of the Bill? It offers, in the most natural way possible, a means whereby anyone who is prepared to lift himself free from the clutches of the old, dark Africa, may qualify for a vote. If the astonishing development of the last five years in the social and educational life of the African continues—and it is that development which has justified the introduction of this franchise—then we shall soon see a steadily increasing number of Africans who are able to come forward and claim their right to take part in direct elections.

Sir, I beg to move.

Question proposed.

MR. MATHU: Mr. Speaker, Sir, I rise to support the Motion before this Council. In doing so I should like to congratulate the hon. Mover for the most detailed and lucid manner in which he moved his Motion. I have listened to him on many other occasions making excellent speeches in this Council, but I do not think, Sir, there has been an occasion that I have enjoyed the expression, the manner in which he has expressed the Government view in regard to this Bill. In fact it is, I think, the only occasion that I have not had the need to jot down points of disagreement, except that, in general, there are one or two points which I shall criticize in support of this Motion.

Now, Sir, in his historical sketch of the development of African representation in this Legislative Council, he did say that Government had always endeavoured to associate the Governor's nominations with the local people, in the African areas and I should like to say

Sir, that one criticism which has been levelled against the Government most unjustifiably is that those who have come into this Legislative Council during these four elections—four nominations—have had their views curbed by the Government because they have come in that way. I should like to take this opportunity, Sir, to dispel these views of any person here or abroad who can accuse Government in that manner. The African Members in this Legislative Council, Sir, have had complete freedom in expressing their views on matters that come before the Council, whether these views were against the Government's views or not, and, I think, that credit should go to the Government in that regard.

Now, Sir, to come to the Bill, Sir. The Bill lays down, as my hon. friend the Mover has said, provisions which carry out the recommendations made by Mr. Coutts, the Commissioner appointed to deal with this matter last year, and I would like to join him, Sir, in congratulating Mr. Coutts for his able way in which he carried out his investigations and the way he presented his report. We are very thankful to him, Sir, that he has at any rate recommended one of the most important demands of the African people—that they should have the final say in the election, or the returning of their representatives in this Legislative Council.

Now, Sir, the African Members and the African public who have expressed their views on Mr. Coutts's report, accept, or rather are thankful that direct elections by secret ballot will take place during the next elections of African members. But they feel that the arguments advanced by Mr. Coutts and advanced by the Government to reject the demand of the African people that universal adult suffrage should be introduced now, are not convincing. My hon. friend the Mover did say that one of the reasons is that because the African community in Kenya is in various stages of development, that, in fact, the Commissioner himself says that, quoting another authority, that the stage our development takes is from the bushman to a graduate and, therefore, it is improper that all should have the same rights to vote for their representatives. I personally, Sir, do not think that is a very

[Mr. Mathu]

strong argument against the acceptance of the principle of one man, one vote. These men, my hon. friend is very fond of mentioning, the Suk, and the small communities down at Tana, they are men of tremendous common sense. They know the type of people who would usefully and properly represent them in the councils of state and, although they may feel that they are quite content with their lot because they are still living in what my hon. friend calls "dark Africa", they still recognize now that dark Africa is becoming enlightened very rapidly, and the electricity is not only in this Council, in this form, but it is even among the Suk, and they can see the light more quickly. I think, then some hon. Members or even the Commissioner himself realizes. They are the most ingenious, shrewd community that we have, Sir, even some of them are better than the university graduates in weighing and judging facts which are put before them. I therefore think, Sir, it has a very low opinion of these communities in the Northern Frontier Province and in some parts of the Southern Province, that I would like to dispel, that they should not be a very strong reason why they should be denied the right to say who is going to contribute to the affairs of the state that is going to control their destiny.

Now, one other reason why I do not think we are convinced that neither the Commissioner nor the Government are right in refusing this request, is that the Commissioner himself mentions in his report that every witness that came before him did demand that they wanted adult suffrage. I think he recognized that, and if there is an almost unanimous demand in this case, I think it would be right and proper for the Commission and the Government to concede to this request, so that we may once and for all remove any feeling of frustration among the African community in achieving the right of citizenship.

Now, however, having said that, Sir, I would like to say that the African Members are not going to oppose the Second Reading of this Bill, or even to oppose the implementation of the Bill, because they realize that we cannot make

political reforms all of them overnight, but they would like to warn the Government that the African people will take the first opportunity after this experiment to come to the Government and say they would like a change; so that their position will be made on a par with the rest of the communities of the country. We do feel, Sir, that there is a possibility of a feeling of conflict between the African community and the non-African community in the methods of their returning Members to the Legislative Council, and we do not think that is a healthy sign. I personally am not—because all men are born equal, that philosophy of France and other places, it is not a thing that interests me. What interests me is this, whether people who are at different levels of development can live in harmony and friendship without feeling that some are working to the undermining of others, and that is why I feel, Sir, that I would be happier in supporting a scheme whereby the elections of all Members of the Legislative Council of all races should be done exactly in the same way. And, also, there is a further difficulty. I find myself that you will find a conflict between the African people themselves, those who have the vote and those who have not. Again, a possible sign of unhealthiness among the African community themselves.

Now, Sir, my hon. friend spoke at length about the principle of multiple voting. I should first of all like to say that there is no African witness, as far as we can gather, who ever suggested that there should be multiple voting at all, and this was an idea from the Commissioner himself, and perhaps, he made suggestions before witnesses, because he liked it. He played with the idea, and he liked it, and he said "Well, let us try it on the African community", but there is no evidence whatever that any of the witnesses suggested it to him. The reasons behind it are admirable, but what we want is quality and not quantity. I do not think anybody will very much dispute that, because none of us would think that any person, whatever character he may be, just because he stands on his two feet and has a head above his shoulders, should have every right of citizenship. It was never a suggestion, but I think this has gone too far, Sir, to

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bring a division between the African community and the non-Africans; because my hon. friend would not tell me that he does not like quality among the Asian voters, neither can he tell me that he does not want quality among the European voters. I am sure he does not mean that, because he wants them too, but the African men—why quality only among our own community? That is the question that is put to us when we discuss these matters with the African people.

Now, however, as I have said, Sir, we, the African Members, having criticised the scheme up to that point, are going to do all we can to assist in seeing that it works, but, as I have said, from our point of view we look at it as only a temporary measure, and that it will have to be put right in due course.

I would like, then, Sir, to go to the question of qualifications. We have very little criticism about the qualifications as they affect the candidate; I think it is absolutely necessary to support the view that was expressed by the Commissioner and by the Government in the Sessional Paper, that any representative of the African community who comes to this Legislature should be a man of high standing, good character, integrity, and a man of experience. It is not only that that is good for such a representative in his own community, but it is absolutely necessary, particularly when he has to deal with Members of other communities in this Legislative Council. He should be a man who can stand on his own, a man who can gain respect from the rest of the community in this country. Anything short of that standard, I think, it will be hopeless to return a man in this Council. On that score, Sir, I entirely agree with everything that the hon. Mover has said, as far as the standard of the candidate is concerned.

As far as the question of the voters, Sir, I think although he said he did not want to dilute the qualifications to the extent that this qualitative principle will be minimized, I would like to suggest to him, Sir, to consider the qualifications for voters as laid down in the Schedule to the Bill. Now, he suggests, Sir, that, for instance, if Government will agree that the proper qualifications should be modified, so that a fellow becomes quali-

fied to have a vote if he has an income of £60 and a property worth £250, in other words, reduce the income figures by 50 per cent for both men and women.

Now, on that issue, as far as the women's qualifications are concerned, we suggest, Sir, that if a man—a husband—has qualified, has had a vote, because he has the necessary property qualifications, then his wife automatically should have a vote also. The reason, Sir, is that in an African society, women have no separate income of their own if they are married. They work their *shambas* together and they raise the money together and there is no separate accounting in this matter, and they are joint earners of the income and we feel, therefore, if a man qualifies as a voter because he has the property, we are suggesting that his wife should automatically get a vote as a result of that. Now, similarly, with regard to the long service qualifications. If a man is married and has one vote because he has rendered long service, we think that if his wife is with him she too should automatically become a voter because she has contributed to the maintenance of her husband during the time of completing this long service in the armed forces, in the police or in High Commission Services and so on.

Now further an alternative suggestion we would like to give to the Minister to consider, is that if Government does not accept that, we could give another suggestion, that if this lady has been married continuously to this man for five years then, we think, that she should also qualify for a vote. It is long service!

The third suggestion we make for the modification of these qualifications is that of seniority, that it may be worth considering whether 40 years would not bring in a few more voters than 45, and that a woman who has reached the age of 40 or 45 also should get a vote and, therefore, we are suggesting that seniority qualifications should be included in the list of qualifications for females in the Schedule.

Now, just on that point, Sr, I should like to say how pleased we are that both the Commissioner and the Government included women to become voters immediately I think this is a historical thing looking at the franchise. In many coun-

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tries women are left behind all the time and they have to fight their battles to come into the picture. Well, this time, Sir, I think the Government and the Commissioner have had a constructive imagination in that they have brought in the women together with the men at the same time. I should like to place on record our appreciation of that, because it will remove a lot of battling later on.

Now, I have two further points to make, Sir, and then I will sit down. Two or three points, Sir. One is with regard to the Central Province and the provisions about the Kikuyu, Embu and Meru. I entirely agree with all the hon. Mover has said in regard to these communities. All we are suggesting, Sir, is whether he could consider under section 19 to amend it so as to make provision for an appeal to a Court in the case of a member who feels that he has not been justly treated in being put into the register of voters. We put that suggestion, Sir, for your consideration.

Now, the other point, Sir, in regard to the number of Members of the Legislative Council under section 3. We feel, Sir, that Government naturally should include only the numbers provided for under the Royal Instructions, but we should like to take this opportunity to impress upon the Government that the African community feel that they are very inadequately represented, and my experience is, over these years, that it is impossible to maintain efficiency in dealing with the matters affecting the African community, and they run through every governmental activity. It is almost impossible to maintain efficiency with only six Members and particularly now with only four on the talking side, because the other two have gone on to the silent side, and so there is still greater need of whoever is considering these matters of increasing African Members for the next election. We are suggesting, Sir, that with the election laid down for March, 1957, we should have, at least, ten Members altogether by that time because that is the number agreed to, but with six for the 1957 election, I think, Sir, would make it very difficult to function properly.

I think, Sir, that I have covered most of the points except to suggest to the

Mover that as far as civil servants are concerned, we suggest that they should get leave without pay, because it is not quite clear when they say "leave" whether they will be paid within the time they are away which, I think, will be a disadvantage to those who are not privileged to become civil servants.

I think, Sir, I can summarize by saying that we accept the Second Reading of this Bill because it gives direct elections and secret voting and that qualitative franchise is only a temporary measure and that in years to come, very soon we hope, the African people in Kenya will vote exactly in the same way as the other communities do for their Members.

Mr. Speaker, Sir, I beg to support.

Mr. CHANAN SINGH: Mr. Speaker, Sir, I support the Second Reading of this Bill and wish to express satisfaction with the very important changes that the Government has made in the recommendations that the Commissioner originally made. I do hope, Sir, that when the time comes to reconsider the decisions that are now being made, the points that have been put forward by the hon. African Representative Member, who has spoken, will be considered.

There is the point regarding the multiple vote. As a first step, I have no criticism of it. In fact, when I look back on what happened in other parts of the Commonwealth, I cannot regard the present Bill other than as a generous measure of reform. But as the next step, it should be possible to give the African community also one vote for one voter.

I also agree with the hon. African Representative Member in regard to universal franchise. I do not think the objections raised against the system of universal franchise have much weight. After all, we are working on a system of communal roll. The African voters were to elect their own Members, and if the African community thinks that they want one vote for each adult to elect Members representing themselves, I think the Government should accept that. After all, the other racial groups have universal franchise. In any case, when, in the future, we consider the introduction of some system of common roll, if all the races had the same franchise, it would be very easy to go to a system

[Mr. Chanan Singh] of common roll. Then a system of qualified franchise for all races could be considered. In any case, Sir, we should also remember that under the present system of appointment of African Members, the adult population of the African community has some indirect say, because, I believe, that the bodies that originally nominate African Members are elected by African adults.

Then, Sir, it is also satisfactory to note that the Government has in mind the question of the number of African Representatives in this Council. I agree that this is not the Bill in which an increase could have been included, but, that is a matter that must be considered as early as possible.

Sir, I support the Second Reading.

MR. GIKONYO: Mr. Speaker, Sir, I rise to support the Second Reading of this Bill. I also want to join hands in congratulating Mr. Coutts on his painstaking care in producing this report.

I want to endorse everything that my friend, Mr. Mathu, has said in support of the Second Reading of this Bill, and say that the Africans, as a whole, welcome the Government pronouncement that all further African elections will be direct by secret ballot. I think this is a very important principle that the Government has accepted. Anything else in the White Paper is of secondary importance and I feel that as time comes it will be found necessary that Africans should return their Members just in the same way as other races do. The African Members, as Mr. Mathu has said, are not going to oppose this Bill on that score alone, but are opposed to the introduction of multiple votes. The arguments which have been advanced by the hon. Member, the Mover, that this is not the time to introduce universal franchise into Kenya are not convincing. We know there are some parts in Africa where conditions are not very different from ours here, but they exercise full adult suffrage and, therefore, I am not convinced that our conditions are any worse than those prevailing in other places where adult franchise is exercised.

I want to speak a little about the number of African Members in this Council.

For a long time the Africans have felt that they are under-represented in this Council, and although this matter is not coming under this Bill, I feel that something must be done pretty quickly so that the African Members in this Council are increased, and that, I am sure, will relieve the anxiety of the African population in this regard.

There is one point that I want to raise in regard to the Kikuyu, Embu and Meru, and that is the hon. Member the Mover did say that in investigating those who have been loyal, they will take into consideration not only those who came round (?), but people who relied on their jobs for their lives. I want to point out that there are also a very large number of people who are not teachers or elders; but who have taken examinations, and I feel this question of a loyalty test is a matter that should be considered very carefully, because I do not think we could expect everybody—every Kikuyu, Embu and Meru—to take examinations, and I am sure they have been supporting the Government and did not support the terrorists. It is a very complicated matter, but it is one that should be considered carefully, so that the large number of people who consider themselves to have been loyal—and I thought the best way to do this was that somebody should be proved disloyal, and not himself, because it is going to be very difficult. If I did not take up arms and go to the Commissioner, I want my vote registered. If I am asked whether I was in home guard, or some other activities, and I feel I consider myself loyal, I think I would be very hurt, and I think it is a matter that the Government should very carefully consider.

Lastly, Mr. Speaker, I would urge the Government to do everything possible to give the greatest possible publicity over this matter, so that Africans know exactly what is going on, and I think because if you do not do that, a lot of people will not be able to know what is going on, and I think there is ample opportunity between now and the next general election, for publicity is, I think, very essential in these matters.

Mr. Speaker, I beg to support.

DR. HASSAN: Mr. Speaker, Sir, I rise to support the Second Reading of this

[Dr. Hassan] Bill, and I congratulate the Government that they have through a very able Commissioner having been appointed to go into this matter, brought in this Bill to the satisfaction of the Africans who were demanding it for a very long time.

I could not understand the Mover of the Motion, speaking about the Tana River, saying that that community will not qualify for a vote as much in numbers as other communities. I have had a little experience of that area, and I found that the Pokomo and the Oromo are the most intelligent community in that district, and if it is a question of qualification of a voter of £120 income, very few people will be found in that area who would not become voters.

Regarding his remarks about the Northern Frontier Province, I have not the slightest doubt that the Minister for African Affairs will be able to look after those people much more than any representative in this Council; but the Commissioner reported that he did not like to go into the question of their election for the simple reason that those people do not want it. Now, Sir, the Northern Frontier Province tribes, as I have seen, are very intelligent people in a lot of things. I hardly saw any educational facilities there. I hardly saw they had any modern development in that area for their stock and ranching and so on; and if the community did not understand that, by having some say in the affairs of the Council, that they can do a lot more good to that area by modern development to keep up with other reserves of the country, I feel it is one of the duties of the Government Officers governing that area to point out to them that it is one of the most important things that you people should ask for direct representation in the Council, and to have the right to vote.

I feel that to allow that area to remain in the dark for another century, will not add to the development or the good of the country, and if people do not understand that it is a good thing to have the right to vote, and to have the right to elect somebody to represent them directly on the Council, if it is time they should be told it is good for them.

With that, Sir, I strongly support this Motion.

MR. ARAP MOI: Mr. Speaker, I attach great importance to this Bill, because it opens the way to a healthier political destiny of the African people in Kenya.

Mr. Coutts's recommendations do not, in fact, represent a new growing spirit in the minds of the Kenya Africans. The multiple vote which was brought in, and which my hon. colleague, Mr. Mathu, has said never came from Kenya, but was brought in from somewhere outside Kenya, which was never advocated by any African, and I feel, Sir, that this multiple vote should cease immediately before the 1960 election, and this would reflect the needs of the Africans as they are now.

Both Government and Mr. Coutts have done some good to the African community. Reading the British Preamble Act of 1832, when the citizens who lived in counties in England were allowed to vote if they had some £10 or £5 annually, and I do feel that property worth £500 is too much for an African, and it should be reduced to £250, and the income should be £60 per annum as Mr. Mathu has suggested. This would allow more Africans to take part in this coming election.

I do feel also that many Africans in very remote areas of Kenya will not be able to take part in this election because they will not qualify and many of them will feel that they are excluded from the affairs of the Government. You find that many people I represent are cattle owners. Some own 25, some own 30, some own 40, only a very small proportion own over 50. This does not mean that they have some ten thousand shillings as property. If it is reduced, then many of them would be allowed to vote.

Mr. Speaker, I feel that this Bill should not be delayed, it should be implemented, so that the working of it could be accelerated from now on, so that the next election should take place immediately before next year.

Sir, I beg to support this Bill.

MR. CROSSKILL: Mr. Speaker, in rising to support this Bill, I should prefer to do so after the suspension at a quarter past eleven—but we must continue, Sir.

I should start by paying a tribute to Mr. Coutts—as others have done before me—particularly for the wise thought which he has put into the design of this Bill.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Thank you!

MR. CROSSKILL: This step which we are taking is of tremendous importance, not only for the African people in Kenya, but for all communities, and it is therefore equally important that we should all be determined not only to hope and expect it to succeed, but we should intend that it will succeed, and we should take every possible step and precaution now to ensure its success.

For this reason, Sir, I regret that the Government has seen fit to make the terms of qualification for a vote less restrictive than those advocated in his wisdom by Mr. Coutts. I do feel that it is very important that, when we are accepting a qualitative franchise, the quality should be of a very high order. I do feel, and fear, that Government, by making this less restrictive, are falling between the two stools. I would ask them to consider the old adage that a little learning is a dangerous thing. I think we are falling into danger in reducing the qualifications in a manner that Government has done in their Sessional Paper.

I was very impressed, Mr. Speaker, by the words of my hon. friend, the African Representative Member, Mr. Mathu, when he spoke of the shrewdness that we might expect of some of the less educated tribes of Kenya, particularly those along the Tana, and the Suk, to which he referred, and I think that, after hearing his words, we might be doing something safer for the country if we accepted their shrewdness, and accepted one vote for one man, rather than to reduce the quality, as we are doing. I foresee that the electorate may be flooded by a large number of men who may be said to have a little learning—those who have intermediate educational qualifications and age, and nothing else. I believe they will be in very great numbers—I stand to be corrected—but I believe that those who qualify on that educational basis may number around 640 a year. We may expect to have 6,400 of such voters, who have only qualified by that very slight academic qualification, together with age. For that reason, Sir, I feel we are taking an extremely dangerous step in reducing the qualifications which were advocated, in his wisdom, by Mr. Coutts.

THE SPEAKER: The time has now been reached for our customary break. Council will suspend business for fifteen minutes.

Council suspended business at Eleven o'clock and resumed at fifteen minutes past Eleven o'clock.

MR. CROSSKILL: Mr. Speaker, Sir, when business was suspended I was just saying that I was rather fearful that Government, by making the qualifications less restrictive than those suggested by Mr. Coutts, might be falling between two stools by not listening to the old adage, "A little learning is a dangerous thing". We might be getting an electorate which was less qualified even than perhaps one comprised as suggested by my hon. friend, Mr. Mathu, of one man one vote.

Government, Sir, did accept the principle of high qualities. I will quote from the Sessional Paper, if I may. They say that the limited qualitative franchise should be based on education, experience, public service and character. Those are the principles which Government say should rule the qualifications required by a voter. But, Sir, I think that their acceptance of the qualification of age, plus secondary school Form II qualification does not show adherence to that principle which they advocate.

Now, Sir, high qualities are required in a voter, but still higher qualities—I submit, are required in a candidate. Now what, Sir, has Government said with regard to the qualifications necessary for a candidate? Government said, Sir, that the man should be a man of standing and repute. Government further says, "without conceding the principle that the candidate should be a man of character, integrity, experience, it would be wrong to close the door to a wider range of educated Africans". Well, Sir, I submit that by opening the door to a wider range of educated Africans, they are throwing overboard that principle which they advocated should govern the qualifications for a candidate. I do submit that unless we are going to endanger this experiment in African franchise, we must maintain the standards on the principles which Government, Sir, has accepted.

[Mr. Crosskill]

The qualifications which Government say they will accept for a candidate are as follows—that he should be a registered voter, 25 years of age, should have passed the intermediate standard of education, should have a certain income and be proficient in English, should reside in his constituency and should have sponsors who will support his nomination. The only safeguard in those qualifications, Sir, which will ensure in any degree that the principles which Government have accepted with regard to experience, responsibility and integrity, the only safeguard, Sir, lies in the sponsors who will sign the nomination paper.

As I have said, Sir, I think it is even more important that the very high qualifications should be adhered to for candidates, even more important than with regard to the voters.

For those reasons that I have given, Sir, and for the fears that I have voiced, I do sincerely hope that Government will see their way to amend the recommendations they have made in the following manner. I do sincerely believe that we shall be more likely to make a successful experiment if we increase the qualifications of a voter by one and revert almost to the original recommendations made by Mr. Coutts. I accept Government's amendment that the age of 21 shall be a *sine qua non* and should not be one of the subsequent qualifications, but I do urge that in addition to that age limit, they will increase the number of qualifications required by a voter from one to two.

With regard to the candidates, Sir, again I ask that Government will accept an amendment increasing the qualifications which they have laid down in the Sessional Paper by the addition of one extra qualification as laid down by Mr. Coutts. I feel that by doing that, we shall be ensuring that we shall get the high-quality candidates—high-quality Members, in this Council without which we shall not be doing benefit to the cause of the African people which we are aspiring to do by accepting this report and the Sessional Paper.

Just two small points before I end, Mr. Speaker. With regard to the *askari*,

whom we all hope will qualify for the vote, the hon. Chief Secretary said, Sir, that he feared that by raising the qualifications any higher than those which have been recommended in the Sessional Paper, we will be excluding a very large number of *askaris* who have served this country. But, Sir, I do not believe that that would be so. The qualification for an *askari* is five years' service in one of the forces. Now, since the war, Sir, there has been ample time for such men to have carried on a responsible job of some kind and so qualified for one other point which would give them a vote. Perhaps ten years in a responsible position is too long, and I think we should be very agreeable to accept a compromise on that by making the qualification five years in some responsible appointment. We would then, Sir, I think enable all *askaris* who have not retired completely and gone to seed in the reserves to qualify for the vote which we all believe they should have.

The hon. Chief Secretary himself today in this Council said that it is quality that counts and I do hope that he will consider the views of Members on this side and accept the amendments later in the debate during the Committee stage which I have put to him, Sir.

I agree with the Government attitude towards the question of loyalty. I do agree with what the hon. Chief Secretary has said that it is better that the district commissioners should discriminate and decide who are going to have a vote in cases of doubt and I agree further that it should be on a question of positive loyalty, rather than not having been disloyal.

On the question of literacy, Sir, I feel that in a short time we may have to consider that as an obligatory qualification for a vote, but I agree with Government that at the present time it would exclude a large number of men who, by their natural shrewdness and wit, should have one, and whose advice will be of value to the country.

In saying that, Sir, I beg to support.

MR. WANYUTU WAWERU (Applause): Mr. Speaker, Sir, I am only a new boy here, and since the Motion in front of the Council concerns the Africans so much, I feel, Sir, I had better mention some of the points which have been

[Mr. Waweru] mentioned by some of the hon. speakers.

I happen to be one of those who took a very keen interest when Africans were nominated by the Governor, and as the hon. Chief Secretary has outlined the changes which have taken place in the Colony on the side of the Africans, I am not going to repeat. But there is one point that has been raised and since I happen to be one of those who were helping Mr. Coultis during his inquiry round the Central Province I think that I had better say what I saw and what was said by the African witnesses.

I must agree entirely with what has been said that the multiple voting was the idea of the Commissioner himself, but, whenever there were witnesses who came forward to give evidence before the Commission, after he had read his terms of reference he was telling them about the multiple voting that it was his own idea and that the Africans were entirely free to accept the multiple voting or reject it. Throughout the Central Province of Kenya, those who gave evidence before the Commission, apart from two or three witnesses, all were in favour of the multiple voting, and they were very often adding to it by introducing differences in the multiple voting; it was the only way by which the best African Members could be elected and the Africans would not be ashamed of their Member which they so elected.

Again, Sir, if this were not accepted, I am sure that it would disappoint the Africans in the Central Province, where I was helping Mr. Coultis. I do know, Sir, that whatever Mr. Coultis was noting down when I was there, he was writing exactly as he was told by those who gave evidence. During the tour in the Central Province, I was on some occasions accompanied by the hon. African Representative Member, Mr. Mathu, and he would agree with me, Sir, that although the idea was that of the Commissioner, it was not opposed by the Africans.

I know, Sir, that when this change has taken place, we have been very favoured, very much favoured, by the Government and, although the immediate need and desire of those who gave evidence was that the African Members in the Legislative Council were not sufficient and

this, I admit, was outside the terms of reference of the Commissioner, the methods which have been suggested by Mr. Coultis were accepted by the Africans.

Throughout the Province, Sir, I will finish by adding that I do not remember a single person who gave evidence who said that this was the time when adult franchise should be introduced. They said that the time was premature and I entirely agreed with them, because of this standard of knowing what one would vote for, because not all who would vote—if everyone was allowed to vote—would know what they would be voting for, and, with these remarks, Sir, I entirely support what has been said by the hon. the Chief Secretary and of the Government attitude towards the best method of electing African members to Legislative Council.

With these remarks, Sir, I support the Motion.

MR. SLADE: Mr. Speaker, Sir, I must congratulate the hon. Nominated Member who has just spoken on a very clear and eloquent speech. And, Sir, before going any further, I must join others in expressing my admiration of the work performed by Mr. Coultis in this report. It abounds with clear thinking and sympathy and clarity of expression, and I find it difficult to remember any other report which I have admired so much, particularly on such a difficult subject. Especially, Sir, do I admire the most vital part of this report, which is Part II, entitled "The Right to Vote", in which the Commissioner has discussed the question of who should have the right to vote, and the choice between "one man, one vote" and some kind of selective franchise. That part, Sir, in my opinion, is of such value, not only to this particular debate, but for general consideration in the future, that it should be read by as many people as possible; and not only by Africans, because I believe, Sir, it applies to us all. There I join, Sir, with the Commissioner in what he said in paragraph 20 of his report by way of reply to those Africans who said: "Why should this be tried on us, when it is not tried on other communities?" The answer Mr. Coultis gave was: "The fact that universal suffrage has already been introduced for two of the races is in my

[Mr. Slade] view not a reason for including the third, but a mistake which ought to be rectified." And there, Mr. Speaker, I think Mr. Coultis is on firm ground, and we have got to take that observation very seriously.

Mr. Speaker, I must also congratulate the hon. the Chief Secretary on his speech moving the Second Reading. It was again an example of clear thinking, of dignified delivery such as would be very difficult to surpass. I only wish that I could congratulate him as much on the substance of Government's reaction to this report, as on the form of his speech, but I am, Sir, very much perturbed by the attitude which Government has adopted to this report, for reasons that have already been given by the hon. Member for Mau. I think in several other cases of late, we have been presented with principles with which we can agree wholeheartedly; but, at the same moment, we are presented with methods of giving effect to those principles, or purporting to give effect to those principles, which to the minds of some of us whittle them away; and here, Sir, I fear is another example. The objective which is held before us, both by the Commissioner and by Government in the Sessional Paper, is that informed and responsible opinion should be represented by men of adequate experience, capacity and integrity. That, Sir, is an objective with which we all agree. It is the right objective. The question is, as always, are we going to achieve that objective by what is now proposed; or are we only going to pay lip service to that objective, and then by desire to please too many people, or for other wrong reasons, be so half-hearted in trying to give effect to the objective, that we do not really give effect to it at all?

Now, Mr. Speaker, in order to give effect to that objective, the Commissioner and Government have said that selective suffrage is the answer and strict qualifications for candidates is the answer. So it is, provided that you really apply your selection and your qualifications with an eye to your objective and to nothing else. Have we done that here? Have we seen clearly enough the danger of starting with excessive generosity? I do urge, Mr. Speaker, that now is the only opportunity, the one and only opportunity, of

starting this on the right foot. We could hardly be too strict in our qualifications when we start this very important experiment. If we are too strict, it is easy afterwards to widen the field. If we are too generous, how will you remedy that afterwards?

I do urge Government, Sir, to think on that line. Let us, in case of doubt, be too strict rather than too generous at the start. That applies, Sir, both to qualifications for candidates and for voters. We have been told what is required of both. As regards candidates, Sir, if it is to be a matter of experience, capacity and integrity, we must look at the proposed qualifications and see whether they really ensure those things. I put it to this Council, Sir, that the qualifications as now proposed do not ensure those qualities, or anything like them. So, Mr. Speaker, I join the hon. Member for Mau in asking for the modifications which he has proposed.

Likewise, Sir, when it comes to the qualifications for the voters. We are told that it is to be informed and responsible opinion that is represented in this Council in the future. That means that every voter is to be informed and responsible. Mr. Speaker, I ask again, are we ensuring that by what is now proposed? We cannot be doing so, because we are saying, in the present proposal, that a voter, a man to qualify for a vote, need only have achieved the age of 21; and then have one single additional qualification: a certain very moderate educational qualification, or a property qualification, or a series of other things. Mr. Speaker, the age of 21 by itself cannot ensure either that a man is informed or that he is responsible. Education cannot ensure that he is both informed and responsible because those are two separate things and it is quite impossible that one qualification ensures both. To be informed is one thing—a very important thing, Sir—and to be responsible is another, equally important, but how can one single qualification ensure that a man is both informed and responsible? In the list of qualifications, proposed by the Commissioner, there are items which will ensure one or the other perhaps. It will ensure that a man is informed, or it will ensure that he is responsible. None of them separately ensures both. Therefore, Mr.

[Mr. Stade]

Speaker, I put it without fear of contradiction that it is impossible that the very thing we are setting out to achieve, that is to say the limitation of representation, to the representation of informed and responsible opinion, can possibly be achieved by what is now proposed. They have already opened the door too wide.

For that reason, Mr. Speaker, I join the hon. Member for Mau in begging Government to reconsider the question of qualifications for voters and to make it at least two qualifications in addition to age, so that there is some chance of ensuring, both that the voter is informed, and that his is responsible. I would urge Government also, Mr. Speaker, to set their faces against the hard cases that make bad law. The hon. the Mover was very persuasive when he asked us to consider what we owe to those who have served us during the last war and on other occasions in the uniformed services. But Sir, it is one thing to owe a debt of gratitude to a man, but another thing to recognize him as necessarily informed and responsible on that account. They are two different issues. But are we concerned here with giving votes to those to whom we are indebted? Or are we concerned with giving votes to those who are informed and responsible? Mr. Speaker, Sir, a man may have given splendid service in the Army, in the police, as a ranker, perfect discipline, great courage and everything else you could want of him, but, if he has served for 10 years as a ranker, there is no guarantee either that he is informed or that he is responsible, and we must keep our heads clear, Sir, on these matters.

Again, Sir, when we consider this question of a vote for every man who attains the age of 45, what are we really doing?

Are we trying to ensure that the vote will be limited to those who are informed and responsible? Or are we trying to rope in a large class of men who will not necessarily be informed and responsible? Now the justification I know for including all men of the age of 45 or over, is argued on the basis of tribal custom; the tribal custom which recognizes men of that age as elders, or those who should carry some social responsibilities. Sir, I suggest that we should be careful not to confuse tribal custom with

what we now have to consider; just as the hon. Mover so rightly pointed out the difference between collective responsibility and individual responsibility. He so rightly pointed out that we want to bring the men and women of the African tribes along the road towards individual responsibility, that in the past they have hardly known. So we do. So in my submission, Sir, this question of the right to vote must depend upon individual responsibility. When we come back to tribal custom, the question of the responsibility of elders and old men, the different issue, we are getting back, in my submission, to the question of collective responsibility, and we are letting confusion again creep in. I do say, Sir, once again, we must be very clear headed about what we are going now; because although we have, I believe, the right objective set before us, we can so easily take the wrong first step, and, if we take the wrong first step, we shall be stepping away from that objective, and we shall not be able to step back.

Mr. Speaker, I beg to support the Second Reading.

LT.-COL. GROGAN (Nairobi West). Mr. Speaker, Sir, I am entirely opposed to this Bill as distinct from the ostensible objective. I am opposed to it partly on principle and partly on practice. In principle, we are already committed to the pursuit of this will-o'-the-wisp called democracy which some people confuse with the principle of adult suffrage, quite wrongly. Anybody looking around the world must realize that what has happened, largely in my lifetime, has been to all intents and purposes proved to be a ghastly failure and has been discarded almost universally all over the world. Russia is rather a conspicuous example of the practice of democracy, having started on the democratic line, but they have simplified their election procedure very materially there by providing that only one candidate shall stand and that everybody who does not vote for him shall be hanged. Even when you come to the one country in the world that might presume as alleged to have been the Mother of Parliaments, and, if she was in fact the Mother of Parliaments, looking around now at some of our modern progeny, she must have had a roving eye and not a very careful

[Lt.-Col. Grogan] justification whatsoever of not applying the principle of adult suffrage to the African just as surely as we have done for the other communities. That is a matter of the principle.

Now we want to come to the question of the practicability of these various qualifications. To begin with, who, in the name of heaven, and how, in the name of heaven, is anybody, or any group of persons, going to be in a position to decide whether an African last year had an income of £120 or £119? It does not seem to me to be possible. How, in the name of heaven, is anybody going to decide whether a lady or a gentleman of the dusky skin owns capital assets to the value of £500, because surely—it is going to be quite simple with the Masai, of course, because the Masai are alleged, I think, to be worth something like £10,000 a family, and, therefore, every adult male and female of the Masai tribe are quite fairly entitled to a vote. Whether they will know what they are voting about remains to be seen. But when it comes to the other people, it is going to be very, very difficult. As far as the lady population of Nairobi is concerned, the only dusky ladies that I can imagine likely to be able to qualify are those rather pathetic dusky beauties you see wandering about the streets of Nairobi suffering intolerable agony as a result of using footgear to which they are not habituated, and obviously deriving their sustenance from the practice of the ancient craft. They are the only ladies I can imagine who are likely to qualify on any large scale in Nairobi for the vote. Therefore, I think that the thing in practice is impossible because I cannot see how anybody is going to decide what is the individual share, and the value of that share, in a tribal communal holding. We have always got to remember that the vast proportion of land in Kenya, and in the main African areas, are largely communally owned, so how are you going to decide it and, therefore, in order to get rid of what must be a frightfully expensive investigation, and a perfectly impracticable investigation, and contrary to every recognized principle, I suggest that all that nonsense be cut out and the principle of adult suffrage be applied to the

[Lt.-Col. Grogan] choice of her mate! When we come to the practice of it, as applied to England to-day, everyone who reads the paper carefully must realize that England, having pursued this will-o'-the-wisp has now reached the stage where, to all intents and purposes, the United Kingdom is subject to the oligarchal rule of the trade unions. That leads one to the memory of some wit, in the last century—with a very peculiar name—Oscar Fingal O'Flahertie Wills Wilde, which gave him a good start in life. His definition of democracy was the bludgeoning of the people, by the people, for the people, which I think really is a fairly apt description of the stage of democracy at which a very large portion of the world has arrived to-day.

Now, there is one point I feel rather sore about and that is what I can only describe as an act of plagiarism on the part of the author of this fantasia, the concept of the multiple vote. Now, I always thought that I was the inventor of the principle of the multiple vote, because somewhere about 50 years ago I was political practitioner in Staffordshire and I was assailed at a meeting by a very alarming and quite obviously virginal virago with the challenge, "Hey, Mister, what about votes for women?" Well my answer was that I was entirely in favour of votes for women, provided it was confined to married women, married women, and also an additional vote for every baby they had. Sir, I think that was the first invention in the principle of the multiple vote! The only result of it was that nobody ever again asked me a question about votes for women. However, I will forgive that, but what my point is, is this; if we are going to do this humping of the snark, this chase of the will-o'-the-wisp, let us at least be consistent. We know that we have gone a very long way down the slippery slope already; we have accepted the principle of adult suffrage for Indians and, having done that, and in view of the fact that all of us must know quite well that the civic qualities and, in many respect the social status, of Africans is more in tune with the western cultural thesis than a very large proportion of the Indian population. Now, I think that is beyond all sort of dispute, and that being so, I see no

[Lt.-Col. Grogan]

native areas and the native people just as surely as it is to us.

Now, I have tried to find—it is very hard—some gleam of intelligence in this what I venture to call "fantasia", and the only thing I can imagine is the principle of the hidden hand. I think the author must have been in very close contact with my hon. friend, the Minister for Finance, because by introducing the principle of qualifications for the vote, it may be an insidious creep towards the principle of the common roll, because of course quite obviously there could be no common roll without qualifications, and, as there are no qualifications of any kind or description except these ridiculous ones proposed in this Bill, I can only imagine that it is a surreptitious creep towards a quite impossible and lamentable objective.

On those general grounds, I would say that I am in opposition to this Bill as distinct from its ostensible purpose.

Mrs. SHAW: Mr. Speaker, Sir, I should like to join other hon. Members in congratulating Mr. Coutts on his very excellent report. I think he has tackled this most difficult problem with sympathy, understanding and imagination. I find it a little hard to follow such a very witty speech as we have just heard from the hon. Member for Nairobi West, or indeed, the eloquence of the speech we have just heard from my friend and colleague the hon. Member for Aberdare.

I am in agreement with a great deal of what the Chief Secretary has said, especially when he stressed in the importance of the qualitative principles included in this report for franchise. In view of that, I should like to endorse everything that the hon. Member for Aberdare has said about the one basic and one vote not really coming in line with that principle. I think he is quite right in believing that one qualification, be it educational or by some other, could not really ensure those qualities of merit and ability which we wish to see in this selective franchise. Therefore I should like to suggest, and support my colleagues on this side, in asking Government to consider very carefully in the Committee stage an amendment to the fact that these qualifications might be raised and

if not for the ordinary voter, certainly for the candidate. I do not feel that any candidate really would be a fit representative of this Council, where he only to possess basic T.2 for we should then be in danger of having people in this Council who have only a very superficial education and no education at all in the wider sense of the word.

Before I sit down, I should like, Mr. Speaker, to congratulate the hon. Representative African Member, Mr. Mathu, on a very statesmanlike speech. I did not agree with everything he said—I hardly ever do—but I did admire the manner of the saying. I feel he is right about this Government, and it needs to be congratulated on that fact, being the first Government to enfranchise women of the community along with their men, but I do not think he is right that five years of marriage is a long and honourable service in that career. I believe also possibly with the hon. Member for Nairobi West that his suggestion might be adopted as to the collective vote of the African.

All the persons for selective franchise have said that the arguments against universal franchise are not convincing, but they do not say why and, until they do, and in a very convincing manner, I must adhere to my belief, that selective franchise is the only possible method of voting for a community in the stage of development of the African people. After all, universal franchise was only introduced into Great Britain in 1928 and considering the years of civilization that the British have enjoyed, the Africans have a very long way to go.

Mr. Speaker, Sir, I beg to support.

THE SPEAKER: If no other Member wishes to speak, I will call on the hon. Member to reply.

THE CHIEF SECRETARY: Sir, I am most indebted to the hon. Members opposite for the valuable comments which they have made. I would also like to express my gratitude for the warm tribute made to the Commissioner.

Before I deal with particular points, I should like to refer to the generous, constructive and really statesmanlike speech of my hon. friend, the African Representative Member, Mr. Mathu and

[The Chief Secretary]

to the brilliant dialectic of the hon. Member for Aberdare. Needless to say, in his witty and almost entirely irrelevant after-dinner speech, the senior hon. Member again excelled himself. It would give me almost a pleasure to swap with him definitions of democracy. We could spend a very genial half-hour.

With regard to the specific points raised by the hon. African Representative Member, Mr. Mathu, the first is the question of women. This is the first occasion upon which African women will have voted and I think it early days to start thinking of extending the franchise. In any case, it is essential that what rights they have should depend upon their own exertions and their own abilities and not on their being a pale reflection of their husbands! As for the future, it is difficult to forecast what other qualifications we might later introduce for women. Possibly we could assess their skill in house-craft or in bringing up children. I think it is unlikely that we should adopt the hon. senior Member's suggestion of giving them votes according to their fertility.

The Government will be unable to accept the suggestion that the property qualification should be reduced to £250 and the income qualification to £60. This would, indeed, have the effect, as the minimum wage increases, of enfranchising every employed man. That is not the intention. The intention is to enfranchise employed men who have proved their reliability.

Similarly, with regard to the question of seniority, The Government would not be prepared to reduce the age to 40 or to include women in that group.

With regret, we should be unable to accept an amendment to the Bill whereby those who had failed to pass the loyalty test could appeal beyond the district commissioner.

With regard to the final point he made, I confirm that civil servants standing as candidates for election would be on leave without pay.

With regard to the point raised by the hon. African Representative Member, Mr. Gikonyo, we could not consider negative criteria for the loyalty test. As

we have said on many occasions, he who is not with us is against us and we do not propose to allow votes to fence-sitters—fence-sitters who may be very, very near the passive wing. I agree with him that publicity is essential and my hon. friend, the Minister for African Affairs, has already worked out a full programme with the Information Office to that end.

The hon. Member for the East Area had the temerity to refer to the people of the Northern Frontier District as backward. Sir, if it is backward to be a devout Muslim, to despise drunkenness and loose living, to be able to count back your ancestors for 30 generations, and be the finest fighting men in East Africa, they are backward. As for their being persuaded to take part in the next election, it is their wish that they should remain out until a man of their own people, who possesses the qualities I have mentioned, can represent them. Until such time they would prefer my hon. friend, the Minister for African Affairs, to look after their interests.

The various aspects of the report referred to by the hon. Member for Mau were, in fact, closely examined by the Government in the course of their study of the report, and it was decided that on the educational side it would be wrong to increase the qualifications above the Kenya African Preliminary Examination Certificate, or its equivalent. For in a country which is still lacking in secondary schools, it would be wrong to penalise a man, for failing to have that certificate which present conditions do not allow him to gain.

As for the election of men who are informed and responsible, we should, I think, allow the electorate credit for some discrimination in this matter. One must assume that the voters will have sufficient knowledge to be able to tell the charlatan from the tolerably honest man.

The hon. Member for Aberdare suggested that it would be better to be too strict to start with than too generous. That, Sir, is a principle with which we cannot agree. We would prefer to see a few rather under-graduate types allowed to vote, rather than to have responsible men embittered by exclusion.

As for informed and responsible voters, in any electorate it is inevitable that a

[The Chief Secretary]

part of the people should be more informed and more responsible than others. I do not suppose there is any country in the world where you have not got a percentage of the electorate who are complete morons. Indeed, I recall some years ago in this country, which is said to have the most highly educated European electorate in the world, something like 40 per cent of the ballot papers in the Coast election were improperly filled in. Now, it is not a difficult matter to fill in a ballot paper.

With regard to the question of the soldier, the argument is that after five years of disciplined service the man will have acquired those qualities of responsibility which we consider essential.

The hon. Member also referred to the question of tribal custom and the conflict of such custom with individual responsibility. Amongst elders of most African communities, those that I have come across, have shown a marked individual responsibility. I have attended hundreds of meetings of African elders, and I have always been most impressed by their emphatic, considered, and individual views.

Those conclude all the points made, Sir, I commend this Bill to the Council.

The question was put and carried.

ADJOURNMENT

THE SPEAKER: That rather unexpectedly concludes the Business on the Order Paper. I therefore, adjourn Council until Tuesday next, 28th February, at 2.30 p.m.

Council rose at ten minutes past Twelve o'clock.

Tuesday, 28th February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:—

Sessional Paper No. 63 of 1956—White Paper on the Report of the Cost of Living Committee.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT)

Transfer of Powers (Minister for Education, Labour and Lands) (No. 1) Order, 1956.

Transfer of Powers (Minister for Education, Labour and Lands) (No. 2) Order, 1956.

(BY THE MINISTER FOR EDUCATION, LABOUR AND LANDS)

ORAL NOTICES OF MOTIONS

COST OF LIVING REPORT

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

THAT this Council approves the terms of Sessional Paper No. 63 of 1956.

INCOME TAX REPORT

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

THAT this Council records its appreciation of the valuable services of the Chairman and Members of the Income Tax Committee, Kenya, 1952-54, and takes note of the contents of Sessional Paper No. 6 of 1955.

LOAN TO LAND AND AGRICULTURAL BANK INTEREST RATE.

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

THAT this Council approves the charging until 1st June, 1961, to the Land and Agricultural Bank of Kenya of interest at the rate of 4.02 per cent per annum on the loan of £750,000 which loan was approved by Council on 4th June, 1954.

HOSPITAL TREATMENT RELIEF RATES OF CONTRIBUTION

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

THAT, subject to the provisions of a Bill entitled the Hospital Treatment Relief (European) (Amendment) Ordinance, 1956, published in the *Official Gazette* on 28th February, 1956, and to be passed in the present Session, the rates of contribution be amended in accordance with the provisions of the said Ordinance.

With regard to the last notice of Motion, Sir, I beg to signify that in accordance with Standing Order No. 128, the Governor's consent to the introduction of this Motion has been received.

TRANSFER OF POWERS (MINISTER FOR EDUCATION, LABOUR AND LANDS)

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I beg to give notice of the following Motion:

BE IT RESOLVED that the orders cited as THE TRANSFER OF POWERS (Minister for Education, Labour and Lands) (No. 1) Order, 1956, and the Transfer of Powers (Minister for Education, Labour and Lands) (No. 2) Order, 1956, be approved.

COMMUNICATION FROM THE CHAIR

QUESTIONS

THE SPEAKER: Before proceeding with the next Order, I must give a ruling that the question which I am afraid I did not see before it got on the Order Paper, which stands in the name of Mr. Chanan Singh, is, in its form, out of order.

Hon. Members will find in *Erskine May* on page 342 and in *Sir Gilbert Compton* on page 149 that it is clearly laid down that "The facts on which a question is based may be set out briefly, provided the Member makes himself responsible for its accuracy, but extracts from newspapers, quotations from speeches, etc., are not admissible." In this particular case, the question offends in both those matters because it contains a quotation from a newspaper which refers to a speech at a public meeting and, therefore, the form of the question is inadmissible. I am aware that the hon.

Member took advice as to the way to put the question and, therefore, I am allowing the question in the form in which I shall read it out which is—

"Whether the powers of Asian magistrates are, by the terms of their appointments, restricted to Asian litigation."

And in that form I will allow the question to be put and I call on Mr. Chanan Singh.

QUESTION NO. 61

THE MINISTER FOR LEGAL AFFAIRS: No, sir.

The jurisdiction of magistrates is defined by law and is neither regulated nor regulable by the terms of their appointments.

The race of a magistrate has no effect on his jurisdiction in law, whether by way of restriction or by way of extension.

The race of the parties may in certain circumstances affect a magistrate's jurisdiction; thus—

- (1) In civil cases—
 - (a) the normal jurisdiction of first and second class magistrates (up to Sh. 1,500 and Sh. 1,000 respectively) is doubled in cases in which the defendant is an Arab, a Baluchi or an African;
 - (b) the jurisdiction of a resident magistrate may be increased and persons from Sh. 1,500 to Sh. 3,000 in non-African cases.
- (2) In criminal cases—
 - (a) magistrates in special districts may be invested with enhanced jurisdiction to try Africans for offences normally triable only by the Supreme Court;
 - (b) third class magistrates have no jurisdiction to try Europeans for any offence;
 - (c) first class magistrates (including resident magistrates) and second class magistrates have no jurisdiction to try a European for any offence punishable with imprisonment for more than six months unless the European submits to the jurisdiction of the magistrates by relinquishing his right to be tried by a jury for such offences.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, I beg to move—

THAT under Standing Order 168, the Standing Orders be suspended to the extent necessary to enable the Liquor Bill (Bill No. 27) to be read the First Time to-day.

This Bill, Sir, although not in the highly contentious class, is certain to arouse a certain amount of discussion and I am anxious that hon. Members should not imagine that the Government proposes, by the suspension of Standing Orders, to push this Bill through at this meeting without a proper opportunity for debate. The Government had given an undertaking that the Bill would be brought before the Council at this meeting and this Motion is intended to honour that undertaking.

The proposal is that the First Reading should be heard to-day, that the Second Reading should be debated at the end of this meeting, as the last item of business and that the Committee Stage should be deferred until the April meeting.

Sir, I beg to move.

Question proposed.

LT.-COL. GREYSIE: Mr. Speaker, Sir, having heard the hon. Chief Secretary's explanation as to why he considers it is desirable to ask this Council to suspend Standing Orders to allow this Bill to go through its First Reading, I am less convinced than ever that there is any justification for asking the Council to suspend Standing Orders. It is assumed, Sir, apparently, that the Second Reading will take place towards the end of this sitting, which will be some time this week. It is also suggested, I understand, Sir, that the Committee stage will take place some weeks later, which convinces me more than ever that there is no urgency for the introduction of this Bill, and I submit, Sir, that if the hon. Chief Secretary's application, or request, is adhered to, or agreed to, then we should be deprived of the customary 21 days in which to study this Bill; we shall have no opportunity of consulting people who are particularly interested in this legislation, and, what is more, Sir, even the Unofficial Members themselves will have

no opportunity of examining the Bill, Sir, I must lodge a protest. Government so often requests this Council to suspend Standing Orders. They usually apologise for having done so. They agree they are naughty in this to a very considerable degree, and, at the next Session, the same thing applies—the suspension of Standing Orders. Sir, I must protest.

MR. MATHU: Mr. Speaker, Sir, I support the Motion moved by my hon. friend, the Chief Secretary, because, I think twice last year, the Government committed themselves to introducing this legislation. The last time, they did not only commit themselves to introducing legislation, but to lay it at a particular date—that is, at the beginning of this meeting, on 14th February of this year.

I appreciate the difficulty that Government has usually of drafting laws at the right time, and, in doing so, in order that they should honour an undertaking that they give, I should not like to go and say "it is their business to draft the law at the right time, but support the suspension of Standing Orders in the way that my hon. friend, the Chief Secretary has moved.

J. Sir, when the meeting started on 14th of this month, discussed the matter with the Minister, the Asian Minister without Portfolio, as to the drafting of this Bill, because it was not one of the Bills that were down for discussion at this meeting. I also discussed the matter with my hon. friend, the Minister for Legal Affairs, and he, from the Government point of view, said "If the Unofficial Members have no objection to suspending Standing Orders, we, as Government, will see that the Bill is brought to this meeting". I, therefore, consulted the leaders of the various groups on the Unofficial side and my hon. friend, the Member for Nairobi South, who said he had no objection whatever that the Standing Orders should be suspended. I also consulted my hon. friend, the leader of the Asian Unofficial Members here, my hon. friend, the Member for Central Area, and he also said there was objection, and it comes to me as a surprise that my hon. friend, the Member for Nairobi North opposes the suspension of the Standing Orders.

LT.-COL. GREYSIE: Did you consult me?

MR. MATHU: He now opposes the introduction of this Motion. He asks me whether I consulted him; my answer is I consulted the leaders.

I support the Motion, Sir.

MR. SLADE: Mr. Speaker, Sir, it is quite apparent that my hon. friend, the African Representative Member, did not consult enough people as to whether they agreed to this. (Chorus of "How many leaders?") and who are the leaders indeed?

I do submit, Sir, on a question of this kind—the Suspension of Standing Orders—it is a matter which should be approached very, very cautiously and only adopted in cases of extreme urgency or with the unanimous consent of hon. Members and I don't think either of those conditions exist here.

THE ASIAN MINISTER WITHOUT PORTFOLIO (Mr. A. B. Patel): Mr. Speaker, Sir, in this case I was given to understand that all the leaders of the Unofficial groups on the other side were agreeable to suspend the Standing Orders. It has been the practice in this Council, Sir, that when any such consultation is made, it is done with the leaders of the various groups on the other side and, I believe, that practice has worked well in selecting Members of the select committee and in other matters. I am really surprised to hear now that the leaders have given the understanding that there was no objection to the suspension of Standing Orders without consulting their colleagues. As far as the Government is concerned, Sir, this is done to meet the wishes of the African Members and as the hon. Mr. Mathu consulted other groups and it was understood that all were agreeable, this step has been taken.

MR. CHANAN SINGH: Mr. Speaker, Sir, I only wish to say that I support the Motion now before the Council.

MR. J. S. PATEL (Western Electoral Area): Mr. Speaker, Sir, I wish to put on record that we Asian Members support our leaders.

THE SPEAKER: No other hon. Member wishing to speak, I will ask the hon. Mover to reply.

THE CHIEF SECRETARY: Sir, I agree that in principle the suspension of Standing Orders is not desirable. I present the apology which is customary, and

I do assure hon. Members opposite that I have moved this Motion with the greatest diffidence, but the undertaking has been given and I feel it must be fulfilled.

Sir, I beg to move.

The question was put and carried.

BILL

FIRST READING

The Liquor Bill—(the Asian Minister without Portfolio)—Order for First Reading read—Read a First Time—Ordered to be read a Second Time to-morrow.

BILL

SECOND READING

The Employment of Women, Young Persons and Children (Amendment) Bill

Debate, adjourned on 23rd February, resumed.

MR. CHANAN SINGH: Mr. Speaker, Sir, I support the Second Reading of this Bill. There is one criticism I wish to make and that is that some provisions of this Bill do not seem to conform to an international convention. I refer to Convention No. 5, Sir, on minimum age of admission of children into industrial employment. Article 2 of that Convention reads thus: "Children under the age of fourteen years shall not be employed or work in any public or private industrial undertaking; or in any branch thereof, other than an undertaking in which only members of the same family are employed". I see, Sir, the Bill makes the crucial age the age of 13 years instead of 14 referred to in the Convention. Since Kenya has accepted this Convention I suggest the age of 13 might be amended to read 14.

MR. TYSON: Mr. Speaker, Sir, when the Labour Commissioner concluded his speech last week, he drew attention to the increase in juvenile delinquency which was taking place in the urban areas. Those of us who serve on, particularly the Nairobi Probationary Committee, have been very much exercised for some considerable time at this increase in juvenile delinquency in the Nairobi area and I feel that to some extent it is due to this restriction which appears in section 2 where the definition of "child" is given as a person who has not attained the age of 16 years. Much of this delinquency arises amongst

[Mr. Tyson]
 youngsters of the age of 14 and upwards. They leave school at the age of 14 because little advantage would be gained from them remaining there, but there seems to be considerable difficulty in these youngsters getting permits or certificates which would enable them to be employed in the town. The result is they come into Nairobi, they drift into Nairobi from the nearby reserve, Klambu particularly, they get into mischief here and they are picked up by the police. I do suggest, Sir, that a good deal could be done towards remedying that difficulty if it could be made more clear that these youngsters, having reached the age of 14, could obtain either *kipandis* or some permit which would enable them to be employed in Nairobi, whether it is in a factory or in any other capacity. There is little doubt in my mind that many of these youngsters who leave school at the age of 14 could be usefully employed in the towns if some system could be devised by which there was some control. But, to prohibit their employment until they reach the age of 16 is, in my view, storing up for ourselves a good deal of trouble at a later stage, because between the ages of 14 and 16, as the Labour Commissioner pointed out, these juveniles, as they are called, get into mischief and once they get into mischief and into the hands of the police between the ages of 14 and 16, it is going to be very difficult to get them back on to the right road.

I would, therefore, like to suggest, Sir, to the Minister concerned, that something should be done to try to get over that difficulty, particularly either under section 2 or under section 13, subsection (9).

Subject to that, Sir, I support.

MR. MATHU: Mr. Speaker, I have two major points I would like to make in conjunction with this Bill and a third one which is not so major.

The first is, Sir, that my African colleagues on this side of the Council are opposed to the amendment proposed in sub-section (5) where women are going to be employed at night, and the proviso states that in this Bill. My recollection, Sir, as a Member of the Slade Committee, was that that committee

never recommended the amendment to the principal Ordinance to allow women to be employed at night. I understand from the Memorandum of Objects and Reasons that representation has been made to the Labour Department which justifies their amending the present law. We feel very strongly, Sir, that it is not a wise move and that we do not think that it is necessary to amend the present law to get women to work at night as provided for in section 5 of this Bill. So, Sir, if we do not get satisfaction we are going to move an amendment in the Committee stage to retain the present provision of the law.

The second point, Sir, refers to Part V of the Bill which deals with the employment of juveniles in general. We have not been able to get the reasons why there is this illogicality where the male child has different treatment in law as to whether he has to be employed, because as long as the parent agrees that the child should be employed from his home, then it is all right, but when you have the female child—when you have the female child under sub-section (4) of section 17, or rather section 17, of the employment of children away from their home, you will get different provision. Our suggestion, Sir, is that the same requirements should apply to both male and female children if they have to be employed away from their own homes, the parent must give consent to whom the officer, whether the labour officer, district officer, or whoever would require that permission. But we do not think that there should be any exception in regard to this matter.

We also, Sir, suggest that under sub-section (5) of section 13 that the proviso which enables the employer to have, I think, one month, in fact two months, now, if it goes to the magistrate that no release until that time happens, we suggest that if the magistrate makes an order, that order should be obeyed immediately and not to wait for a month or two months before the child is released.

Finally, Sir, I think my hon. friend the Nominated Member, Mr. Tyson's, point can be covered because I agree with him that some legal arrangement should be made so that the youngsters of 14 years old, particularly near urban

[Mr. Mathu]
 areas, should have an opportunity to be employed on permit. I think this matter has come before the Labour Advisory Board and, if I have got it right, there is going to be an amendment, as far as Nairobi is concerned, to make it legal for the application of the—not only the Nairobi City but also the Municipal area, but also the Nairobi Extra-Provincial District—so that these juveniles could be employed, provided, of course, that necessary permits are obtained by the employers before they employ juveniles. There could not be anything worse, Sir, than to leave these youngsters of 14, 15 and 16 on loose ends without occupation. We have not reached yet the standard where we can get them all educated, compulsory to the age of 16 or 17 and I do think, Sir, that the best way of preventing these juvenile delinquents in urban areas would be, as my hon. friend, Mr. Tyson, has suggested, that there should be legal provision to enable these youngsters to be lawfully occupied in employment instead of leaving them to roam about without proper care.

Sir, I support the Motion.

THE SPEAKER: If no other Member wishes to speak, I will call on the Mover to reply.

MR. LUYR: Mr. Speaker, Sir, the hon. Member for Mau, when speaking last week on this debate, drew attention to the change in the definition of "industrial undertaking", which now includes "any factory within the meaning of the Factories Ordinance". That, in fact, does not mean that there is any change in the present position. This alteration in the definition of an "industrial undertaking" has been made primarily to make for greater ease in administration. The definition of a factory in the Factories Ordinance is set out very clearly and very fully. There is also a considerable amount of case law as to what is a factory and what is not which will be helpful to us now in the definition of "industrial undertaking" in this Ordinance. But the important point which I think the hon. Member for Mau missed was that in the changing of this definition, the scope or the field over which the definition "industrial undertaking" operates has not been extended. Factories were previously covered by it

in the same way as they will be in the future and his suggestion I think was, Sir, that coffee factories, pyrethrum factories would not be able to employ children in future and that this was a move in a wrong direction. It is an error in thinking that there is something new about this. Children cannot now be employed in coffee factories or in such parts of the process of dealing with pyrethrum as falls within the definition of a factory. That is done, Sir, primarily for reasons of safety and it has not in practice, so far as I am aware, caused difficulties.

The other point that the hon. Member for Mau raised was the interrelation of the definitions of child and parent and of section 19. He drew attention to the fact that by the new definition a parent could include a husband where the wife is, in fact, still a child and he referred to the relationship of the amendments in these definitions with that of section 19 which prevents a parent from permitting a child who, as he said might be a wife, from being employed as a fuel cutter. He again, I think, thought that there was something new here because he drew attention to the fact that we were doing something that was contrary to African custom and he thought that we were introducing legislation which would debar a husband requiring the normal wifely duties from his wife of cutting fuel. I think he felt that those duties, in fact, came within the definition of employment. I can reassure him, Sir, in that a wife can go and cut fuel for a husband according to age-old custom without the wife being employed in the sense that the Ordinance regards employment.

I will, Sir, look into the suggestion that we are conflicting with a Convention but from the chart that I have brought with me, it seems that the Convention (No. 5) which was mentioned has not been accepted by Kenya as being applied here so we are not obliged, Sir, to be in accordance with it. But, strange to say, even though we have not, ourselves, declared that it applies to Kenya, Geneva says that we do, in fact, comply. So it would almost look as if we are doubly in the right on this point.

In so far as the employment of children in urban areas is concerned, which the hon. Nominated Member, Mr. Tyson,

[Mr. Luyi] was mentioning, there is, Sir, no intention in the present Bill, or provision in the principal Ordinance, to debar children from employment in urban areas provided the employment is not in factories (on which there is a total ban on children). But, we do have a fairly tight system, a permit system. The intention is not to make it difficult for children to get appropriate employment in urban areas, it is merely to ensure that the employment that they do get is suitable and that the conditions that are associated with that employment, such as housing in particular, and other welfare requirements, are also those that a child should have.

This entire permit system is done by rule and does not appear in the Ordinance and in so far as the permit system can be adjusted to bring about improvements, it can be looked at.

There were criticisms, Sir, of employment of women at night. I think I mentioned, when I spoke before, that at the present moment our Ordinance does not permit women to be employed in industrial undertakings beyond the hour of 7 p.m. and that this causes inconvenience and, I think, unreasonable inconvenience to employers who have factories that run two shifts, and have, in those factories, occupations essentially suitable for women. They can, under the present legislation, under the Ordinance as it now stands, employ women on the first shift, but not on the second.

Now, all we are doing, Sir, is to permit, under considerable safeguards—the Labour Advisory Board has to be consulted and there are extensive safeguards which accord exactly with international obligations in respect of periods of night rest—is to permit women to work second shifts which will take them into the hours of the night under conditions which operate in the United Kingdom, and in most countries with more advanced standards than our own. This will, I think, Sir, be in no way harmful and should in fact, meet the reasonable needs of industry.

Attention was drawn, Sir, to the different treatment that the Bill proposes for boys and girls who are to be employed in circumstances that necessitate their living away from home. The Bill requires

that if a girl is to receive a permit to work in circumstances where she cannot live with one or both her parents the specific and express permission of the parent must be obtained. For the boy, the Bill merely requires that an authorized officer can give permission which he would have to refuse if a parent came forward and raised an objection; but, he is not required, the authorized officer is not required, to go and seek out the express permission of the parent. Now, the reason for that, Sir, perhaps a rather peculiar one, is set out in the report of the Slade Committee of which the hon. Member who raised this point was a Member. The committee, in its report, drew attention to the fact that it has been found impracticable to insist upon the parents' express consent in the case of male children. It is the experience of officers of the Labour Department and other officers that have been concerned with the employment of children, and it was the finding of the committee who introduced this report that for some strange reason, parents, African parents, in the reserves believe that there is something shameful about granting permission to a son to go and work in circumstances that will take him away from home. For that reason they tend to refuse permission even though it is generally felt that their objections are not really valid ones or very strong ones. It is merely that they think it is not the proper thing to do. When we tried to operate this system before we found that parents simply would not grant permission even though they would readily send their sons away to work—to work, Sir, that is frequently and usually, as I mentioned last week, in the interests of the boys. They would send their sons away to this work when there were no controls. Now, this legislation is facing what we think are the real circumstances existing in the reserves with which the Slade Committee concurred, and which is the long experience of my Department. We feel, Sir, to make the restriction upon the employment of boys any tighter than it is, would have been unreasonable and would have operated contrary to the best interests of the boys themselves.

I beg to move, Sir.

The question was put and carried.
Bill committed to a Committee of the whole Council to-morrow.

COMMITTEE OF WAYS AND MEANS

Order for Committee read. Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. Conroy, Esq., O.B.E., T.D., in the Chair]

MOTION

COTTON LINT AND SEED MARKETING BOARD EXEMPTION FROM INCOME TAX

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, Sir, I beg to move that—

WHEREAS the Council of Ministers has advised that the income of the Cotton Lint and Seed Marketing Board be exempted from the payment of income tax thereon;

AND WHEREAS such exemption can be granted by the Governor with the approval of the Legislative Council under paragraph (a) of sub-section (2) of section 11 of the East African Income Tax (Management) Act, 1952;

BE IT RESOLVED that the income of the Cotton Lint and Seed Marketing Board be exempt from the payment of income tax thereon.

Sir, the Cotton Lint and Seed Marketing Board was set up by statute to market cotton lint and seed produced in Kenya. It is responsible for operating the cotton price assistance funds for projects which will benefit the cotton industry and cotton producers from whom funds were originally derived. The Board also has power to invest its funds. The Board has requested to the Government for exemption from tax on its trading profits and its investments in Kenya.

Sir, other statutory boards, such as the Coffee Board, the Sisal Board, the Pyrethrum Board, and the Passion Fruit Board have been granted exemption from tax on their trading profits and it seems right, therefore, that this Board should also be granted such exemption, particularly, of course, as the trading profits of the Board will revert to the producers either through the cotton price assistance fund or through assistance projects for improved production.

I think, therefore, Sir, we can regard this as being largely a formal Motion and an evidence of our assistance, of our desire, to assist the industry in its contribution to the country's development.

I beg to move.

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 Council its consideration of the Resolution on the Order Paper and its approval thereof without amendment.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORT

MR. CONROY: Mr. Speaker, Sir, I have to report that the Committee of Ways and Means has considered the Motion on the Order Paper and approved the Resolutions in respect thereof.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I beg to move that the Council do agree with the Committee in the said Resolution.

Question proposed.

The question was put and carried.

COMMITTEE OF THE WHOLE COUNCIL

Order for Committee read. Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. Conroy, Esq., O.B.E., T.D., in the Chair]

The Trade Unions (Amendment) Bill
Clauses 1 to 3 agreed to.

Clause 4

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: I beg to move, Sir, that clause 4 be amended by the addition of the following words: Paragraph (b) of sub-section (1) of section 16 be amended by the deletion of the words, "any one of the principal objects" and substitute therefor the words, "any of the objects".

Question proposed.

The question was put and carried.

Clause 4, as amended, agreed to.

Clause 5

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Sir, I beg to move that clause 5 be deleted and the following clause substituted therefor:—

5. Sub-section (2) of section 17 of the principal Ordinance be amended—

(a) by the deletion of the word "principal" in paragraph (b) thereof; and

(g) thereof the following new paragraph—

(h) the objects for which the trade union is actually carried on are such that had they been declared as objects of the constitution of the union at the time of application for registration the Registrar could properly have refused registration.

Question proposed.

MR. SLADE: Mr. Chairman, in supporting this amendment, I should like to thank the Minister for having met the points that I made in this respect by this amendment and by the previous amendment—the points that I made in the Second Reading.

I beg to support, Sir.

The question was put and carried.

Clause 5, as amended, agreed to.

Clauses 6 and 7 agreed to.

Clause 8

MR. SLADE: Mr. Chairman, I beg to move a new clause that would follow clause 8. I think.

THE CHAIRMAN: Yes, Mr. Slade, we will take the new clause at the end.

Clauses 8 to 12 agreed to.

New Clause

MR. SLADE: Mr. Chairman, I beg to move that there be inserted, immediately after clause 8, an additional clause, to read as follows:—

Sub-section (1) of section 29 of the principal Ordinance is amended by substituting for the present proviso thereto the following proviso:—

Provided that the Registrar may, in his discretion, permit any office to be filled by a person not actually engaged or employed in an industry or occupation with which the union is directly concerned.

Mr. Chairman, I justify this Motion for an addition to the Bill before us on the grounds that it is arising directly out of what appears to me to be the object of the Bill. We have before us a Bill designed to amend the Trade Unions Ordinance, and the only underlying purpose I can see in the proposed amendments is to make more sure that the privileges of trade unions are not abused, either by such unions indulging in activities which go beyond the interests of employers and employees in the trades concerned, or, by allowing elements to enter into the trade unions which in themselves are not concerned directly with the interest of such employers and employees.

Mr. Chairman, this proposed amendment may on its face appear to be one which relaxes the law, but, of course, that is not so. I should remind hon. Members of the terms of the present proviso to section 29, sub-section (1) of the principal Ordinance. That sub-section provides as its foundation that all officers and members of every trade union shall be persons actually engaged or employed in an industry or occupation with which the union is directly concerned; but then there is a proviso, and it is that proviso that this amendment seeks to amend. The proviso is (a) that the office of secretary may be filled by a person not actually engaged or employed in an industry or occupation to which the union is directly concerned; and (b) that the Registrar may, in his discretion, permit any other office to be filled by a person not actually engaged or employed in an industry or occupation with which the union is directly concerned. So, Sir, the effect of the proviso as it stands in the law now is that the Registrar may, in his discretion, allow any office to be filled by someone who is not engaged in the trade concerned; but that, as regards the office of secretary, the Registrar has no discretion, but it is quite open to the trade union to employ some outsider as secretary without reference to the Registrar at all.

The purpose of this amendment, Mr. Chairman, is to cut out that peculiar feature with regard to the secretary of the trade union, as opposed to other officers of the trade union, and to provide for

[Mr. Slade]

the future that whenever any office of a trade union is to be filled by someone who is not himself engaged in the trade concerned, then that will require the Registrar's consent. But, as I said, Sir, on the Second Reading of this Bill, I do regard that as of the utmost importance, particularly in the case of the office of secretary. That office, Sir, as we know, in trade unions is about the most important and influential office that there can be. If it is necessary to have this provision of section 29 at all, that normally offices should be filled by persons engaged in the trade, but if an outsider is to be brought in, the Registrar must first consent to his coming in; if that is necessary at all, *a fortiori*, it is necessary in the case of the secretary. I suggest, Sir, that it might be taken for granted that the Registrar will not be unreasonable in the exercise of his discretion, if he is satisfied that in order to fill the post of secretary adequately some responsible outsider is required.

I beg to move the amendment, Sir.

Question proposed.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Sir, I beg to oppose this amendment. I fully understand the reasons which have prompted the hon. Member to make the proposal that this amendment should now come into the Bill, but, I feel that the secretary is the most important person in trade unions and the proviso to section 29, up to the present time, has allowed the Registrar to agree that the office of secretary should be filled by somebody outside the trade union, possibly because the trade union itself has not got a person properly fitted to carry out that office. The person coming in, therefore, really comes in in the capacity of someone who wishes to help that trade union. I am hoping that in the very near future, we will get to the stage where all members, I should say all office bearers, of the trade unions will be members of that union. I think, therefore, that it will put an intolerable burden on the Registrar to have to decide whether that person should hold this office or not. He can only decide himself largely if the man has got a criminal record, if he is dishonest or something of that nature and that is already, at least partly, provided for by

sub-section (2) of the existing section 29. Otherwise, I think, the Registrar will be very hard put to decide whether the person is capable of doing it or not and, if he was incapable, he would have to go a very long way to prove it. I doubt very much, in fact, if it would be provable.

On these grounds, therefore, Sir, I oppose the amendment.

MR. CHANAN SINGH: Sir, I also oppose this amendment. The secretary, as has been said, is the most important official of the trade union. Under the British tradition of trade unionism, Sir, the secretary is usually an outsider, and if we accept the amendment now before us, it will mean that the secretary will, in effect, be the nominee of the Registrar. That will be a very bad thing for the development of trade unionism. That will give the people the impression that the trade union is no longer a free agent.

So far as the secretary is concerned, Sir, the free choice should be allowed to the trade union as under the existing law.

Apart from that, Sir, I also submit for your consideration that this amendment is not in order. It does not arise out of any of the provisions of this Bill and, in fact, it has nothing to do with this Bill.

MR. MATHU: Mr. Chairman, Sir, I would like to oppose this amendment and for the reasons given by my hon. friend, the Minister for Labour, and my hon. friend who has just sat down. But what I would like to add to what they have said is this, that before the principal Ordinance was enacted, it went to a Select Committee and that Select Committee went into this question thoroughly, the very clause that my hon. friend, the Member for Aberdeen, wants to amend and I have not seen since that time any reason to suggest that the Select Committee was not justified in recommending to this Legislative Council that the proviso to section 29 should stand. I do suggest, Sir, that the amendment before the Committee if accepted would almost nullify the whole question of trade unions in this country, and if that is the intention of my hon. friend, the Mover of this amendment, I suggest, Sir, that it is a principle that this Committee cannot allow, because it is Government policy to encourage healthy trade unions,

[Mr. Mathu] and one of the most important aspects of that healthy development of trade unions is by having a secretary who is the appointee of the trade union itself.

Sir, I beg to oppose the amendment.

GROUP CAPTAIN BRIGGS: Mr. Chairman, Sir, I wish to support the amendment which has been already very ably spoken to by the hon. Member for Aberdeen.

The Minister for Education, Labour and Lands has already referred to the fact that the secretary of the trade union is probably the most important official in it and I entirely agree with him. For that reason, I think for that reason alone, it is most essential that he should have trade union experience and to know what he is talking about when he is negotiating with employers. I do suggest, Sir, that the introduction of outsiders is simply going to leave the way open for the introduction of spies, agitators and people who wish to profit out of the trade union movement. I do feel that if trade unions are unable to find, from within their ranks, someone suitable to act as secretary, then they have not yet reached the stage when they should be allowed to exist.

The British trade unions were built up very largely by men who were, themselves, illiterate. I have been told by some of the old-timers that they remember the days when they had no offices, no typewriters, no sort of organization of any sort whatsoever and those men built up the British trade unions. I suggest, Sir, that if the trade unions of this country proceed on the same lines we might get respectable and useful trade unions.

THE CHAIRMAN: I will call on the hon. Member to reply.

MR. SLADE: Mr. Chairman, nothing has been said this afternoon in opposition to this amendment, that explains why there is any difference in the office of secretary and any other office in a trade union—why it should not be on the same footing—except that the office of secretary is so important and, in my submission, that is the very argument as to why that office, above all others, should be subject to the Registrar's discretion of the approval of the office holder.

Now, it has been suggested that if you do that, you are making the secretary merely the nominee of the Registrar. Of course, that is no more so, Sir, with regard to the office of secretary than with regard to any other office. In any case it is, I suggest respectfully, a most nonsense to make any such suggestion. It is one thing to make an appointment subject to the approval of a person, and another thing to say that that person shall have the appointment. The latter is not suggested here. The former is suggested. The Registrar should have power to look hard at any proposed office bearer in a trade union, including the most important secretary, and see whether or not he is not only clear of crime, but also clear of capacity of making of mischief and bringing the trade union into disrepute.

Sir, it has been suggested that my object in moving this amendment is to nullify trade unions. I have heard that suggestion made before. I do not think Sir, it is made in any belief that such is really my intention and in any event I here and now disclaim any such intention. I am as much concerned as anyone, Sir, to see that trade unions develop properly in the right way, at the right speed. I am as much concerned as any one to see that they do not go astray.

THE CHAIRMAN: I should like to refer to the matter put forward by the hon. Mr. Chanan Singh in which he submitted that this amendment is not, within Standing Orders, capable of being moved in Committee stage. The principle is that where a Bill has been approved by the whole Council on its Second Reading, any amendment may be moved in Committee which comes within the ambit of the principles as approved by the Council on the Second Reading. It is submitted that this amendment did not come within the principles of the Bill as approved in the Second Reading but on looking at it, I think that it does.

I will, therefore, put the question. We are now considering the Second Reading of this new proposed clause in the Bill. The question accordingly is, that the proposed new clause be read a Second Time.

The question was put and negatived.

Title and enacting words agreed to.

The Bill, as amended, to be reported.

The Legislative Council (African Representation) Bill

Clauses 1 to 14 agreed to.

Clause 15

MR. SLADE: Mr. Chairman, I beg to move that clause 15 be amended by substituting for the word "each" in the second line thereof the words "any two"; and by inserting after the word "Ordinance" in the fourth line thereof the words "and to one additional vote in respect of each further of such qualifications".

Sir, I should explain the effect of those amendments. If accepted, clause 15 would then read as follows: "An African who is otherwise eligible to be registered as a voter shall be entitled to one vote in respect of any two of the qualifications possessed by him or her and set forth in the Schedule to this Ordinance, and to one additional vote in respect of each further of such qualifications, but no African shall be entitled to more than three votes."

Sir, in speaking to this amendment, I can be very brief, because it is simply pursuant to a point on which I spoke at length on the Second Reading. The purpose is to restore the limitation on voting rights to the limits proposed by the Commissioner in his report, and the reason for that proposal is that which I gave in the Second Reading—that we are purporting to limit the right of voting to informed and responsible opinion. I see no possibility of such limitation operating, in fact. If one single qualification, plus the age of twenty-one, entitles a man to a vote, I see no prospect of one single qualification ensuring that a voter is both informed and responsible.

THE CHIEF SECRETARY: Mr. Chairman, I fear that this is an amendment which the Government will be unable to accept. The Government has examined the various permutations resulting from the combinations of points. I will not weary hon. Members with all the results but, roughly speaking, to insist upon a combination of two points would result in four important categories of persons being excluded. First, the responsible employee of the artisan class, who is earning about £10 a month, and is setting down to a responsible job, but

who has not got his Kenya African preliminary examination certificate, or has not been seven years in employment. He would fail to get a vote, whereas the clerical chap in the office who has his Kenya African preliminary examination certificate would be entitled to a vote. I think it most undesirable that the office should have such edge over the work-shop. We have talked a lot about this in the past—about encouraging handicrafts and the manual worker. Well, here is an excellent way of doing it.

Secondly, the self-employed man, who has not got the Kenya African preliminary examination certificate—I have particularly in mind the farmer and the stockman. As far as the former goes, there are a growing number of farmers who are placing themselves in the hands of the Agricultural Department, whose holdings are now being consolidated, and whose farming programme is being designed by the Department. Those men with five or six acres can earn the £120 a year, and it would be wrong to fall to give the franchise to men who have clearly indicated their wish to follow a proper line of agricultural development.

The next category is the ex-soldier and the ex-policeman who, again, has not been able to get a place in an intermediate school. Anybody who has served in the African areas will know what a valuable influence and what a steady element generally those people are.

Lastly, members of African district councils and locational councils, who have had no chance to enter an intermediate school, but who are devoting their leisure time to local government. They, too, would be excluded.

All this the Government regards as a most undesirable outcome. Further, the advantage of the vote would go in an undesirable degree to Government servants and clerical workers, to ex-soldiers such as warrant officers who had the good fortune to get an education certificate, and to other small classes of ex-soldiers. In addition, taking into account the ages of ex-soldiers, one would find that a soldier who had served in the 1914 war would be entitled to a vote, whereas a man who had served in

[The Chief Secretary] the recent war would not. A most illogical state of affairs.

Sir, I beg to oppose.

Question proposed.

The question was put and negatived.

Clause 15 agreed to.

Clause 16

THE CHIEF SECRETARY: Mr. Chairman, Sir, I beg to move that clause 16 (2) be amended by substituting for paragraph (c) a new paragraph as follows:—

(c) had an income from all sources of £120 during the twelve months immediately preceding nomination day and possesses at least one of the qualifications set forth in the Schedule to this Ordinance, other than items 1 or 2 thereof; and

In other words, Sir, that the first alternative appearing on the top of page 7 of the Bill should be deleted.

The purpose of this amendment, Sir, is to dispel a certain inconsistency which is to be found in this clause. It has been brought to light—or rather, my attention has been drawn to it by inference, as it were, by what was said by hon. Members on the other side in the debate on the Second Reading—in particular, the hon. Member for Aberdare and the hon. Member for Mau. The intention of clause 16 is to lay down criteria by which shall be measured the suitability of the candidate. The ingredients include age, residence, the basic educational qualifications, the basic property qualifications and, in addition, either one other qualification or an enhanced property qualification. The one other qualification under the first alternative must be long service, seniority, higher education, experience in local government or in this Council, or meritorious service.

Now, with the exception of the last one, all these qualifications carry with them an element of time—time during which the person concerned would have proved himself to be a disciplined man, or to be of influence in his community, or to be a scholar or to be a legislator. But this element does not exist in the first alternative. To have earned £240 in the year may be an indication of business acumen or a skillfully run farm, but

it equally may mean a fortuitous business deal or the sale of property. It lacks that essential ingredient of steady, continued effort, by which a man's qualities must be judged. The effect of providing two alternatives in this way is to equate the experience gained by three years in an African district council against the £120 earned or obtained in a year. The comparison is, I think, unfair, and undesirable—I am afraid I must admit the responsibility for it—and, in the opinion of the Government, the comparison should not be made.

The effect of the amendment will be to require a candidate to have the basic educational qualification, the basic property qualification and one other. Its adoption will, I hope, ensure that candidates are men of standing and quality, and will exclude men whose only claim to consideration is that in the past twelve months they have been fortunate enough to strike it lucky.

Sir, I beg to move.

Question proposed.

MR. CROSSKILL: Mr. Chairman, I support the amendment, and am grateful to the hon. Chief Secretary for introducing an amendment which brings the regulations now more in accord with the principles which were laid down in the report, and which were accepted by Government, that candidates should be responsible and experienced men, as well as men of just academic and economic achievement, I beg to support.

The question was put and carried.

Clause 16 as amended agreed to.

Clause 17 agreed to.

Clause 18

GROUP CAPTAIN BRIGGS: Mr. Chairman, Sir, it does seem to me that the sponsors—the proposers and seconders—for candidates should be people of some substance. The Government has made it clear that the desired candidates should be of a high quality—men of integrity and character—and it seems to me that the only way in which that can be ensured, apart from the qualifications of candidates themselves, is by applying the same conditions to the sponsors.

I should therefore like to move the following amendment: that the words

[Group Captain Briggs]

“registered as voters” be deleted, and that the words “holding the same qualifications as the candidate” be substituted therefor.

Question proposed.

THE CHIEF SECRETARY: Sir, this is an amendment which the Government regrets it cannot accept. The suggestion has quite a bit to commend it, but I feel that, on balance, it would place a needless inconvenience upon the candidate, and would not ensure that he would be a man of particular standing or integrity. It is sufficient—as is done in the present Legislative Council Ordinance—for the sponsors to be qualified as voters.

MR. MATHU: Mr. Chairman, I support my hon. friend, the Chief Secretary, in opposing this amendment, and I do think, Sir, that, in endeavouring to get candidates of such a quality in the majority of these matters would really defeat the whole object of this Bill. The object, Sir, is to give the African community the right to return their Members to this Council exactly in the same way as my hon. friend, the Member for Mount Kenya is returned by his community, without our interference.

I beg to oppose the amendment.

The question was put and negatived.

Clause 18 agreed to.

Clause 19 to 21 agreed to.

Schedule

SIR CHARLES MARKHAM: Mr. Chairman, would the hon. Chief Secretary explain under the Schedule—No. 7, Meritorious Service—it says “A civil or military decoration, including Badge of Honour or Chiefs’ Medal”—Does this rather nebulous decoration given to people who fail get the African General Service Medal, qualify as meritorious service under that particular No.?? Could I ask that, Mr. Chairman?

THE CHIEF SECRETARY: The Meritorious Service Badge had not been thought of when this was first drawn up. I imagine the answer is therefore “no”.

SIR CHARLES MARKHAM: Mr. Chairman, may I ask why not? It is certainly according to the preamble which Government announced—that the award of this Badge was very much more important than a Badge of Honour.

THE CHIEF SECRETARY: The Government will examine this point with its usual thoroughness, and, if necessary, make rules to clarify the position.

Schedule agreed to.

Title and enacting words agreed to.

THE CHIEF SECRETARY: Mr. Chairman, I beg to move that the Committee do report to Council that it has considered the Trade Unions (Amendment) Bill and the Legislative Council (African Representation) Bill, and has approved the same with amendment.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORTS

THE TRADE UNIONS (AMENDMENT) BILL

MR. CONROY: I beg to report that a Committee of the whole Council has considered the Trade Unions (Amendment) Bill and made amendments thereto.

Report ordered to be considered to-morrow.

THE LEGISLATIVE COUNCIL (AFRICAN REPRESENTATION) BILL

MR. CONROY: I beg to report that a Committee of the whole Council has considered the Legislative Council (African Representation) Bill and made amendments thereto.

Report ordered to be considered to-morrow.

ADJOURNMENT

THE SPEAKER: That completes the business on the Order Paper. Council will therefore stand adjourned until 2.30 p.m. to-morrow, the 29th February.

Council adjourned at ten minutes past Four o'clock.

Wednesday, 29th February, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:—

Department of Information Annual Report, 1955.

(BY THE CHIEF SECRETARY)

The Pensions (Amendment) Regulations, 1956.

(BY THE MINISTER FOR FINANCE AND DEVELOPMENT)

ORAL NOTICE OF MOTION

INQUIRY INTO MAU MAU

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I beg to give notice of the following Motion:—

That a suitably qualified person be appointed to conduct an inquiry with the following terms of reference:—

(a) To examine and report on the origins, methods and growth of *Mau Mau*, and to consider if deficiencies in the Government machine permitted the movement to develop and if so, whether these have been remedied.

(b) That for the purpose of the inquiry full access be given to all Government documents and memoranda be invited from members of the public.

COMMITTEE OF THE WHOLE COUNCIL

Order for Committee read. Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. Conroy, Esq., O.B.E., T.D., in the Chair]

THE EMPLOYMENT OF WOMEN, YOUNG PERSONS AND CHILDREN (AMENDMENT) BILL.

Clause 1 agreed to.

Clause 2

Mr. LUYT: Clause 2, Mr. Chairman. I beg to move that clause 2 be amended—

(i) by deleting the word "woman" in the second line of paragraph (a) and by deleting the definition of woman and

(2) by substituting for paragraph (b) a new paragraph as follows—

(b) in the definition of "industrial undertaking", appearing therein—

(i) by substituting for paragraph (b) thereof the following paragraph—

(b) any factory within the meaning of the Factories Ordinance, 1950;

and

(ii) by substituting for sub-paragraph (i) of the proviso to the said definition the following sub-paragraph—

(i) the Minister, if he sees fit so to do, having regard to the nature of the work involved in any employment carried on in any industrial undertaking, may, by order, declare that such employment shall be excluded from the provisions of this Ordinance relating to industrial undertakings, and thereupon such employment shall be deemed not to be employment in an industrial undertaking for the purpose of this Ordinance.

This amendment, Sir, is not in identical terms with the amendment which appeared on the Order Paper a few days ago. I must apologise for that. The variation, however, is extremely slight and all that it does is to remove the word "woman" in the second line of paragraph (a).

As I mentioned in the Second Reading, the reason for deleting all reference to "woman" in this amendment, is because of the fact that its presence achieves nothing beyond what the principal Ordinance already achieves.

The longer part of the amendment, which I have just read out, which relates to the proviso to the definition of an industrial undertaking, does not, in any

[Mr. Luyt]

way, Sir, after the intention of the present proviso. It merely implements it in more appropriate words.

I do not think, Sir, it is necessary, therefore, to enlarge upon it.

Question proposed.

Mr. TYSON: Mr. Chairman, I do not know whether it could be done, but I would like to come back to this clause 2 as the Commissioner has already talked about modifying some of the definitions, whether he could also agree to something being done regarding the definition of "child", because it seems to me that clause 2, coupled with clause 13, paragraph 18, is rather contradictory. Clause 13 seems to militate against the employment of children and children are defined under section 2, as persons under the age of 16. What I would like the hon. Member to consider is whether, as he is altering the definitions, something could be done to alter that definition of children to enable them, without difficulty, to obtain employment after the age of 14?

Mr. LUYT: Mr. Chairman, Sir, I cannot quite see the point in this. There is not, as I see it, any difficulty in a child obtaining employment over the age of 14, or any difficulty, in fact, in a child obtaining employment under the age of 14, provided that the child is not employed in a factory and provided that any permit system operating in the area, or industry, in which the child is to be employed, is observed. I may be missing a point, Sir, but I cannot see that there is any advantage in altering the definition of "child" to facilitate their employment.

Mr. TYSON: I would point out that if you refer to section 13, paragraph 18, the marginal note says, "Children not to be employed otherwise than under verbal contract", and "children" under section 2 is defined as a person under the age of 16. Now, surely my reading of that paragraph 18, section 13, is that they cannot be employed—children—under the age of 16.

Mr. LUYT: Mr. Chairman, Sir, the whole point is in reference to verbal contracts and written contracts. All that is required here, and this is merely transferring a provision from the Employment Ordinance, which already exists to this

Ordinance—all that section 18 requires is that children must be employed under verbal contracts, and not under written contracts. It does not deal with contracts.

Mr. SLADE: I think that the point here is that for the purpose of legislation with regard to children and young persons generally, it has been recommended and accepted by Government, that a universal definition of child, and of young persons respectively, is very desirable, the basic definition being the same in all Ordinances instead of differing from Ordinance to Ordinance. And that is one of the things that this amendment sets out to achieve, to bring it into line with other Ordinances which are accepting that a child, for all general purposes, is a person under the age of 16 years, and that a young person is a person between the ages of 16 years and 18 years. Having got that basic uniform definition of child, you then find certain special bits of legislation, as we find in clause 13 of this Bill, which makes subdivisions of children, and different provisions for different categories of children above or below the age of 13 years. That is very necessary, Sir, in certain circumstances, but it should not be allowed to interfere with the basic definition of child, and its uniformity in all legislation. I support the hon. Member in what he has to say about this.

The question was put and carried.

Clause 2, as amended, agreed to.

Clause 3 agreed to.

Clause 4

Mr. LUYT: Mr. Chairman, clause 4. I merely wish to take the opportunity of explaining what was a partly misleading answer that I gave yesterday in respect of the employment of children in industrial undertakings when I was asked, by the hon. Member for Central Electoral Area, whether we were conforming with the International Labour Organization Convention No. 5 which deals with the minimum age at which children can be employed in industrial undertakings. I undertook to examine the position further, but I did give an immediate answer based on a chart that I had with me, that it was my opinion that this particular convention had not been applied to Kenya, but, even though it

[Mr. Luyt] had not been applied, the chart indicated that we were in conformity with it. I did do as promised and checked up on it afterwards, and I find that this convention does apply to Kenya, but, as far as I can see, we are in complete conformity with it so it does not seem to me that any criticism need be made of this section.

Clause 5 to 7 agreed to.

Clause 8

Mr. LUYT: Clause 8, Mr. Chairman, I beg to move that clause 8 be deleted and the following new clause be substituted therefor: "8. Section 11 of the principal Ordinance is amended by inserting immediately after the words 'No child', appearing therein, the words 'under the age of fifteen years'."

The effect of this proposal, Mr. Chairman, is to amend the Bill as published by deleting little (b) in clause 8 which therefore restores the second proviso to section 11 of the principal Ordinance. That proviso has the effect of exempting native vessels from the ban on the employment of children. Further recent examination has disclosed that it is inappropriate to have a total ban on *dhows*, which are the vessels mainly concerned, and, therefore, we are reverting to the position as exists under the Ordinance at present and restoring, or leaving rather, the second proviso.

Question proposed.

The question was put and carried.

Clause 8, as amended, agreed to.

Clause 9 agreed to.

Clause 10

Mr. LUYT: Clause 10, Mr. Chairman, I beg to move, That clause 10 be amended by substituting a colon for the full stop which appears at the end of sub-section (1) of the new section, 13 and by adding to the said sub-section a proviso as follows: Provided that this sub-section shall not apply to the master of a native vessel."

This proposal, Sir, would exempt native vessels, and mainly again we are thinking of *dhows*, from the requirement of having to keep a register of the juveniles employed thereon. I should mention in this respect that the Native Vessels Ordinance already requires

native vessels to have crew lists and these crew lists are prepared by port officers. The port officer is required under the Native Vessels Ordinance to have regard to the proportion of boys and men listed on that crew list, and it is therefore unnecessary to inflict this further requirement upon native vessels.

Question proposed.

The question was put and carried.

Clause 10, as amended, agreed to.

Clause 11 and 12 agreed to.

Clause 13

Mr. CHANAN SINGH: Mr. Chairman, Sir, my criticism yesterday was directed at this clause—clause 13—because the age of 13 is mentioned in the new section 17, and it is here that I think the Bill comes into conflict with Convention No. 5.

Mr. LUYT: Mr. Chairman, Convention No. 5 deals solely with industrial undertakings, and I have checked that Convention thoroughly and I cannot find any place where this Bill, or the principal Ordinance, are in conflict with it. Clause 13 of the Bill, section 17, deals with permits in respect of children whose employment necessitates their residing away from home, and, unless the hon. Member can point to a specific breach of the convention, I am afraid I am at a loss to find it.

Mr. CHANAN SINGH: Sir, it is true that the convention refers to employment in industrial undertakings, but this section 17, in my view, refers to all employment in industrial undertakings and elsewhere. Unless we make a distinction between employment in industrial undertakings and employment elsewhere, this new section does seem to me that at the age of 13, children can be employed in industrial undertakings and elsewhere.

Mr. LUYT: Sir, section 4, or clause 4 of the Ordinance, puts a total ban on the employment of children in industrial undertakings so all the other clauses relating to permits, bear no reference to the employment of children in industrial undertakings. Children are already totally banned from being employed in industrial undertakings by clause 4.

Clause 13 agreed to.

Title and enacting words agreed to.

The Bill, as amended, to be reported.

THE PYRETHRUM BILL 1956

Clause 1

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, the Bill is being taken through its present stages with the exception of one or two small amendments.

With your permission, Mr. Chairman, I would like to amend clause 1, Sir, by adding after the figures "1956" the expression "and shall come into operation on the 31st day of March, 1956", not the 1st day of April, which seems to me a singularly inauspicious day.

Question proposed.

Mr. HARRIS: Mr. Chairman, Sir, I would like to oppose this amendment. In fact, the sudden change in the date from the date given on the Order Paper is rather typical of the manner in which this Bill has been brought before the Council.

Now, Sir, as you are probably aware, there were produced forty-eight hours ago, four pages of proposed amendments which, I understand, Mr. Speaker has ruled as being out of order taken at this stage of the Bill, but, Sir, the very fact that Government tried to rectify what quite obviously was an incomplete Bill by introducing four pages of amendments, shows that Government is not quite sure as to exactly what Bill it wishes to bring in. The Minister for Agriculture, Sir, in introducing the Second Reading of this Bill, told us that it had taken five years to produce. I made the remark at that stage that I was sorry it had not taken a little bit longer, and that they had not rid of some of the defects in the Bill. But, since that Second Reading, Sir, other defects have appeared and hence Government's attempt to get through a great number of amendments at the Committee stage. Those amendments covered what I believe are very serious omissions from the Bill we have before us, and it is because of these omissions I find I must oppose the present amendment that the Bill should come into operation on the 31st of March.

If it has taken five years to produce, there seems to be undue haste in implementing the Bill when the Minister himself has been aware of representa-

tions which have been made to him since the Second Reading pointing out the omissions from the Bill.

Now, Sir, I am very sorry to take up the time of the Committee but I think it is essential why they should see that this Bill should not come into operation on the 31st March of this year. There is in addition to the ordinary pyrethrum-growing industry a very large pyrethrum-processing industry in this country which has entailed the investment of considerable sums of private capital. The result of that investment is that the value of the Kenya crop of pyrethrum is enhanced inside the country by some 20 to 25 per cent because of the processing of the original flowers. The purpose, or one of the purposes of this Bill, would easily be to deny flowers being allocated to that processing industry and, in fact, the processors, the people who make the flowers worth growing for export sale, are completely ignored in the existing Bill.

As I said, Mr. Chairman, this investment of overseas capital has been considerable and, I believe, that if we, in this Council, are going to legislate in such a manner as to negative completely the benefits of overseas investment, we are doing considerable harm to the country. I shudder to think what these investors would have to say the next time the Minister for Finance has to go to London to try and float a Kenya loan, because an example of what happens to some hundreds of thousands of invested money in this country by legislating in this Council, to the detriment of that capital, I believe, would have a very serious effect on investment. But, Sir, it goes beyond that, it is not only a matter of investment, but this Bill is now getting to the stage where it is undermining the belief in the integrity of this Government. The processors have, at the present moment, with the existing Pyrethrum Board, a perfectly good legal agreement which covers the allocation of flowers and other matters. But, by this legislation we are negating any benefit from that agreement and we are, in fact, giving notice that the agreement is being cancelled. But, Sir, it takes two people to make an agreement and two people can cancel an agreement, and it would place, the pyrethrum business of this

[Mr. Harris]

country in a very serious position if the present processors decided to give notice, as they can do, under their existing legal agreement. The result would be for at least two years it would be unlikely that the pyrethrum of this country was processed at all; thereby taking some 25 per cent of the exportable value.

We have, Sir, encouraged the investment of this capital as we once did before by a company called Liebig in a meat factory at Athi River, and in precisely the same way the Government of Kenya legislated Liebig out of existence by introducing that other marvellous monopoly, the Kenya Meat Commission. I would suggest, Sir, that if we are going to create more statutory monopolies, this Council should have ample time to study the whole of the implications of this Bill and, particularly, this clause which suggests that within a matter of five weeks from to-day this Bill will be law.

Now, Sir, I believe it likely that the Government may come some way to meet me in this matter. But I would point out that under other provisions of this Bill, the Pyrethrum Board are able to issue stock. They can issue stock, Sir, on this Bill which is, in fact, a prospectus for the issue of stock. If an amending Bill is introduced at a later date they will be changing the prospectus on which they have issued that stock. I would suggest, Sir, that the Minister would be very well advised, at this stage, to agree either to give me a thorough undertaking that he will take care, either by later amendments or by an amending Bill, of the following three matters, or else to withdraw this Bill and allow all interested parties to have further thought on the matter. The three, when the sub-committee is finished, Sir, the three matters on which I would like an undertaking are these. That amending legislation should be introduced to provide for the licensing of processors, for a fair allocation of the crop of flowers to processors, particularly existing processors, and that he will take care that invested capital is safeguarded in the processing industry of pyrethrum. If I get those undertakings, Sir, I would agree that the Bill should go through its Committee stage, or I might consider what action to take at the Third Reading.

Alternatively, Sir, if he would like to consider amending his amendment to read "August" instead of "April" or rather "July" instead of "March" now, Sir, as he has brought it forward a day, I would accept that.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I congratulate the hon. Member on the case which he has presented to the Council, but, of course, it is not in all details accurate. The actual facts, Mr. Chairman, are these, that this Bill ties up certain legal difficulties in the way in which the industry is operated to-day, but does not, in fact, alter in the slightest the existing relationship between growers and processors. It is perfectly possible for growers under the present arrangements by terminating their agreement with processors to cease to supply them with flowers. There is nothing arbitrary, or evil, in the legislation which is before the Council. The Bill, Sir, has gone through all the ordinary processes of legislation. There has been ample time for objections to be made. The hon. Member, as far as I recollect, with the exception of two small points, sat silent during the Second Reading of the Bill and these issues have arisen later. I believe that these issues have arisen because the amicable agreements which have existed between the processors and the Board have come to a temporary halt, and the processors are fearful that under this legislation the Board might nullify their interest in the industry.

I would like to stress to the hon. Member that that is perfectly possible for the Board to-day under the existing legislation and this legislation does not in effect, alter that particular fact.

Now, I thought, Sir, I would like, as I was Chairman of this Board for five years, to say I very much regret indeed the situation in which the industry now finds itself. I would like to present to the Council the views which I would hold as Minister in regard to this matter, and I think the view which I will hold will probably meet, to a certain extent, the hon. Member opposite.

I think some of the hon. Member's remarks, Sir, about "typical trying to alter the Bill, etc., and then withdrawing it and then putting his amendments up"

[The Minister for Agriculture, Animal Husbandry and Water Resources] might have been better unsaid because in effect my amendments are ruled out by the Speaker and the hon. Member himself was not in order because he did not raise anything on the Second Reading of the Bill.

Now, Sir, I think really the issue is as follows. The processing side has been in association with the industry, to my certain knowledge, for the best part of 10 years and the growers have always denied that there was an established right for the processors to have flowers, but equally always agreed that an allocation of flowers should be made in the interest of the industry. It would be my personal opinion that if the growers failed to recognize the contribution which the processors have made to the industry, they would be unwise. It seems to me that we should look at the matter as follows. The growers are entitled to arrange for the extraction of their flowers to the maximum benefit of the grower himself, and I do not believe any Government could stand in the way of the growers' wish if they so require, to produce their own factory and extract their own flowers. I think there must be a proviso to that wish by the growers. That proviso must be this, Sir, that an existing industry which has worked in close association with the growing side for 10 years is entitled to a protection of its interest. I believe that its entitlement to protection must rest on two things and two things only. One is that it is efficient and the second is that it is in the economic interest of the industry. I do not want to bore the Council with technicalities, but I do not think that the Government would be justified in protecting a processing industry which was inefficient in the degree of its extraction and thus caused the grower loss. On the other hand, I also feel that the Government would not be right in introducing legislation which enabled the Board of growers to abuse the powers of such legislation to eliminate an existing industry which had invested capital in the country, provided the industry was efficient and provided that the extraction was economic and gave the grower a reasonable return for his flowers.

That being so, Sir, I am prepared to consider introducing amendments to this legislation on the lines of the amendments which I abortively placed before the Council, if a situation arises where legitimate interests on one side or the other are being damaged. I tried to outline to the Council exactly what I would consider, as Minister, would be the legitimate interests. I do not believe that the Government would be entitled to introduce legislation to bolster an inefficient and uneconomic industry, but equally I would oppose the abuse of powers under this legislation to eliminate a helpful and efficient industry.

I think, therefore, Sir, that I might meet the hon. Member and indeed, give time for consideration of the matter as between the contending parties which are really the growing and the processing side. If the hon. Member would allow me to amend my amendment, Mr. Chairman, to the following words which, in effect, give the hon. Member I think rather more than he asked for, I should like, Sir, to delete the words which I have suggested and put in these words: "This Ordinance may be cited as the Pyrethrum Ordinance, 1956, and shall come into force on such date as the Governor may by notice in the Gazette appoint."

Now, in effect, Sir, so that the hon. Member is under no delusion, it would be possible for me to advise the Governor to bring the legislation in as soon as the Royal assent has been received. On the other hand, if I think the industry is still in some difficulty over this matter, it is perfectly possible for us to hold up the introduction of the Ordinance until the circumstances have been resolved and we can continue to work under the existing legislation.

MR. HARRIS: Mr. Chairman, the Minister has invited me to take part in a gamble, but the day that the Governor might appoint might easily be before the 31st March, 1956. I take it that it is implicit in his suggestion that it would be later than the 31st March, 1956.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: The only assurance I would give the hon. Member on that, Sir, would be on or after.

MR. HARRIS: In fact, Sir, that might come back to April the 1st after all. But

[Mr. Harris]

Sir, the Minister bases quite a lot of his arguments on what is possible under the existing legislation that has not happened. But, of course, Sir, if it is possible to-day to eliminate the processor from this partnership, it does not make it any better for invested capital if it can be eliminated tomorrow.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: I would like to assure the hon. Member. I think I made it perfectly clear that it would not be the Government's intention to eliminate invested capital. Perhaps the hon. Member would note that.

MR. HARRIS: That, Sir, was the undertaking that I wanted instead of the quarter of an hour speech that I have just had. If the whole purpose of this delaying tactic by the Minister is to protect capital invested in this country in the particular industry, and I do not very much mind what industry, it so happens that we are discussing pyrethrum, then, Sir, I am happy. But, I am worried about this right of the growers as a general principle to decide what shall happen with their products after they have produced them. Is the Minister, Sir, I would not have thought he would, but is he going to introduce, any moment now, a Barley Board which is going to run the breweries? Because, Sir, there is a considerable amount of money invested in breweries in this country. But, presumably the barley growers can be protected by a Government monopoly any moment to put the brewers out of business, because that is exactly what this legislation means taken to its ultimate objective.

I think, Sir, it is a very bad principle to decide that growers shall be able to have a complete say right up to the end product in a manufacturing process after they have finished their production process.

The last point I would make, Sir, is that the Minister, quite rightly, says that his Government would never enact legislation to protect inefficient industry. I would remind the Minister, Sir, that a great deal of legislation that this Council has passed is designed to protect inefficient producers. It will be the subject of another debate possibly this afternoon, but, I think, the whole ques-

tion of legislation to protect inefficiency, whether it be grower or whether it be producer or whether it be manufacturer, is a matter which this Council must give very careful consideration to.

In the meantime, Sir, I would thank the Minister for the undertakings he has given me.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I do not want the hon. Member to be under any misapprehension in the matter. His analogies of barley growers in the Barley Board are not correct. There is nothing to prevent barley growers, as far as I know, establishing their own breweries, and really, in effect, this Bill does allow the growers to establish, if they wish, their own extraction plant.

Would the hon. Member wait a moment?

He did raise an issue earlier. He mentioned something about a prospectus, a bogus prospectus, but there again it is completely false analogy. This Bill merely gives the growers power, if they wish, to raise debentures on the assets of the industry or for a specific purpose such as extraction. They are entitled to do that and the Bill, of course, is not a prospectus in any way whatsoever nor will amendments alter the intention of the growers to do so one way or the other.

The point I want to make to the hon. Member is this, Sir. This is an extremely intricate matter. I do not think that the Government would be on a sound wicket in forcing the growers to allot flowers to an extract factory which was producing an extract which was not efficient, if the growers themselves could extract it more efficiently. On the other hand, if the extraction industry is efficient, I do not believe that the growers should abuse the powers under this Bill to stop that industry in being. All I meant, Sir, was this, that if the existing financial interest wishes to be protected in all degrees of inefficiency of extraction, I believe the Government could not support such a course. On the other hand if it is efficient, it is entitled to consideration of its interest. That is really what I meant when I said in examining the matter the Minister would have to take into effect, in my view, the efficiency of the industry.

MR. SLADE: I would like to make a few general comments on this question, speaking in support of the Minister for a change.

Sir, on the question of organizing producers and legislation to enable producers to organize themselves. I do believe that it has been proved, in other countries as well as in this country, that it is nearly always to the good of all concerned, that producers be allowed and encouraged to organize themselves; in order to rationalize their production, as opposed to protecting inefficiency. I am not aware of very much legislation of that kind which has protected inefficiency, as opposed to rationalizing and stabilizing output, in the interests of all concerned.

Sir, I am aware that there are cases—and this is one—in which there are other interests established in the Colony, just as deeply concerned in the industry as the producers themselves; and it is, of course, very necessary that those interests should be protected just as much as the producers. But, I support strongly the view of the Minister, that in such matters, wherever possible, protection of all interests is best achieved by encouraging mutual agreement rather than trying to impose protective measures from above; and the best approach to any problem of this kind is to have the intention to legislate, if necessary, in the background, or to have the machinery in the background, to impose powers where necessary, but to use that as an inducement to the parties to reach agreement among themselves, and only resort to those statutory powers in the last resort.

In that policy, Sir, I wholeheartedly support the Minister.

MR. HARRIS: Mr. Chairman, I would like to thank the hon. Member for Aberdeen for agreeing with me so thoroughly. He has brought out the very points that I wanted to make. The reason for my trying to delay this matter is in order that the industry and all parts of the industry shall have an opportunity of getting together to decide what is best for the industry as a whole, not for one particular part of it.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Well, Mr. Chairman, the hon. Member has taken 20 minutes in order

to put over what he has just said earlier, and I think my new amendment gives him the opportunity of helping me bring the parties together.

The question was put and carried.

Clause 1, as amended, agreed to.

Clause 2 agreed to.

Clause 3

MR. MATHU: Mr. Chairman, I beg to move a very small amendment to this clause. Section 2 (c) be amended by inserting the words "to include not less than two Africans" between the words "persons" and "as".

I need not take much time of the Committee in this matter, Sir. It is a point I raised during the Second Reading of this Bill and the Minister, I think, said that he was going to consult the Board and see what their feelings are. My only intention is to make it absolutely sure that African growers will immediately, when the Bill becomes law, be eligible to the membership of the Board. I think the Minister, during the Second Reading of this Bill, did appreciate that, in fact he said it was the intention that that should be so. But, I think that in matters of this kind it is best to be absolutely certain that it is obligatory that there should be African growers—pyrethrum—initially when the Board is set up.

I beg to move, Sir.

Question proposed

THE MINISTER FOR LEGAL AFFAIRS: Mr. Chairman, may I have the actual amendment which the hon. Member is proposing to read out again?

MR. MATHU: The amendment, Sir, is that clause 3 (2) (c) be amended by inserting the words "to include not less than two Africans" between the words "persons" and "as".

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I should have no objection to accepting the amendment, but I feel that if I did so I probably would be misleading the hon. Member, because it would not achieve what he has in mind. All that the hon. Member's amendment would achieve is to make it obligatory on the Minister to

[The Minister for Agriculture, Animal Husbandry and Water Resources) consult the Provincial Commissioner and such persons, which must include two Africans, on who shall go on to the Board. I think the hon. Member has in mind that it should be obligatory on the Minister to place an African on the Board. Then, Sir, I shall be quite happy to accept his amendment, but it will not achieve its objective.

THE MINISTER FOR LEGAL AFFAIRS: I should not be quite so happy to accept the amendment, Mr. Chairman, because I do not think that it makes very much sense, as drawn. I appreciate what the hon. gentleman is after, but when you talk about the Minister being compelled to consult such persons as appear to him the Minister, to represent the interests of growers in any appointment area— if you had an area where there were no African growers, you would be accepting an amendment to compel him to consult at least two Africans. It does not achieve the hon. Member's point.

MR. MATHU: Mr. Chairman, I think I can amend my own amendment, as I think the hon. Minister did a minute ago. The amendment then, I would say, Sir, that the clause be amended—sub-section (2)—by the addition of a further clause (f), you see, to read, that the Board shall consist of (a) "not less than two Africans".

THE CHAIRMAN: Mr. Mathu, are you withdrawing your earlier amendment because this is a fresh one?

MR. MATHU: I withdraw the earlier one and move the fresh one.

Amendment by leave withdrawn.

THE CHAIRMAN: Your fresh one is, that clause 3, sub-section (2) be amended by the addition of the following new paragraph, "(f) not less than two Africans".

MR. MATHU: Yes.

Question proposed.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I regret I cannot accept the hon. Member's amendment, I am trying to think out some way in which I would meet him. I wonder if the hon. Member would

forgive me if I gave him what I feel on the matter.

It would be my intention, Sir, under 2 (c) to appoint an African if, after consulting the various industries' interests, a suitable African can be found. I understand entirely the hon. Member's outlook on this, Sir, and indeed in other parts of the Council we have had insistence on unofficials. Mr. Chairman, I say, I understand the hon. Member's feelings in the matter because when I was on the other side of the Council we often used to argue that we wanted specifically a word such as "unofficial" placed on a Board. The difficulty I am really in is this. It is really my belief, Sir, that a Board of this sort which is handling something like £1,000,000-worth of stuff, we should not have, if we can avoid it, specifically indicated racial representation. What I really want is two things, ability in a man to contribute towards the Board and secondly, the ability to carry the confidence of the growers.

Now, in so far as it is necessary to carry the confidence of the growers, there is no question about it, an African is advisable. What I would really like to do, Sir, would be to give the hon. Member an undertaking that if we can possibly find an African suitable, I will appoint one under 2 (c). I prefer to do this and leave the legislation as it is. If the hon. Member wants to press me very hard, Sir—on 2 (c) then I am prepared to consider something like this, one member for the appointment areas who shall be an African, appointed by the Minister after consultation with the Provincial Commissioner. But I would ask the hon. Member to consider whether he could not accept my assurance. It is my intention to appoint an African. All I want to do is to consult with the Provincial Commissioner concerned and find a suitable man. If there was literally nobody suitable, African representation might be better off with a completely independent member of another race. He might be, I do not know. All I want really to establish, Sir, is that we must not have too much racial segregation on a Board of this sort. That is all.

MR. MATHU: Mr. Chairman, Sir, I should like, first of all, to assure the Minister that I do not intend to be racial in regard to the composition of the

[Mr. Mathu] Board at all, but we have other legislations where we specify, as for instance, the Meat Marketing Board legislation, and quite a number of others.

The reason why we feel that we should specifically lay down that there should be an African on this Board, at least, not less than two Africans on this Board, is that the Board is going to deal with Africans growing pyrethrum, as the Minister himself in the Second Reading did say they were allocated over 500 tons last year and in reading the Report of the Director of Agriculture for 1954 you find that there was quite a lot of pyrethrum grown by the Africans. I think it will give the Board greater confidence and all growers if there were at least two Africans on the Board. Therefore, Sir, I suggest that if the Minister could insert in (c)—if he prefers to insert in (c)—and specify that there will be not less than two Africans in (c), after consultation with the Provincial Commissioner, I will be quite happy.

On the other hand, if he could accept my amendment further amended, that after consultation with the Provincial Commissioner in (f) as I have proposed, I will be quite happy. But I do think it is a matter of tremendous importance that this matter should be agreed to. There should be no doubt about it, that there will be suitable Africans found who will have the confidence of the growers and who will be able to contribute to the deliberations of the Board.

I suggest to the Minister to choose which way he likes, either to further

amend my amendment as proposed to you, Sir, or to amend the (c) in the manner he has suggested and to say, "not less than two or three persons" shall be added. One person is not sufficient. The appointment areas, you may have one in Nyanza where the pyrethrum is grown, you have the other area in the Central Province, so that is two major areas really for the growing of pyrethrum, as far as the Africans are concerned, part of them perhaps in the Rift Valley also, and if you only have one man to go round all the areas it will be too much of a job for him and that is why I say a minimum of two.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I regret I cannot—there are various amendments now before the Committee, What I am prepared to do, Sir, if the hon. Member would go as far as this, I am prepared to amend 2 (c) to "one member for the appointment areas, who shall be an African appointed by the Minister after consultation with the Provincial Commissioner." I have got provision under 2 (e), Sir, if the burden of work falls too heavily on an African member to appoint such other members not exceeding three in number, but I do not think that there is necessarily for further representation from the appointment areas. The production from those areas is 287 tons with a target of 500 tons which they have not reached. The total production of the industry is 2,600 tons, so that in many ways I think the African-grower representation would be very strongly represented if it were to be two. I think, Sir, if we were to amend 2 (c) to make it definitely an African for the appointment areas and then I still have provision under 2 (e) if the burden of work falls too heavily on an African to appoint one under that section.

MR. MATHU: I thought perhaps it might help the Minister if I agreed with him and withdrew my amendment now in favour of the amendment the Minister has proposed. That, I think, will shorten the time of the Committee. He has not met me fully but I think half a loaf is better than no loaf at all.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I like the hon. Member for his reasonableness. I think I have been eight years in the Council with him now and most of that time he has been accepting half a loaf.

My amendment, Mr. Chairman, may I read it out?—is 2 (c) be amended, Mr. Chairman, by inserting the words "an African who shall be appointed by the Minister after consultation; etc."

The question was put and carried.

Clause 3 (2) (c), as amended, agreed to.

Clause 3 (2) (e)

MR. HARRIS: Clause 3 (2) (e). As we are legislating by undertaking this afternoon, Sir, and as the Minister has just

[Mr. Harris] mentioned that the crop is now 2,800 tons, might I remind him that last year 2,300 tons of that were processed locally. The value of this 2,300 tons was enhanced by some 25 per cent which the Minister for Finance took his usual rake-off from. Therefore, Sir, would he agree—I am not going to propose an amendment—would he agree, when giving consideration, to the other members not exceeding three in number in (e)—and I want to get this one in quickly before he promises these three seats to somebody else—that he will consider the claims of the processors to be represented on the Board.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Well, Mr. Chairman, 3 (e), if I remember rightly, the three appointments are already filled by persons of considerable commercial experience. I think, Sir, I would prefer to give the Member no undertaking. What I would like to tell him is, this, that by amending clause 1, I have time now to discuss with the processing side their particular problems and also with the Board their particular angles to the processing side. I hope, Sir, I will be able to reach some amicable agreement.

MR. HARRIS: I think when he talks about commercial experience he is getting mixed up with 2 (d) and not 2 (e). That is where he puts the commercial types in.

The question was put and carried.

Clause 3, as amended, agreed to.

Clauses 4 to 15 agreed to.

Clause 16

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, I would like to move the following amendment to clause 16 (6). I would like to move, Sir, that a new sub-section be added after sub-clause (6). "The Board may, upon any breach of any term of condition specified in a pyrethrum grower's licence, being established to its satisfaction, cancel or withdraw the licence without prejudice to the issue of a new licence to the same person upon such terms and conditions as the Board may, in its discretion, see fit."

MR. HARRIS: May I second that, Sir. Question proposed.

The question was put and carried.

Clause 16, as amended, agreed to.

Clauses 17 to 26 agreed to.

Clause 27

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Chairman, my hon. and learned friend will introduce an amendment here to meet the point made by the hon. Member for Nairobi South in the Second Reading of the Bill.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Chairman, Sir, I beg to move that sub-clause (2) of clause 27 be amended by inserting, after the word "transferred" the words "without the consent of the Board or".

Question proposed.

The question was put and carried.

Clause 27, as amended, agreed to.

Clauses 28 to 35 agreed to.

Clause 36

THE MINISTER FOR LEGAL AFFAIRS: Mr. Chairman, I beg to move that clause 36 be renumbered as sub-section (1), and that the following sub-section be added immediately thereafter:—

(2) Where any offence against this Ordinance is committed by a partnership, company, association or co-operative society, or by any other corporation or association of individuals, every person who at the time when the offence was committed was a director, partner or an officer in the same, or was concerned in the management of the affairs of the same, shall severally be liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions as a director, partner, officer or person concerned as aforesaid and to all the circumstances.

[The Minister for Legal Affairs]

This amendment, Mr. Chairman, introduces a measure of vicarious responsibility which is common to this form of offence under the criminal law; and which is saved by the right—or safeguard—of the person concerned in that he can evade the liability if he can show that he has, in fact, acted with due diligence and in good faith.

I beg to move.

Question proposed.

The question was put and carried.

Clause 36 agreed to.

Clauses 37 and 38 agreed to.

Title and enacting words agreed to.

THE CHIEF SECRETARY: Mr. Chairman, I beg to move that the Committee do report to Council its consideration of the Employment of Women, Young Persons and Children (Amendment) Bill and the Pyrethrum Bill, 1956, and its approval of the same with amendments.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair.]

REPORTS

The Employment of Women, Young Persons and Children (Amendment) Bill

MR. CONROY: Mr. Speaker, I beg to report that a Committee of the whole Council has gone through the Employment of Women, Young Persons and Children (Amendment) Bill, and made amendments thereto.

Consideration of the Report ordered for to-morrow.

The Pyrethrum Bill

MR. CONROY: Mr. Speaker, I beg to report that a Committee of the whole Council has gone through the Pyrethrum Bill, 1956, and made amendments thereto.

Consideration of the Report ordered for to-morrow.

The Trade Unions (Amendment) Bill

Consideration of Report of Committee of the whole Council.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, Sir, in accordance with

Standing Order 103, I beg to move that the Bill be committed to a Committee of the whole Council as respects clause 4 thereof.

MR. SPEAKER, Sir, I take this course in order to correct a formal error in an amendment which was adopted in Committee when this Bill was in its original Committee stage. It will be my intention—if this Motion is passed, and the Bill is recommitted in respect of clause 4—to move the deletion of the existing clause 4, as amended on the first occasion in Committee, and the substitution thereof of a new clause 4 as set out in the Notice on the reverse of the Order Paper. It is entirely formal and is to correct what would otherwise have been a grammatical error, and possibly a failure to achieve what was in the mind of the Committee.

Sir, I beg to move.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: seconded.

Question proposed.

The question was put and carried.

COMMITTEE OF THE WHOLE COUNCIL

IN THE COMMITTEE

[D. W. CONROY, Esq., O.B.E., T.D., in the Chair.]

The Trade Unions (Amendment) Bill

Clause 4

THE MINISTER FOR LEGAL AFFAIRS: Mr. Chairman, I beg to move that clause 4 of the Bill be deleted and the following substituted therefor:—

4. Section 16 of the principal Ordinance is amended as follows:—

(a) by substituting for the words "any one of the principal objects" appearing in paragraph (b) of sub-section (1) thereof, the words "any of the objects"; and

(b) by substituting for sub-section (3) thereof the following new sub-section:—

(3) If any trade union whose dissolution is required by sub-section (2) of this section be not dissolved within the time allowed, then the trade union

[The Minister for Legal Affairs] and every officer and any person acting or purporting to act as an officer thereof shall be liable to a fine not exceeding five thousand shillings and every officer and any person acting or purporting to act as an officer thereof shall, in addition, be liable to imprisonment for a term not exceeding one month.

All that this proposed amendment does, Mr. Chairman, is to rationalize the clause in relation to the original additional amendment which was proposed and adopted in the original Committee stage of the Bill.

I beg to move.

Question proposed.

The question was put and carried.

Clause 4 agreed to as amended.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Chairman, I beg to move that the Committee do report to Council its consideration of clause 4 of the Trade Unions (Amendment) Bill, and its approval thereof in amended form.

Question proposed.

The question was put and carried. Council resumed.

[Mr. Speaker in the Chair]

REPORTS

MR. CONROY: Mr. Speaker, I beg to report that a Committee of the Whole Council has gone through the Trade Unions (Amendment) Bill, and that the Committee of the Whole Council has reconsidered clause 4 thereof and has approved the same with amendment.

THE MINISTER FOR LEGAL AFFAIRS: Mr. Speaker, I beg to move that this Council doth approve the Reports of the Committee.

THE SPEAKER: Both in respect of the original terms and as recommitted.

Question proposed.

The question was put and carried.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, I beg to move that the Trade Unions (Amendment) Bill be now read a Third Time.

THE MINISTER FOR LEGAL AFFAIRS seconded.

Question proposed.

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

THE LEGISLATIVE COUNCIL (AFRICAN REPRESENTATION) BILL

Consideration of Report of Committee of the Whole Council.

THE CHIEF SECRETARY: Mr. Speaker, I beg to move that this Council doth approve the adoption of the Report of the Committee.

Question proposed.

The question was put and carried.

THE CHIEF SECRETARY: Mr. Speaker, I beg to move that the Legislative Council (African Representation) Bill be now read a Third Time.

THE MINISTER FOR LEGAL AFFAIRS seconded.

Question proposed.

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

MOTION

THE LAND AND AGRICULTURAL BANK OF KENYA

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I beg to move that this Council approve the charging until the 1st June, 1961, to the Land and Agricultural Bank of Kenya of interest at the rate of 4.02 per cent per annum on the loan of £750,000, which loan was approved by Council on the 4th June, 1954.

In 1954 the Government raised a local loan of £2,925,000 under the Local Loan and Conversion Ordinance of 1954. Under section 5 of this Ordinance the Governor has the power, with the sanction of Legislative Council, to apply the proceeds of the loan to such purposes as he may determine, and, in accordance with this section it was proposed to, and approved by, the Council of Ministers that—as I think I informed the Council at the time of the Second Reading of the Bill—£750,000 of the proceeds of the loan should be lent to the Land Bank and bear interest at the rate of 4 per

[The Minister for Finance and Development] cent per annum until 1961—charges also being made for the proportionate cost of raising and managing the loan.

In accordance, Sir, with the approval given by the Council of Ministers, I moved a Resolution in the Legislative Council and, on the 4th June, 1954, the Council approved the application of £750,000 of the Local Loan for the purpose of a loan to the Land and Agricultural Bank.

At that time it was unfortunately overlooked that under section 23 of the Land and Agricultural Bank Ordinance—not the Loans Ordinance—it was necessary that the rate of interest to be charged to the Land Bank should also receive the approval of the Legislative Council. The Governor in Council of Ministers has already approved the terms on which this money has been lent to the Bank, and it is now necessary to take this Motion in Legislative Council to approve the actual rate of interest which we are charging the Bank. The rate of interest is, of course, 4 per cent per annum, which is the rate at which money was raised under the 1954 loan, and .02 per cent being the amount which is considered necessary to reimburse the Government for the proportionate costs of, first of all, raising and, secondly, managing the loan over its life, which is up to 1961—this, therefore, Sir, places the matter in order.

I beg to move.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

The question was put and carried.

COMMITTEE OF WAYS AND MEANS

Order for Committee read—Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. Conroy, Esq., O.B.E., T.D., in the Chair]

MOTION

HOSPITAL TREATMENT RELIEF (EUROPEAN) (AMENDMENT) ORDINANCE

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to

move that, subject to the provisions of a Bill entitled the Hospital Treatment Relief (European) (Amendment) Ordinance, 1956, published in the *Official Gazette* on the 28th February, 1956, and to be passed in the present Session, the rates of contribution be amended in accordance with the provisions of the said Ordinance.

This, Sir, as I think Members of this Committee will well know, is the financial resolution which must precede the consideration of a Bill of this kind, and it is under this Resolution, Sir, that the financial principles and commitments involved should be debated. It is an agreed practice, I think, Sir, that thereafter—at any rate, in so far as the financial structure of the Bill is concerned—it shall be treated as a formal Motion.

The matter, Sir, is one, of course, which is within the competence of my hon. friend, the Minister for Local Government, Health and Housing, and I now give place to him, Sir, having fulfilled my duty in moving the Motion.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Chairman, this is rather an extraordinary procedure, but I must admit it gives me great pleasure to speak to this Motion, Sir, and in support of it.

I must apologize to the Council—or to the Committee first of all—for the hurry—or rather, the hurried manner—in which this particular Resolution, and ultimately the Bill, it to be introduced into this Council—or this Committee—but I think hon. Members will appreciate that if we are to alter the basis of the contributions of members of the European community to the Hospital Relief Fund, the basis is done—and, of course, the whole matter of working it all out, and the assessment—is done by the Income Tax Department, and if we do not move and make this amendment fairly quickly, it will mean that assessments will be made on the old basis for 1955 income, and when we should have amended it later in the year, all that work will have to be redone, so that, Sir, it is really the reason why I have put myself at the mercy of the Council in that I have asked that I can get this through quickly.

[The Minister for Local Government, Health and Housing].

I should like, also, Sir, to say that there are other amendments which I hope will be made to the Ordinance in due course, but I think probably it would be better to mention them on the Bill rather than on this Motion, as those amendments are not really specifically directed towards the financial aspect. In fact, they are directed towards trying to sort out the confusion which seems to be so apparent in the minds of the public as to what exactly this particular Relief Fund is, and what it does, and how it ties up with hospitals. I think that last particular aspect, Sir, should be discussed here, because it is certainly of a financial nature.

The origin of the European Hospital Relief Fund was the recommendations of what was called the Hospital Services Select Committee, and that, Sir, reported some number of years ago—in fact, in 1948, as I see it. The members of the Select Committee were the then Member for Health—who is my hon. friend, Mr. Vasey—the then Director of Medical Services, the then Secretary to the Treasury, Mr. Macconochie-Welwood and myself. What I want to make quite clear here is that, after consideration, the Select Committee agreed to the principle of the establishment of such a fund, but the committee recommended that we should always consider that this fund is really an insurance scheme, and not taxation, and, in fact, in order to clear that, I should like to read a portion of the Select Committee's Report—

"From the point of view of ease of collection and adherence to the belief that this type of scheme should not be allied to taxation, some members of the Committee felt that if practicable—the flat rate contribution was the most desirable method to apply to the Hospital Treatment Relief Fund. Other schemes, however, based on a flat rate of contribution from all members bring the principle of the wealthy contributing to the relief of the poor into effect through central revenue meeting any shortfall on the annual expenditure. In a sectional scheme such as the one we are considering, the central revenue is not committed to bear any shortfall in the annual expenditure, which means that a flat rate method for this scheme without any

contribution from central revenue on the foregoing basis, would remove the principle of the wealthy contributing to the relief of the poor almost completely. We again, therefore, arrived at the point where financial principles suitable to a homogeneous community could not be applied to the scheme now under consideration. We would suggest, however, that the possibilities of flat rate contributions be kept under review, so that should the position arise where the number of contributors enable a flat rate to be applied without imposing too great a burden upon the poorer section of the community, the question of the method of contribution should again be referred to the European community for its consideration."

That is the end of that particular paragraph.

Well, now, Sir, I have discussed this with the European Elected Members who, of course, are very particularly concerned—more so than any other hon. Members of this Council—and they have agreed to the suggested alterations in the contribution, which I will put forward in amending the Bill; but, before deciding to reduce the contributions on the basis that I will put forward as an amendment, consideration, of course, was given to whether we should extend the benefits that the Hospital Treatment Relief Fund might provide. There are, of course, considerable difficulties in extending the benefits and, indeed, if any extension of benefits were made at this moment, they would have to be, I think, in the field of medical benefits, and, when one gets into the realm of medical relief—or relief from medical fees—one gets on to very tricky ground and, indeed, one gets very close to a national health scheme, and it seems to me—and to others I have consulted—that, if the European community wished to insure itself on those lines, then they should consider the whole matter *de novo* and if they feel it right to go ahead on those lines, then new legislation should be introduced to cover them, and that, Sir, I think, is the best way of dealing with it, and, in fact, that we should retain the Hospital Treatment Relief Fund, as such—that is, for relief for hospital treatment; and that, I think, in itself is a rather misleading term, because it is not only hospital treatment

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—it is also proper nursing in a home—or in one's own home—that qualifies for relief.

Now, Sir, there may be—and I think there will be—an opportunity to extend slightly the relief from this particular fund, and those extensions can take place—and will take place—when the other amendments to the Ordinance are brought before this Council—which I have already mentioned—but they cannot extend very widely without going into the field, as I said, of medical relief.

In fact, of course, Sir, I suggest to this Council that this scheme has been a very great success. The actual balance in hand to-day is something in the region of £175,000, and it is recommended that the payments that will be expected, as against the revenue on the new terms—the new contributions—will more or less balance out, but of course the figures that we have are only estimates, and it is very difficult indeed to obtain specific figures as to how many people are going to be sick, and how many people are going to claim, and so on. Obviously it is very difficult, and so it was with some diffidence that we decided to reduce these contributions, and it was only because of the reserve that the fund has now that I felt it was safe to proceed on the lines that are being suggested—but I do believe it is fairly safe now.

A figure which might well interest hon. Members, Sir, is that the average pay-out per patient in the last year or so has been in the region of two hundred and ten shillings. That means, in fact, that any person who has been in hospital for longer than two hundred and ten shillings' worth, and who is paying less than two hundred and ten shillings under the present contribution—the present scheme—has made a profit out of it, and there are very large numbers of those people. It has, indeed, to my mind—it has benefited—a greater proportion of the patients who have paid less to the scheme than they have drawn out of it, and that brings one back to the principle, Sir, of this insurance, and that insurance really means that the healthy man is paying for the sick. Now, on the graduated contribution basis we bring in

the other element of the wealthy man paying for the poor, as well as the healthy paying for the sick.

Also, one must remember that those with large families are more of a potential risk to the fund—more than those without families—and so therefore the bachelor or the single married couple is really also paying for the family man.

THE CHAIRMAN: This is the time we usually break. The Committee will meet again in fifteen minutes.

The Committee suspended business at fifteen minutes past Four o'clock, and resumed at thirty minutes past Four o'clock.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Chairman, I was discussing—pointing out—that the family man—that is, the man with four or five people in the family—is very much more a commitment of the potential of the relief fund than a single man or a couple, because there is only one contribution made, and that is by the income taxpayer. That is one of the reasons why the contribution is based on the total income, and not the taxable income. Otherwise, of course, these people with large families would have two benefits—would have a double benefit.

I thought—there are quite a number of points, I think, with which people are not particularly au fait; and I should like again to point out at this juncture that this is a Government treatment relief fund, sponsored by Government, for the European community, and has nothing to do with hospitals, as such. That is where the confusion arises. I have heard round about the country a number of people say: "Why should I contribute to such and such a hospital? I pay my Hospital Treatment Relief Tax (as they call it) in any case." But the point is that all hospitals in the country are run on an economic basis, and the agreed fees payable are according to the service that is given, and according to the efficiency of the hospital. The hospital administration and management are in the hands of local committees. In Nairobi we have the Kenya European Hospital Association. That is run on an economic basis, but any person who goes into that hospital is entitled, and gets his contribution from the relief fund for every day that he or

[The Minister for Local Government, Health and Housing] she is in that hospital, and the contribution at the moment is forty-five shillings, which is a very generous, I think—a very generous contribution—and there is no thought at all of reducing that contribution, in spite of the fact that we are considering, and suggesting, reducing the payments by the public.

I think, Sir, that hon. Members opposite will recognize, and will agree, that our level of taxation is not low, and any possible help for the taxpayer would, I hope, be acceptable and that, again, of course is another reason why we have given consideration, and we are suggesting the reduction of contributions to the Hospital Relief Fund, rather than extending the benefits, although again I would emphasize the extension of those benefits is a very tricky and difficult subject in any case.

Well, now, earlier I read out the extract from the Select Committee Report, which emphasizes that the Select Committee—at that time—and, indeed, this Council who accepted that report—agreed that the aim should be a levelling out of these contributions, until they became one single contribution on an insurance basis, if possible, and so the proposals put before the Council do start that intention. They do start by cutting off the top and, indeed, making the top limit of contributions where the total income exceeds £3,000, whereas previously it went up to £10,000 a year, and reducing also at the same time each group of contributions. The lowest contribution is still Sh. 10, and now there is a great benefit in that. Previously, Sir, those with incomes not exceeding £120 paid Sh. 10; those with incomes not exceeding £250 paid Sh. 20; and those not exceeding £500 paid Sh. 50.

Now, everybody not exceeding £500 shall pay Sh. 10, and I do suggest that, for people in that income group, this is one of the most generous insurance schemes that they could possibly enjoy. Every other group is also reduced by some Sh. 50 a year, but—as I said, and I say again—the top level incomes have benefited more than others because we are following the principle of trying to get it back to one level of contribution.

Now, where the total income exceeds £3,000 a year, the man will pay Sh. 50 or £25, and no more, whereas previously where the income exceeded £3,000 it went up in stages to Sh. 500, Sh. 700, Sh. 900, Sh. 1,350, Sh. 1,750 and Sh. 2,000. The top level was £100, and is now £25. That is deliberately done, and it is not that we are being anti-social. We are trying to follow the principle of getting back to a proper insurance scheme.

Now, Sir, there is another introduction—another new introduction—in these suggestions before the Council, and that is what is called marginal relief. We thought it was rather unfair if a man had, say, £1,500, he paid Sh. 200, whereas if he had £1,501 he immediately paid Sh. 275. So, within each group, or between each group where they overlap, we are introducing what we call marginal relief, so that nobody will have to pay more than he has gained. In other words, taking that particular figure of £1,501, the man with £1,500 pays Sh. 200; the man who has got £1,501 pays Sh. 215; so he is Sh. 5 better off. The man with £1,502 pays Sh. 230, and so on, so nobody loses from it. We thought it was rather unfair previously where people actually did lose when they just went over the margin.

Now, Sir, there are one or two other points I should like to mention. First of all, this Council knows, I think, that there was a Select Committee set up to try to introduce a scheme of this sort for other races—the Asian community. I would merely like to assure hon. Members of that community that Government is still working on the figures submitted by that committee. I am afraid the difficulty is we have not got up to date accurate figures of income groups, poll tax payers and of the number of patients, the patient-days within the different hospitals throughout the country. We have got one or two of those figures now, but not sufficient yet to produce a cut and dried scheme; but I can assure hon. Members that we are going ahead more or less on the same lines as the European scheme to try to bring in something for them. I will, of course, be consulting hon. Members—hon. Asian Members especially—in this regard in the very near future.

I think, Sir, I have described what the Government proposes to do, and I hope

[The Minister for Local Government, Health and Housing] I have in some way thrown a little light into this rather confused picture, and I would ask hon. Members—especially hon. European Elected Members—if they will please try to explain to their constituents exactly what all this means. It is the confusion that is still extant in the minds of the public that is leading to the hospitals suffering in that, as I said before, people say, having paid this tax, as they call it, "Why should we contribute to the hospital?" It is just like a man saying, "having paid my life assurance, why should I contribute to anything?" It is an insurance scheme, and there are very great benefits derived from it. It has nothing at all to do with the capital or running expenditure of the hospitals themselves.

And one more point on that, Sir, which I hope you will agree has something to do with this subject. If people are not satisfied with the way the European hospitals are run, they should take more interest in those hospitals. They should try to get on to committees—become members of their associations. That is the way to see things are done properly—that the hospitals are run efficiently and economically—not by just throwing their hands into the air and saying: "Having paid my tax, I am not going to do anything more."

Sir, I beg to move.

Mrs. SHAW: Mr. Chairman, I should like to congratulate the hon. Member on the speed with which he is bringing this in. I do not think Unofficials have ever objected to a Government department acting with speed—especially when that speed will bring tax relief!

The committee, too, is to be congratulated very sincerely on the way the Hospital Relief Fund has been administered. When the hospital tax was first introduced, I remember a certain Nairobi doctor saying he had never understood the meaning of that horrid American word "hospitalization" until the proposals for the Kenya tax were brought in, and then, of course, after reading them, he understood that it meant "residence in a hospital without the benefit of a doctor", but actually he failed to add that it does provide very expert nursing.

In fact, the Fund has afforded a great many people—as I know only too well—very great relief, and often contributed to their more speedy recovery by providing freedom from anxiety.

I wonder if there is anything sinister in the Minister suggesting this should come in before the new budgetary year? Perhaps he has some premonition of heavy tax impositions which we are going to be faced with, but, if so, I must say that I congratulate him and think that this small relief will be even more appreciated.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Sir, the reason why I said it should come in quickly was because of the assessment on income tax—nothing to do with the Budget year.

The question was put and carried.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Chairman, I beg to move that the Committee do report to Council its consideration of the resolution on the Order Paper and its approval thereof without amendment.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORT

Mr. CONROY: Mr. Speaker, I beg to report that a Committee of Ways and Means has considered the Motion as set out in the Order Paper and approved the resolutions in respect thereof.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, Sir, 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

TRANSFER OF POWERS (MINISTER FOR EDUCATION, LABOUR AND LANDS)

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I beg to move the following Motion:

Be it resolved that the Orders cited as the Transfer of Powers (Minister for Education, Labour and Lands) (No. 1) Order, 1956, and the Transfer

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of Powers (Minister for Education, Labour and Lands) (No. 2) Order, 1956, be approved.

Mr. Speaker, Sir, this Motion is really a child of the Transfer and Delegation of Powers Ordinance, 1955. Hon. Members will notice that there are two Orders. The first one deals with the delegation of powers from the Governor and the second one deals with the delegation of powers from the Governor in Council of Ministers.

It is, as probably all Members already know, in order to remove from both of these authorities, powers which are essentially ministerial functions, and, in order to remove unnecessary work, both from the Governor and from the Council of Ministers. I do not think, Sir, it is necessary for me to dilate on all these matters which are set out in the two Orders, but I would just mention the points arising in the second Order regarding making rules. I expect hon. Members will want to know what rules in fact the Minister has power to make. I would refer to the first item in the Schedule of the second Order, the Domestic Employment Registration Ordinance, Chapter 110, section 13. The powers under section 13 are prescribing anything required under the Ordinance to be prescribed, prescribing a form or a certificate, prescribing the fees to be paid for the issue of a certificate, prescribing the manner in which appeals may be made, prescribing the manner in which finger and thumb impressions may be recorded and generally for the better carrying out of the provisions of the Ordinance. Also, under the Workmen's Compensation Ordinance, section 44 (1), to make regulations, this refers specifically to section 44 (1) (b) where there is provision for the Minister to appoint someone who may be allowed to arrange for the transfer of the moneys, say from another country, such as the United Kingdom, or another colony, to this Colony, or from this Colony, to this country in order to make payment under the Workmen's Compensation Ordinance and to the regulations which may be made after the transfer to the United Kingdom, or other territory, of moneys held in Kenya for the benefit of a person residing in that country, or for the receipt of that money and the adminis-

tration of it in Kenya. I do not think, Sir, there is anything else to add to this and I beg to move.

THE MINISTER FOR FINANCE AND DEVELOPMENT seconded.

Question proposed.

The question was put and carried.

MOTION.

REPORT ON INCOME TAX

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I beg to move that this Council records its appreciation of the valuable services of the Chairman and members of the Income Tax Committee, Kenya, 1952-54, and takes note of the contents of Sessional Paper No. 6 of 1955.

Sir, I would like first of all to open my remarks by expressing to the Chairman and to the members of the committee, the thanks of the Government and the appreciation of their work in the compilation of this report. Whether one agrees with all the conclusions put forward or not, one cannot but help recognize the very great care and the work that was put into the report, particularly, I imagine, by the Chairman, and appreciate the effort that was made. I do not propose, Sir, of course to deal in this opening speech with all the points in the report; were I to attempt to do so, I would keep the Council here a very long time indeed; any more, of course, than in the White Paper itself, we have attempted to answer argument with argument, because we should have had to produce a paper almost as long as the report itself. We were aware that these would be debated in this Council in which arguments could be explained in great detail. I would, therefore, only attempt in this opening speech, to cover the main issues and the major matters and leave the others to be dealt with if they are raised by hon. Members.

Now, Sir, in so far as the Government is concerned, and I think, Sir, in so far as this Council is concerned, the report must be presented and must be studied against the present financial picture, the present financial position, of the country, and I would like to read, and place on the record, paragraph 6 of the Sessional Paper No. 6. "Some of the major recommendations in the report could be

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implemented only if corresponding revenue were to be raised by substantial increases in the standard rate of tax, or by increases in indirect taxation. It is felt that changes of this nature cannot be accepted by the Government unless it can be clearly shown that the result of the changes would compensate for the inevitable deterrent effect on the development of the Colony of a substantial increase in the standard rate of company tax or other forms of taxation. It must also be recognized that a time when Kenya is facing a large deficit on the Colony's Budget, and when the Colony is dependent upon substantial grants from Her Majesty's Government in the United Kingdom, is not a time at which concessions which would involve a reduction in tax receipts can easily be made. In fact, the Government at present has to examine ways and means of finding additional revenue to finance the increased commitments arising out of the Emergency." And that, Sir, is the situation, and the financial background, against which this report has to be presented by the Government to, and studied by, the country.

I have said, I think many times before, Sir, and I feel I must repeat it again, that this short-term need of paying out of our own way and of getting back to financial independence, must be the first objective of the country, and that short-term need will call for temporary sacrifices of long-term desirable objectives, but until that short-term need is fulfilled, there will have to be that sacrifice of long-term desirable objectives whether it be reduced taxation on the one hand, or whether it be increased services on the other.

Sir, paragraph 8, on page 3 of the report, sets out the recommendations of the committee, the Gill Committee, which have either been anticipated, or have been carried into effect, and covered by the East African Income Tax (Management) (Amendment No. 2) Act of 1954. I will not go through these in detail, but would point out to the Council that where it has been possible to take action on these recommendations, action has been taken.

Paragraph 9, on page 4; Sir, recommendation No. 37—I would point out

there that that is amongst the recommendations partly covered and recommendation 37 is an example of how the principle has been met even though the actual recommendation has not been accepted.

Now, Sir, paragraph 10 on page 4, recommendation No. 1, "Consideration should be given to the appointment of a committee to examine and report on rates of tax, allowances and exemptions." I am sure that those hon. Members of the Council who were Members at the time of the appointment of this Income Tax Committee, will remember that I suggested then that perhaps the wisest overall course would have been to have taken a Royal Commission type of Terms of References and had a commission of that kind at that time, in order that there should be some outside and impartial inquiry into the whole position in so far as taxation is concerned. That was, of course, in happier days when the Colony could look forward to a surplus Budget and when we were indeed financially independent, but as hon. Members are aware, and as we announced in September, the East African Governments have agreed that a Commission should be appointed to inquire into Income Tax in East Africa including Zanzibar. During my recent visit to London, I was able to have discussions with the people concerned at home—the Colonial Office and the British Treasury who are endeavouring to get personnel for this Commission for us. The position has I think become a little more hopeful and I have hopes that before long there will be an announcement which will not only give the personnel but, I hope, will be able to give us the date upon which this Commission will start work.

Now, Sir, I would like to go to recommendation 17, on page 5, which says, "All taxpayers should be placed on the same basis in regard to expenditure incurred on leave passages for them and their families, regardless of whether such expenditure is met by the taxpayer or by his employer." The White Paper, the Sessional Paper's comment on 4, Sir, is that the revision of Passage Rules is, at present, under consideration and it is hoped that these revised rules will be ready for publication before long. Well, of course, Sir, these revised rules have

[The Minister for Finance and Development] already been dealt with by the Central Legislative Assembly, and they give much more favourable treatment to the taxpayer than at the time that the Income Tax Committee report was written. Whereas, in those days, the taxpayer could only get £400 allowance over every three years, he can to-day get £250 for himself, £250 for his wife, £250 for a child—in other words he can get £750 every two years, so that indeed in that case action has again already been taken.

Now, Sir, I would turn to paragraph 11, on page 6, which gives the recommendations which for various reasons cannot be accepted by the Government. I say for various reasons, Sir, because the reasons do vary very much indeed, and, in some of the cases, the reason, the overriding reason, is the present financial position which precludes for the present any sacrifice of revenue; even though we, on this side of the Council, as well as hon. Members on that side of the Council, may be well aware of the long-term benefit that might ensue.

Recommendation 2, Sir, in paragraph 11, "Tax should not be charged in respect of income derived from or accrued outside East Africa, whether such income is remitted to East Africa or not."

Sir, I believe the White Paper paragraph is, in itself, a very explanatory one. "East African residents can, in a number of countries overseas, make investments on which, as non-residents of the country in which the investment is made, they pay little or no tax—if income received in East Africa from these sources were exempted, it would mean that residents could live here without paying tax anywhere. While this might result in the receipt of more overseas income in East Africa, it would tend to drive more capital out of East Africa. It is felt that that is no reason why the East African rate should not be paid where income is, in fact, brought into the country. The loss of revenue if this recommendation were to be accepted would be of the order of £75,000 a year, and might be much greater if the export of capital was encouraged in this way."

Now, Sir, let us take one or two examples. Let us take a tax-free investment in the United Kingdom, and there are some which to-day are yielding quite a good return on a tax free basis. It would be possible for someone to move from this country, the whole of their capital and invest it in a tax-free investment of that kind in the United Kingdom and if they were able to bring the money back to this country without it being taxed here, they would indeed be able to live in this country without paying taxation of any kind. It is obvious that with such an inducement as that, the movement of capital out of the country would be greater than it is to-day. We are well aware, as a Government, that there are a number of cases of people in this country who, having earned their money in this country, having accrued their capital in this country, invest it in countries outside East Africa and leave the income there and do not return it to the country where they have made their profits and reinvest it, as I believe they should. And so, Sir, it could be carried to a completely absurd limit. I would point out that in most countries to-day, the tendency is the other way, the tendency is to assess on the world income, irrespective of whether the income is returned to the country of domicile or not.

For these reasons, Sir, because we cannot afford to take this type of risk, and because we believe that it is, in principle, wrong, we cannot accept this particular recommendation.

Sir, Recommendation 4 at the bottom of page 6. This of course, Sir, is a suggestion that there should be an averaging over every five years at the option of the individual to say indeed that he should average his income over five years. Well, now, Sir, the paragraph itself is, I think, very self-explanatory of what might happen, because to allow averaging over this type of period would cause an overall reduction in revenue and would result in an irregular flow of revenue which could embarrass the Government financially. What indeed would be the position of any Chancellor of the Exchequer who had to have regard to the fact that at any time during the five-year period, and a recurring five-year period, if there was a fall in general

[The Minister for Finance and Development] the taxpayer, that is the Government, would be faced with a liability, not only not to have the revenue to meet the expenditure, but to repay money which had already been paid into the Government. What would be the position of a Chancellor of the Exchequer who did not know for five years ahead, or five years past, as the case may be, what his level of revenue would be, or had really been. The answer, in my opinion, would be that in any sound business, any sound Finance Minister, would, under those circumstances have to assess his rate of tax so high, that he would cover any great emergency of that kind, and, indeed, it might be that he would have to have a system where he would take so much of his tax revenue and place it into short-term investments in order to cover such an eventuality. The point is that this would be a very embarrassing risk, and, as I am aware that various authorities will be quoted, I would like to point out, too, that the Royal Commission in the United Kingdom on Income Tax, dealing with a different subject, but referring to this type of principle, said a serious objection would be the effect that the taxing authority thereby surrenders control over the yield of tax, and that is something which, of course, no Government, and no responsible Council, could indeed accept.

On page 7, Sir, Recommendation 8, which deals with the question of section 13. The final words of the Sessional Paper paragraph are, "In fact, such income is not regarded as liable to tax." I am informed by the competent authorities in this matter that indeed if a case of this kind were taken to court, it would be held that the non-resident was not legally liable to pay.

The next point, Sir, is Recommendation 11 on page 8. Now this recommendation, Sir, deals with the question of agricultural undertakings and an option to be extended for the cost of capital expenditure on a wide range of improvements to be claimed as a deduction in full from the income of the year in which the expenditure is incurred.

Now, Sir, the Government White Paper paragraph opens, "Farming is the

major industry of Kenya, but it is a matter for consideration whether it is advisable to distinguish it from other forms of productive industry, all of which contribute toward the development of the country." It is to that overall aspect of development that Government must have its regard. We are of the opinion that at the present moment, the income tax system, and the people who administer the income tax system, pay full regard in their recommendations to us, to the question of easing the burden where there is true development. We believe that if there is to be, as I hope it will be possible at some time in the future, further concessions in this regard, they must be made on the overall aspect of development expenditure, but I can only say to the Council that the matter will be kept in mind; but in the present serious financial position, I can offer little hope of immediate concessions. We will keep the matter in mind from time to time and I am sure that as Budgets are constructed in the future, the Finance Ministers of the future will, I think, as the Government will, be fully conscious of the need to encourage development wherever possible.

Recommendations 24 and 25, Sir, on page 10. This deals with section 22 of the East African Income Tax (Management) Act. This has been debated in various places at great length, and I think at great heat; I do not propose to repeat the arguments, nor does the Government propose to go further than the comment unless the matter is raised in debate. But I must again call attention to the fact, that we are unable to yield revenue at present unless we can see which other sources of revenue available to us which other sources can be imposed without damage to the economy or harm to the general life of our people. I know of course that some people are going to say, "Let us now anticipate the Budget debate, and let us talk about reducing services". Well, I can only say I will not be drawn in this particular debate on that particular matter because that is something which will emerge when the Government places its estimates before the country.

Now, Sir, I believe that I have dealt with the major issues. If others are raised in the course of the debate, then various Government speakers will deal with

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them in turn, or I will endeavour to cover them in the general reply.

What I would say to the Council is this, Sir. The White Paper does not close the door entirely upon a great number of the suggestions which have been placed forward by the Income Tax Committee. A number of them, the Government itself, feels, should be referred to the Commission which will deal with income tax and tax revenue, on an East African basis, and which will, of course, have to have regard to the needs of the Colony's revenue. Others it feels it does not want to rule out, but feels that it must tell the country that it must wait for happier financial times or for budgets of the future.

In conclusion, Sir, I would again express the Government's appreciation of the work of the committee. The Government has not taken this committee report very lightly. It has been the subject of many long and serious discussions inside the Government and with all the various people concerned. It has not rejected any of the suggestions without very great consideration, and it has purposely left the door open for future reconsideration both by the East African Commission and by this Council, and that fact, I think, is emphasized in the concluding words of the Motion, "and takes note of the contents of Sessional Paper No. 6 of 1955".

Mr. Speaker, I beg to move.

THE MINISTER FOR LEGAL AFFAIRS
seconded.

Question proposed.

LT.-COL. GHERSIE: Mr. Speaker, in debating the Sessional Paper, one must, of course, relate it to what is known as "The Income Tax Committee Report" and for the purpose of easy reference I shall refer to that report as the Gill Report, I think, as it is more popularly known by that name.

Now, Sir, it is over two years since the completion of the Gill Report and when it was submitted to Government, and I can only express extreme disappointment with the contents of this Sessional Paper. More particularly, Sir, when it is realized the time and thought which must have been devoted by that

committee to its subject before its recommendations were submitted to Government, and far more time, I suggest, Sir, than was devoted by the authors of this White Paper.

Now, Sir, I again suggest that this White Paper is a disappointment, and it can hardly be regarded as a compliment to the people who constituted that committee, and gave up so much time. I do not quite know who the author of this White Paper is (I realize, of course, that it emanates from the Treasury), but I can only regard it, Sir, as unrealistic, lacking in imagination, and a rather pathetic attempt to fob off the recommendations made by the Gill Committee. Further, Sir, the contents can in no way justify the unwarranted delay in the publication of the report. Something in the nature of 20 months has elapsed before publishing this Sessional Paper—after the date of the Gill Report.

Now, Sir, I agree that in the Motion, there is appreciation expressed in regard to the committee for the gallant work they have undertaken, and there is a reference actually in this Sessional Paper, but, Sir, I believe it would also have been appropriate to have apologized to that committee for the delay in the publication.

Now, Sir, I have no doubt that the Treasury referred the Gill Report to such gentlemen as the High Commission, the Minister for Finance, the Commissioner for Income Tax, but even so, I would be frightfully surprised if they subscribed to the contents of this White Paper. Now, Sir, in my opinion, the Treasury is not the correct body to examine a report such as the Gill Report. I say so advisedly, Sir, because of the nature of the Treasury functions, and that is, I feel convinced, that they approach these subjects with a bias, as their main consideration must be the collection of the Colony's revenue, and, I believe, Sir, that was emphasized a moment ago when the Minister for Finance was speaking, because the whole way through his speech he dealt with the question of the Colony's revenue; he could not avoid it.

Now, Sir, if that is the feeling of the Minister, and of Government, why waste the time of a committee, and a committee of this nature, which consisted of

[LT.-Col. Gherrie] professional business eminent busy people? I suggest, Sir, that in view of what the Minister has said, I am merely wondering whether there is any justification in going to the expense of this new commission to examine the position, because if the Minister is going to be governed by what the Colony can afford or the questions of loss of revenue, then I am afraid the probability is that the recommendations of this commission would be abortive. Presumably, Sir, if they make the same recommendations, they would be quite unacceptable to the Minister opposite.

Now, Sir, I do not believe, quite frankly, that, again, the author of this Sessional Paper—or shall I say perhaps he did read them, but he has overlooked the actual terms of reference, Sir, the terms of reference read as follows:—

"To study the Act of the High Commission to provide for the management of collection of income tax by the East African Income Tax Department, and to make recommendations for amendments which should be made to this Act under clause 97, which should be to the general benefit of the Colony".

Sir, the emphasis should be on those last few words: "Which would be to the general benefit of the Colony".

Now, Sir, that does not imply that all that must be considered is the question of safeguarding the Colony's revenue. Such aspects of equity of assessment and to what extent relief given at this stage in regard to taxation would help with the development of the Colony and, subsequently, I assure you, Sir, it would mean increased revenue to the Colony.

Again, Sir, suggestions have been put forward by the committee that certain sections of the Management Act should be deleted and incorporated in the respective Colony's Ordinances, as it is felt that there are certain matters which could properly be dealt with by a particular colony, and not by the High Commission, or the colonies collectively.

Again, Sir, it was further pointed out by the committee that a number of the sections in the Management Act required clarification as it is admitted, even by professional men, and in professional men I include, naturally, accountants

who are handling these problems daily, and they do require clarification. But in these instances, Sir, it would appear that the Treasury have completely ignored any of these suggestions.

Now, Sir, of the 39 recommendations made by the Gill Committee, as pointed out by the Minister, seven were accepted, two partly, and six acceptable wholly or in part. Now, I am unaware, particularly when it is remembered that this report was written and signed two years ago, whether any of these recommendations had any influence on the people responsible for the amendments to the Act. If that were so, Sir, I think the least that could be done would be a little gesture to admit that, anyhow, it would appear that the Gill Committee had convinced somebody during those two years that there were recommendations which were necessary and acceptable.

Now, Sir, the Minister referred to Recommendation No. 37, which was partly covered. Provisions relating to claims for repayment of tax should be amended so as to accord with those relating to additional assessments. Well, Sir, it may be partly covered, but the essence of this matter is this, the Income Tax Department reserves the right to increase an assessment or review the position, and they can do that over a period of seven years. Now, I submit, Sir, that if the individual taxpayer considers that he is entitled to a rebate, or to recover money, he should have the same privilege over that period, and that is what the Gill Committee sought to achieve. But I submit, in this paragraph here, that this has not been achieved.

Now, Sir, the Minister also referred to 10. "Consideration should be given to the appointment of a committee to examine and report on rates of taxes, allowances and exemptions." And the reply, Sir, is "As announced in the Press of the 13th December, 1955, the East Africa High Commission and the British Resident, Zanzibar, have agreed that a Commission should be appointed to inquire into income tax in East Africa, including Zanzibar".

Now, Sir, Kenya appointed a commission to examine the Act which is a High Commission matter. Now the High Commission appoints a commission to examine the rates of tax, which is a

[Lt.-Col. Gherrie] territorial matter. Now, is somebody being led up the garden path, Sir, or is it that the Commission will not, in fact, examine the tax position?

Now, Sir, I think the Minister also dealt with Recommendation No. 2. I shall not deal with every recommendation, as I should probably be regarded as being rather tedious, but I must deal with quite a number of them. This recommendation No. 2, Sir, was "Tax should not be charged in respect of income derived from or accrued outside East Africa, whether such income is remitted to East Africa or not".

The Minister dealt with this a few months ago, and, quite frankly, I could not see the force of his argument. I submit, Sir, that this would encourage capital into this country. His argument is that it would tend to drive capital away. I think that is quite a fallacy, and this is a point which, I think, he overlooked; that unless that capital is encouraged into this country, and I suggest that it should be, it would remain where it is and we would not get the benefit of it at all. Whereas, if it came to this country, it could be used to help with the expansion and development, and expansion and development which would ultimately produce revenue for the Colony.

The Minister, of course, mentioned the loss of £75,000 to the revenue. Again, Sir, he is harking on the loss of revenue. He is lacking in vision, I suggest there, Sir, with what might result as revenue from the expansion and development which would take place as a result of importing that money.

Now, Sir, another point which the Minister did not touch on, and it is in the same paragraph. And it is not referred to in the Sessional Paper at all, it is in regard to the inquiry, Sir, arising from investments—where a person has investments in more than one territory in East Africa. Where the rate of tax is higher in the territory other than that in which he resides, is compelled to pay the higher rate of tax. He does not obtain the same relief where the rate is lower in the territory other than the one in which he is resident.

Now, Sir, No. 4 Recommendation, No. 4, Sir, again the Minister dealt with

that and this, again, has been turned down flat on the question of possible loss of revenue. The Minister suggested—

THE MINISTER FOR FINANCE AND DEVELOPMENT: I think the hon. Member is wrong, the particular one was not turned down on the question of loss of revenue. It was turned down on the point of the irregular flow of revenue.

LT.-COL. GHERRIE: That was in your speech, yes, I agree, and the Sessional Paper certainly deals with an irregular flow, Sir, but it also states in the reply from the Treasury to allow an averaging over this period would cause an overall reduction in revenue and would result in an irregular flow of revenue which would embarrass the Government financially.

Now, Sir, the Minister mentioned this a moment ago, and he said it would be quite impossible for any Chancellor of the Exchequer to be confronted with a problem of averaging over a period of five years as he would not know what revenue he would derive in any given year.

Well, Sir, certainly we have in this country a precedent with us, namely, in regard to the coffee farmer, and is it right, Sir, that in a country such as this, where (and you must, of course, divorce your salary-earning individual from industry and farming) where farming is subject, Sir, to world prices, to the Colony's economy, to weather conditions, and so on? And is it right, that in one particular year he should be in a higher grade of taxation, merely because he has had one successful year in relation to other years where he has made a loss? Where had his revenue been consistent over those years. He would have paid a much lower rate of taxation. The case cannot be compared with that of a salaried employee whose income is known to be constant and can be assessed year after year? I submit, Sir, there is precedent for this, and there is no ground for the Minister's argument in refuting it. Sir, this is a small point, but—and it is Recommendation No. 7, Sir, and it was on the subject of clubs. "Clubs which derive not less than three-quarters of their gross receipts on revenue account from members should not be subject to tax on the annual value

[Lt.-Col. Gherrie] of the club premises". The reply, Sir, is "This recommendation has already been considered by the Government and rejected. Members of clubs benefit from the occupation of premises owned by them, and should pay tax in the same way as owner-occupiers of private houses".

Now, Sir, that may be so, but the point is this, that this practice, or this particular type of taxation, was not practised until quite recently, and as, Sir, there has been no apparent change in the law, would the Minister state why the practice has been altered from what existed a few years ago?

Recommendation No. 8, Sir, "Section 13 requires some amendments in any case, but in view of the recommendations made in paragraph 26, this section should be deleted." This, Sir, deals with a question of exemption from taxation of the foreign income of an individual where the person is not resident in the Colony, and has not visited the territory for some temporary purpose. Now, it states in the Sessional Paper that it is not regarded—this type of revenue is not regarded as liable to tax, but as the section reads it would appear that it is and the request really was that the section should be amended so that there should be no doubt in this matter.

Section 9, Sir, was a recommendation for the purpose of ascertaining the total income of any person for a year of "income there should be deducted all losses, outgoings and expenses incurred by such person for the purpose of producing or introducing such person's income to the extent that such losses, outgoings and expenses, whether incurred during or prior to the year of income, have not been deducted in arriving at the total income of any previous year of income and so to the extent that the benefits of such outgoings and expenses are fairly attributable to the year of income".

Now, Sir, the reply to this is not a very convincing argument. The White Paper points out there is a defect there, or it is not exactly satisfactory, but that is as far as it will go. But they go on to say that no doubt this aspect will be examined by the Commission of Inquiry. Well, Sir, if the Gill Committee, where

we have very eminent people who were associated with local conditions, and know the law just as well as anybody, sitting on the Commission of Inquiry, if they make this recommendation, surely it could be accepted, or, alternatively, why refer it to the Commission of Inquiry?

Number 10 is also rather ambiguous, Sir, as far as the reply is concerned. "The law in relation to interest and dividends should be radically amended so as to put the treatment of dividends on a similar basis to that applied presently in the case of interest and (with some exception) tax should be deducted at source on payment of all interest and dividends".

Actually, in reading the report, Sir, I read it as though the recommendation is rather to assist the Minister in obtaining additional revenue, but that does not appear to have appealed to him in this particular instance.

Now, Sir, Recommendation No. 11. "In the case of agricultural undertakings an option should be extended for the cost of capital expenditure on a wide range of improvements to be claimed as a deduction in full from income of the year in which the expenditure is incurred." The reply, Sir, and I must read it, with your permission, "Farming is the major industry of Kenya, but it is a matter for consideration whether it is advisable to distinguish it from other forms of productive industry, all of which contribute toward the development of the country. The view of the Committee"—expressed in paragraph 76 of the report—"is that in the long run the taxpayer is generally better off if, in respect of capital expenditure, he claims deductions, spread over a number of years approximating to the life of the asset concerned. However, the recommendation would leave an option to the taxpayer and, without knowing how the option would in fact be exercised, it is not possible to estimate the effect of the recommendation on the revenue, but the loss in the initial year might be as much as £400,000—a loss which the Government could not accept in the present financial circumstances. Nevertheless, the Government considers that this important matter should receive special study by the Commission to be appointed to inquire into income tax in East Africa, including

[Lt.-Col. Gheris] Zanzibar—this study, to have due regard to the need for maintaining the revenue”.

You see, Sir, it is passing the buck the whole time. They see the merit in these suggestions, but they must be passed on to the Commission who again would examine and presumably from what the Minister told us a few months ago, they will be purely wasting their time, because the recommendation would affect the revenue of the Colony.

But what the Minister has overlooked, I think, Sir—no I withdraw this, I apologize, he has not overlooked it because he refers to this £400,000 in the initial stages, and, therefore, he implies, and quite rightly, that relief will only take place in the initial stage, but it also means that in subsequent years, the Treasury will obtain additional revenue in relation to what it would receive under the present scheme. The very fact that that relief takes place in this one given year, Sir, it would mean that the taxpayer could not claim the relief during the subsequent years, so, in point of fact, it is only initially that the Treasury would lose that amount of the money. In the long run the position would, presumably, even itself out, but would assist the taxpayer in the initial stages.

Now, Sir, Recommendation No. 16, deals with “The cost of appeals in legal proceedings relating to a claim for personal allowances should be allowed as a deduction”, and I must, in this case, read the reply, because I think it is a misstatement of fact. “The reason why the Tucker Committee”—and it is to be observed, Sir, in the Sessional Paper on two or three occasions that the Tucker Committee has been referred to when it suited the Treasury and on other occasions it is not—“The reason why the Tucker Committee, in paragraph 168 of their report recommended that the costs of appeal in legal proceedings relating to business profits should be allowed, was because the Committee came to the conclusion that the cost of these appeals is a consequential expense incurred in the course of carrying on a business. The Committee specially advised that no such allowance should be given in respect of the cost of an appeal which relates solely or mainly to a claim for any of

the personal allowances, and the Government accepts this view”.

Now, Sir, I think I am correct in saying that that particular aspect of the case was outside the terms of reference of the Tucker Committee; and, I think, with your permission, Sir, I could quote. It is in the Royal Commission on Taxation, Sir, and it was paragraph 931, and they were dealing with the specific subject: “This distinction which they made was not based on a difference of principle but was due to the fact that the Committee’s terms of reference confined them to the consideration of what expenses should be deductible in the computation of business profits.” And in 932, Sir, in the same report, “now that we are to review the taxation of income as a whole we think it impossible to recommend a deduction for the cost of tax appeals that is confined to business profits”. It is only fair to point out that the Royal Commission did not favour the Tucker Committee’s recommendations anyway. East Africa, therefore, has this distinction, and this is not intended—

THE MINISTER FOR FINANCE AND DEVELOPMENT: On a point—the hon. Member—the last bit he read—

LT.-COL. GHERIS: I beg your pardon, that is not in the Royal Commission. Anyhow, I think that is a misstatement of fact, Sir.

Now, Sir, Recommendation 18 deals with deductions, “Deductions should be allowed in respect of reasonable medical expenses incurred by a taxpayer on himself and his dependents”. It would appear, Sir, the objection to this recommendation is purely an administrative one. That is how I read the reply. “Medical expenses are one of the many burdens which fall on the private individual in the course of his daily life and, while there are precedents in other countries for deductions from income in respect of medical expenses, the desirability of accepting the recommendation is doubtful. It would add substantially to the administrative burden falling on the Department, and the Department could not handle this additional burden at the present time.”

Well, Sir, precedents do exist for this as it was pointed out by the Committee

[Lt.-Col. Gheris] in their report, in many parts of the Commonwealth, and quite frankly, by refusing this recommendation, Sir, I think it is a further degree of discrimination between certain types of employees, Government officials and those who do not enjoy the benefits of free medical expenses, and I think this was a recommendation which should have received far more serious consideration than the way it has been dealt with in this report, Sir.

Now, Sir, Recommendation 21, “Deductions in respect of expenditure incurred by a taxpayer on capital assets should be granted in respect of the full amount actually expended by that taxpayer and should not be limited by reference to the expenditure incurred by any previous owner”. Now I would suggest, Sir, that this reply is really most amazing. “The principle of this recommendation was rejected when the Second Schedule was enacted. It was then accepted that the fact that any excess over the original cost was not deductible for tax purposes, had the beneficial effect of keeping the purchase price down, particularly as the seller is not charged with the tax on the capital profit which he makes. The effect of the present system is to reduce the cost of the purchaser’s capital investment”.

Sir, that sounds incredible to me. Now, Sir, it may be that the cost of the second-hand article—and it may be farming implements—is greater to-day than it was when that item was initially purchased. Now, Sir, it is suggested here that he must not get the benefit of the additional purchase price. Now how on earth is it suggested, Sir, as it is here, that that reduces the purchaser’s capital investment—Sir, well, I am sorry about that report—how on earth does he record the purchase that he has made? If it is in excess of what the original second-hand item cost, how does he record it in his own accounts for the purpose of accounting? In any case, Sir, regardless of what the Minister might say, there is the amount that he has paid which is in excess of what it cost initially and you cannot get away from it.

Now, Sir, Recommendations 24 and 25 rather go together, and this is a very difficult problem, I agree, but it is one that I think should receive further con-

sideration by the Minister. It states, Sir, that: “A special deduction should be granted in the case of undertakings carried on by an individual or by individuals in partnership to compensate for the disadvantage presently suffered in such cases in the matter of accumulating surtax-free profits as compared with cases where undertakings are carried on by companies”. And 25, Sir: “The law in regard to surtax on the undistributed profits of certain companies should be drastically amended in manner set forth at length in the body of this report”.

Now the reply, Sir, states: “Recommendation 24 recommends a special deduction to individual in trades, businesses, professions and vocations, but not to employees who are in a similar position. For this reason alone the recommendation would be unacceptable”.

Mr. Speaker, how can you put in the same category an employee and a person who is working on his own account? Imagine, Sir, the professional person who, well he requires an office, furniture, he has what is known as work in progress, he has—he must have—a large number of debtors; I am thinking rather in terms of a professional man at the moment, and there is the capital aspect. But it does not apply with the individual employee and that is where, quite frankly, this relief is really asked for. I know exactly what the Minister will reply. He will again refer to the Royal Commission Report where it is suggested that a professional man should sink his dignity and turn himself into a limited liability company. Professional people do not do that, but this is asking that they should find ways and means of saving themselves a degree of taxation, which I suggest, Sir, is suggesting that they should be immoral. In fact, particularly when you are dealing with a professional class such as accountants, who probably know far more about taxation than anyone of us here, you are asking them to try to find ways and means in which to ease their own position and I do submit, Sir, that that is almost an insult to the intelligence and integrity of the professional community. On the other hand, if you do find at a later date that certain members of the professional bodies are attempting to explore the matter as to how they can relieve themselves of taxation, because I think they

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are one of the greatest sufferers to-day, we have only the Minister to blame.

Before I leave 25, Sir, I am sure the Minister is aware that the committee pointed out that they were not seeking a total relief from surtax at all; I think the limit, without looking at the report again, was something in the nature of £550 per annum. It was not that everybody who was making large sums of money should have complete relief from surtax.

Now, Sir, Recommendation 27: "Where the income of a married woman is treated as that of her husband for tax purposes and where husband and wife together contribute to the maintenance of dependent relatives of both of them, two dependent relatives' allowances should be granted". Sir, the reply—and I must read the reply to emphasize my point: "This recommendation cannot be accepted. As is clear from paragraph 166 of the committee's report, the committee recommend that, where the income of the wife is deemed to be that of her husband, there should be available a dependent relative allowance in respect of each partner to the marriage—one in respect of the husband's dependants and another in respect of the wife's. If this concession were to be given, it would mean that, if one spouse had two dependants and the other none, only one dependent relative allowance could be given, whereas, if both partners in the marriage had a dependant, two allowances could be permitted. This would be inequitable, and the recommendation, in fact, would involve the necessity of granting two dependent relative allowances instead of one".

Now, Sir, this recommendation was designed that where two people became married, they should have the same privilege as they had before they were married in regard to their dependants. It really would not matter, Sir, if a person had fifty dependants—the amount of the dependent allowance is still only £60. But what you are suggesting is that once two people get married, they should lose the privilege of a dependent allowance as far as one individual is concerned if the one had a dependant and the other had not, I suggest, Sir, that that lacks equity. The fact that they get married—

you are changing the position of assistance to them in regard to their dependants. The Minister shakes his head, but I shall be very pleased to hear his reply.

Recommendation No. 30; Sir, "The income of a married woman should be assessed on her separately as though she were a single individual, subject to the exercise of an option by both parties to a marriage to the effect that their combined income should be assessed as to one-half thereof on each of them separately as single individuals, with suitable provision for apportionment of personal allowances between them". Now, Sir, the reply to that is: "The option to divide incomes between husband and wife would reduce so substantially the tax at present payable that it would have to be restored by a complete revision of the rates of tax and personal allowances". It goes on to deal with the various examples.

Now, Sir, this recommendation was again an attempt to assist married couples. It suggested that a married woman should be assessed separately from her husband and that the two parties to the marriage should be permitted to exercise the option. Now, there is a precedent for this in various parts of the Commonwealth, which I am sure the Minister is very well aware of, but again the Treasury is guided entirely by loss of revenue. You know, Sir, the Treasury's attitude to this particular recommendation is almost encouraging people to live in sin or at least to arrange a legal separation where a suitable agreement could be entered into whereby each of the parties to that marriage divide the income between them, so that they are ultimately assessed separately. It could be done by a legal separation, and I suggest, Sir, that in this particular connection the Minister is quite inhuman.

Sir, Recommendation 31: "Sub-section (2) of section 54 should be deleted as being unnecessary in the light of section 61." Now the answer to that, Sir, is: "Section 54 provides a means of recovering unpaid tax, while 61 applies to the examination of the returns of income prior to the assessment of the tax. These sections are therefore not unnecessary." Now, Sir, I think you will find, what the Seasonal Paper has omitted to mention is that under section 54 (2) the Commissioner can demand information of third

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parties without obtaining anyone's consent, whereas he must do under section 61. He must obtain their consent under section 61. And that is what the Gill Committee were driving at, Sir.

Now, Sir, Recommendation 33. This, Sir, is a fairly hardy annual and it deals with: "English should be the only officially recognized language for the purpose of the Act relating to accounts and books of account, and official recognition of other languages should not be accorded in this respect after the 31st December, 1955." We are a little out of date with the date, but that is not the fault of the Gill Committee. Oh, I must read the reply to that. The reply, Sir: "It would be premature to insist on the universal use of English at the present time when the language cannot be said to be fully established throughout the country. Section 63 enables the Commissioner to take action in appropriate cases".

Now, Sir, that is a complete red herring, because nobody ever suggested in the Gill recommendation that it should be used universally throughout the Colony, and therefore to suggest that it is premature as far as to be used universally is concerned is avoiding the issue, I might agree in other directions, but as far as accounts and books of accounts are concerned, I must disagree most emphatically with the Minister, Sir, how do people order their goods? How do they invoice their goods unless they have a knowledge of English? And what I think is a very much more important factor is this, I think, Sir,—here we have the Income Tax Department trying to build up a very strong investigation department—and if I may say so doing very successfully at the moment—but imagine all these new investigators coming to this country with no knowledge of the particular language that books are being kept in; imagine the handicap they are going to be placed in right at the outset. Now, Sir, I think that is a very futile argument—to dismiss it on the grounds that it is premature—premature to have English universally spoken or written in this Colony. We are dealing with people who should know something about English; if they did not, they would not be in business.

Section 34, Sir: "That part of sub-section (3) of section 74 which empowers the Commissioner to examine any person on oath or otherwise concerning another person's affairs should be deleted". The reply, Sir, is: "The sub-section is common in income tax legislation throughout the Commonwealth; its object is to assist in the collection of tax properly due to the revenue. Its provisions are used most judiciously and no practical objection has been raised since income tax was introduced into Kenya".

Sir, is that quite correct and have the powers not been exercised?

Sir, Recommendation 36: "The penalty for the late payment of tax should be replaced by a charge by way of interest calculated monthly, fractions of a month to count as a whole month". Sir, I do not necessarily agree with that recommendation, but the fact remains, I do suggest that a penalty of 20 per cent as prescribed at the moment as a penalty for late payment is excessive, more particularly, Sir, when one has regard to the increase in taxation to-day. It was not nearly so objectionable in 1937 when it was originally fixed at that rate, but to-day, at the much higher rate of tax, I really suggest, Sir, that with the high rates of income tax prevailing to-day, it is really out of all proportion.

Now, Sir, section 38: "The Act should be altered so that penalties can only be imposed by: or with the consent of, local committees or some similar body". The reply, Sir: "The penalty in section 40 is not imposed by the Commissioner but by the law against which the taxpayer has a right of appeal. Power to commute penalties is common in revenue legislation, and in the United Kingdom the Commissioners of Inland Revenue (the official body) have corresponding powers. Where penalties are related to court proceedings, the taxpayer always has the alternative of defending those proceedings. The accepted practice of settling out of court in revenue cases (Customs and Excise as well) is not only welcomed by defaulters, but also facilitates the administration of the tax". I think I am correct in saying this is quite an important recommendation which has been rather brushed aside by the Treasury, and the committee make the point that it is the General

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Commissioners who hear appeals or impose penalties in the United Kingdom. That is, the Gill Committee make that point, where as the Minister is associating the Commissioner for Income Tax or the Commissioner for Inland Revenue in the United Kingdom—or I should say confusing him with the General Commissioners. Now, Sir, the point really is in this report that taxpayers should not be faced with demands for treble tax unless they have the right of appeal to some impartial body, such as a local committee, for consideration of their case.

In conclusion, Sir, I should just like to make one reference to one of the final paragraphs in this report, Sir, it was paragraph 220: "The complaint, that the Act is unduly complicated and difficult to understand is one which was made to us in writing as well as verbally by certain of those who appeared before us, and it is, of course, a complaint fairly commonly made. We have ourselves complained of the complexity of the Second Schedule and suggested that something simpler should take its place". There are many statements of that particular nature in this report and which I hope the Minister will re-read, because it would appear to me he is rather inclined to brush them aside, re-read these recommendations at some subsequent date—as he said, the position will be reviewed when the revenue of the Colony is more buoyant—I hope he will also re-examine the arguments which have been put forward here, after very, very careful consideration, by people who really knew what they were writing about.

In conclusion, Sir, I only hope that the Minister will also give due consideration to this commission which is coming to East Africa, because quite frankly if their report is going to be treated in the same light-hearted manner, Sir, or, if I could put it this way, revenue is to be the first consideration, then I submit, Sir, that any commission no matter how able they may be, how experienced in their particular subject, their time would be completely wasted and the visit of that committee made abortive.

Mr. CROSSKILL: Mr. Speaker, Sir, I beg to support the Motion. I feel that we have received from this committee

a most constructive and thoughtful report which has entailed an immense amount of work and I do feel with regret that it has not had a more worthy reception—a better fate than the half-hearted acceptance that it has had in Sessional Paper No. 6 which I can only describe, Sir, as a dismal and defeatist document.

We are all in this Council and in the country, fully aware of the conditions of financial stringency, but I do feel that in the White Paper, it would have been preferable to accept many of these constructive recommendations in principle. The Minister to-day, Sir, has said that the door is still open. I wish he had said that in the Sessional Paper. Many of those recommendations, Sir, should, I think, have been accepted in principle so that they could have been implemented as and when financial conditions in this country permit.

I would, Sir, have liked to have seen also the influence of the Minister for Agriculture and the Minister for Commerce and Industry behind the replies to that report. I feel that the Sessional Paper has almost exclusively been framed by the Treasury. I do feel that had we seen the hand of other departments behind the White Paper, we should have seen that many of the recommendations were given some encouragement and accepted in principle.

We have been told by the Minister to-day, Sir, that the reasons for non-acceptance of most of the recommendations of the Gill Report vary considerably. I must say, in reading it, I found a depressing similarity and that was that they could not be accepted because the financial position of the country was unable to permit it.

Now, Sir, this report is almost two years old and I feel that perhaps some of the recommendations would not have been made to-day if the committee were sitting at the present time. It is therefore rather difficult to criticize these recommendations two years later. The first one, however, I wish to refer to is the recommendation that there should be a Royal Commission. Government have agreed to this suggestion. It is one of the few to which they have agreed. Now, Sir, the question arises—will this be constructive; will it serve any useful purpose to have a further commission? We have

[Mr. Crosskill] already had within our memory the Pimm Report in 1936, the Wilfred Woods Report in 1946, the Flewman Report in 1947, the Marchant Report in 1950 and now the Gill Report in 1954. They, Sir, have covered the whole arena of taxation from various aspects. I do submit, Sir, that we have all the evidence that we can require, if we will analyze these reports which have been made; some of them are very similar in the views which have been put forward but, Sir, we must admit that in the present financial stringency, the rapidly developing society in Kenya, and rapidly developing economy, we do perhaps require further assistance and therefore, in spite of my first impressions that we have got sufficient advice, perhaps we should accept now this Royal Commission. But, Sir, I do feel that their terms of reference should be broader than those of the Gill Committee. I fear it has gone too far now to change what their terms of reference will be or the composition of the commission. We have been told by the Minister to-day, Sir, that we shall shortly be hearing the names of some of those persons who will be sitting on that commission.

I do wish that the terms could have been broader because, as I have said before in this Council, Sir, I feel it is not only the detail of income tax which we should consider and on which we should have advice, but on the whole structure of taxation for the peculiar conditions of our multi-racial country. I feel also that we should, Sir, have Commonwealth personnel on this commission. I feel that some of the recommendations that have been put to us have been put rather from the angle of the United Kingdom and particularly various recommendations which have been made in this report which we are to-day discussing would, I think, be emphasized and endorsed particularly with regard to recommendations concerning agriculture if we had personnel from other countries which are in a similar state of development to that of our own to-day, and not from the United Kingdom which has been fully developed for many centuries.

I think, Sir, also that we should examine conditions throughout the world

where they are similar to our own. We have most peculiar conditions here with regard to our three races and I think we should try to find out what they are doing in other countries where similar conditions obtain. That is difficult to find but I would cite as an example Brazil. There they have similar racial conditions to those we have here. Perhaps they have something to offer—who knows—but I think we should not be too limited and circumscribed in our search for a solution to this tremendous fiscal problem by which we are confronted owing to the conditions of our multi-racial country. I know, Sir, in Brazil they have a system of taxation based on sales and purchase tax—indirect taxation—which confirms, perhaps, the rightness of the principle advocated in the Flewman Report.

Let us therefore investigate in places where they have similar conditions to ours here.

No one will deny that taxation in Kenya is on a very high level, taking into consideration that we are a young and developing country. Everyone in this Council appreciates the difficulties which are being faced by the Minister for Finance. We are all very sympathetic with his difficulties, but, Sir, we must face facts. We must have our feet on the ground, and I am going to make no extravagant requests to him to-day, but I do believe that the facts of the case are these: that at the present time the wealth in this country is not yet great enough to provide the revenue necessary to support the rapidly developing economy of the country at a taxation level which is encouraging to the development which we must have. Those, Sir, I believe, are the facts of the case—the facts which we must face when we are discussing fiscal policy and of course, Sir, our only salvation lies in development—in the development of the wealth which still we do not possess.

ADJOURNMENT

THE SPEAKER: The time for interruption of business is reached. I therefore adjourn Council until 2.30 p.m. tomorrow, Thursday, 1st March.

Council rose at fifteen minutes past six o'clock.

Thursday, 1st March, 1956

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

[Mr. Speaker in the Chair.]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:—

Review of Discriminatory Legislation Prepared in Accordance with a Motion accepted by the Legislative Council on the 3rd December, 1955.

(BY THE CHIEF SECRETARY)

MOTION

HOTEL ACCOMMODATION

MR. USHER: Mr. Speaker, Sir, I beg leave to make a small amendment in this Motion. I have the new Motion typed out for your convenience. It is to delete the words in the fourth line "to take steps" and substitute for them "to consider what steps should be taken". You will appreciate, Sir, that as I shall be mentioning the possibility of financial inducement the form of it was, to say the least of it, dubious and, with your permission, I wish to correct it.

THE SPEAKER: As it does not alter the sense, certainly you may alter it.

MR. USHER: Very well then, Sir, I beg to move the following Motion:—

That this Council considers that improvement in the quality and quantity of hotel accommodation both for domestic and visitors' use is of urgent importance and requests Government to consider what steps should be taken to provide inducement to enterprise in this field.

Sir, as sometimes happens with my Motions there are a number of Ministers involved in this consideration. They would be my hon. friend, the Minister for Lands, the Minister for Commerce and Industry—perhaps primarily—and last and by no means least the Minister for Finance. No doubt there are also lesser luminaries who will be involved in any inquiry which ensues from this Motion.

Sir, I do not know that it is necessary for me to do much to establish the premises on which this Motion is

founded. It is a matter well enough known that we are lacking in hotel accommodation, both in quality and in quantity, therefore I will only give one or two instances of the kind of complaints that have been made. I think I should say, Sir, that most visitors, or tourists, in this country, are asked to give their impressions of the country and, as is usual, when one is in a hurry, one does not take very much notice of the papers and most of the replies were brief and laudatory and did not go into any kind of detail. But I would mention that 33 per cent of them strongly criticized the matter of the quality and quantity of hotel accommodation.

Now, just recently I had, myself, two such complaints. One was that of a visitor who had booked accommodation in the hotel "Magnificent"—which had better have no other name, and which is well enough known to Members—and she arrived rather late, it is true, but found that her bed was sopping. When eventually she got hold of a manager, she was told that she could have the bed-clothes changed but not the mattress.

Another deplorable example is that of the "Majestic" hotel—also one of great traditions in the past in which a visitor was very much disturbed at night. I hesitate to tell the Council in what manner. We all know, Sir, that visitors may expect to be stung, but they do not expect to be bitten, and, anyhow, whatever may have happened at the hotel visited by Miranda and myself, with its "fleas that teaze in the high Pyrenees" it was nothing to this, and be certainly was savaged by certain small carnivores which are not usually mentioned in company.

Now, Sir, as to the extent of hotel accommodation, I have a letter here from a rather distinguished person—whose name I will not quote, though he does not mind his letter being quoted. He dilated at some length on this matter, but I will just read an extract from it. It is this—this by the way was his second visit. "My wife and myself enjoyed staying at the 'Magnificent' and the 'Majestic', but the misery of getting accommodation is getting beyond my desire of returning to East Africa, and frankly, I do not believe that much is being done to ease it". Sir, we have the same kind

[Mr. Usher] of thing from a number of organizations, such as travel agencies, and transport lines, and some of them say that they will really have to close down on it, if they cannot get more accommodation. I know, Sir, that at one hotel for instance—admittedly it was in the bad weather when people could not get out into the country, or to certain of the safari lodges that there were 80 applicants being turned away at one Nairobi hotel every day.

Now, Sir, may I turn to the residential hotels—if I may draw that distinction. We have recently removed the Tariff Control and my information is, that since that control was lifted, there has been an all-round, I should say an overall, 20 per cent increase in the charges. Judging from what I hear from individuals, and from what one reads in the newspapers, I am quite sure that there has not been 20 per cent improvement in all of the hotels. Some people go so far as to say, there has been such improvement in very few. I do not wish myself to say that there has not been improvement, because I have seen it, and some of them certainly have done their best. But whether the effort is general, I very much doubt. But I will be touching on this subject later, Sir. I will say no more about it at the moment. But I think very likely it is the case, that in many of these hotels, the hotel-keepers should really have applied themselves to some other trade.

Incidentally, Sir, it may be interesting to hon. Members to know that, if you examine, as I have, the allocation sheets of an hotel, you will find that, in spite of all the talk of the rise in the cost of living, the cost per guest has gone up very little in the last five years, and that by far the greatest item is the allocation in respect of wages. Visitors are now two-and-a-half times the number that they were five years ago, but what has been the corresponding increase? It is negligible, Sir. I think one hotel in Nairobi, the Mayfair, and some safari lodges, I may be corrected upon this, but I have been able to discover no other increase.

Two major sites have been allocated, upon what the Government believe, to be favourable terms, but, there again, the

melancholy fact is that there has not yet been a beginning.

Now, Sir, having given vent to criticism, it is for me to suggest the kind of remedies that Government might well consider. First of all, I am not again sure that it is the case, but it may be the case, that the conditions of the grant of land could be eased in certain cases. The second matter would be, Sir, interest free loans, or loans on easy terms. I am not, at the moment, suggesting the loans should necessarily, or at all, come from the Government purse. But I am saying this now, Sir, I am not at all sure that the applications for loans should properly be made in such a case to the organization which assists industry.

Another matter, Sir, is the possible relief from income tax for a period of years and when I suggest that, I suggest also that there might be a rebate of income tax in the case of already established hotels who will immediately spend the money upon capital expansion. Then, of course, there is always the possibility of exemption from customs duty for construction or equipment of any kind, and here again I doubt whether the *ad hoc* committee set up for that purpose is the right body to deal with this special case. In fact, I am asking Government if they will consider legislation which will address itself, particularly to this matter of hotels and give the relief in some statutory form.

Before I sit down, Sir, I should like to mention that, to the best of my knowledge, the Central Hotel Authority put forward final suggestions for legislation for the enactment of minimum standard regulations, which I think everybody regards as being of high importance. I believe that those regulations were ready in December last, but I am informed they have only what is called in the Attorney General's office a "B" priority which I understand means delay at least of six months and, of course, if other "A" priority measures come into the office then the delay will be even greater. I would ask that they be given an "A" priority.

These regulations, Sir, we do regard as of high importance, in that it will enable the industry to be classified, we shall have a proper classification of hotels and an end to the present poor standard of

[Mr. Usher] service and general amenities and so on, which, in present circumstances, persists.

I suggest to Government that we shall really have to consider going back to the imposition of a control over tariffs according to the standard of the hotel.

Another important thing which I think we must do, once we have got the minimum standard regulations, is to see that wherever necessary subsidiary authorities are set up to put them in force. I am, not saying that any such subsidiary authorities should do away with the powers, or interfere in any way with the functions, of the Medical Officer of Health concerned, and I think it would be an easy matter for the two to work together or to agree upon a proper line of demarcation.

I have now finished, Sir, I comment my Motion and I ask the Government seriously to consider these matters, which I know it will, and to try to get something done for us as soon as ever they can.

Sir, I beg to move.

MR. HARRIS seconded.

Question proposed.

MR. TYSON: Mr. Speaker, Sir, so far as the public hotels are concerned, the hon. Member for Mombasa seemed to have regarded it as a Kenya matter, whereas, in fact, I suggest that this is an East African matter. Private enterprise has been given ample opportunity to show its interest in the erection of hotels on sites, either in Nairobi or Mombasa, but nothing has been forthcoming over the period of years when these sites have been made available.

The hon. Member seemed to indicate that the price of the land had an important bearing on it, but I do suggest, Sir, that in these days the land element in the cost of erecting a modern hotel of the type we have been visualizing is neither here nor there.

MR. USHER: Might I on a point of fact, Sir, say that I did not indicate anything of the kind.

MR. TYSON: What I do suggest, Sir, is that this is a matter which might be taken up with the High Commission through the Central Assembly with a

view to the Railway Administration doing what they have done in other parts of East Africa and building an hotel of the type which we visualize. They have done it at Masindi Town in Uganda; they have done it, I think, at either Dodoma or Tabora, and as most of us know, in the Sudan the Railway Administration have built and run the hotels there for many years past on a very satisfactory basis. I therefore suggest, Sir, that when Government are considering this matter, some consideration should be given to dealing with this matter on an East African basis through the Railway Administration instead of trying to regard it as a Kenya matter only.

SIR CHARLES MARKHAM: Mr. Speaker, I suppose in many ways I should declare an interest in that I am a part-owner of one of the worst hotels in Kenya. I suppose I shall not tell you the name in case I am closed down by the authorities. But, many years ago, Mr. Speaker, a company in which I was interested wanted to spend the necessary money to make this hotel into standards mentioned by my hon. friend, the Member for Mombasa, the Majestic or the Imperial, or whatever name you would like to call it. But, owing to the control at the time many hotels did lapse backwards in the sense that it was not worthwhile spending money, earning perhaps Sh. 12 a day from the residents living in those hotels, and consequently, of course, now the days of the money being available have gone and whereas in the older days you could raise the necessary money to do your improvements, to-day it is extremely hard and perhaps my friend, the Minister for Finance, knows it only too well.

But, in the course of this Motion, Sir, which I support, the Member for Mombasa did give some reasons why he thought this whole question of hotels was a matter of urgency. But, I would like to suggest to him that even if Government did come in and help on this problem, there are other problems too, affecting the whole hotel industry which must be solved before any company from overseas or any local company out here is going to interest themselves in this important game.

The first, of course, is wages of African staff and I was so glad to hear

[Sir Charles Markham] my hon. friend mention that point as being one of the major factors. We have now a Wages Council on the catering and hotel industry trade, and, of course, in the last two years the wages have gone up and up and up with no corresponding increase in the amount of work from the employees. The same applies to—I must not anticipate, Mr. Speaker, the Order Paper, or you will rule me out of order—on the cost of living, in that food-stuffs have gone up and up and up, of course, it is very difficult for anybody in the hotel trade to go on increasing their charges in order to make a profit corresponding to the increase in both wages and food. Of course, you do tend to rely on the bar trade in order to make a profit.

Now, Mr. Jorrocks, who was a very great character of Syrtees, once said, amongst a lot of philosophy, "confound all presents what eat". Confound all hotel guests that eat, but bless them that drink. Because the only profit in the hotel to-day comes from the bar, whilst food-stuffs if they are to be served of good quality cannot make a profit.

At the same time, Mr. Speaker, there is this question of European staff. The days of the amateur, in the hotel trade, should go very soon, and it does require qualified trained staff to run an hotel, whether it be a 10-bedroom hotel or 100-bedroom hotel, but, and that is the trouble of this "but", Sir, it always seems to apply in Kenya, a lot of the people of England, Switzerland, Italy, France, would come out here, but they do say that the difficulties facing somebody starting an hotel business in Kenya are greater than they are worth. The result is they go elsewhere either to Rhodesia or to South Africa. The trouble with African labour to-day in the hotel trade is enough to make anybody go to some other business. I wish perhaps Government might be able to help us in this way through the Labour Department. At the moment that lovely Kenya word, *shauri*, seems to be perpetually operative in the hotel business. I think, Sir, that if you ask certain of the leading hotels, and I qualified for that as I said in my opening remarks, some of the leading hotels in Kenya, what their biggest trouble is, they will tell you it is staff trouble, dishonesty,

stealing and general standards which could not be much lower.

I support this motion, Mr. Speaker, as I said earlier, and hope that Government somehow, out of the magic hat, will find a formula to get round the many problems which exist to-day. Without good hotels you will not attract the tourist. Without a reasonable standard of hotels you will drive people away, but how to get the formula of reasonable standards and also standards we know elsewhere in the world to fit in with our present, you might call it formula, of life in Kenya is, of course, the magician's question.

At the same time, I would like to see Government helping and perhaps they might also be magicians.

I beg to support, Sir.

MR. COWIE: Mr. Speaker, Sir, I find it impossible to refrain from joining in with this debate, because for one thing I support the Motion and for another I have had a fair amount to do with this particular subject, perhaps over the last ten years.

I would, Sir, like to introduce hon. Members to a symbolic figure whom I would like to call Mr. Harvey B. Cheesman. Now, Mr. Cheesman is a gentleman who arrives in Kenya from any other country, and wishes to stay in an hotel. His appearance is perhaps a little bit unaccustomed, he usually walks round in a strange-looking hat, has a large cigar, he shuffles out of airports, railway stations and ships. I do want to make it clear, Sir, that I wish no possible analogy to any kind of ministerial regalia to which recently we have grown accustomed.

But, now, whom does Mr. Cheesman represent and what is he worth? It may surprise you, Sir, to know that the Department of Justice in the United States recently prepared some figures which they, apparently, guarantee, showing that the United States travelling citizens who travel outside the United States spend, in one year, 1.3 billion dollars. Now, it is rather fun to quote figures of that size in this Council, Sir, but related to our terms it is perhaps something like £430,000,000 a year. I have no figures as to what other nations may spend, but it is a fair guess to say that one could

[Mr. Cowie] double that figure. Sir, the world potential of the travelling market might be something of the order of £1,000,000,000 a year. That is what Mr. Harvey B. Cheesman represents.

Well, now, Sir, as far as East Africa is concerned, or Kenya, which is our subject here, I think it is fair to say that the amount spent by these visitors is something approaching £4,000,000 a year. These are figures prepared by the Travel Association, and although they cannot be proved, they cannot be disproved. That represents possibly only 1 per cent, or 1 per cent of the world's potential travelling market. It is interesting to know, Sir, that in 1955 there were 50,000 visitors into this country which does not take into account something like 37,000 people who made up the ships' crews that entered the Port of Mombasa and stayed for an average of six days. It does not include another 27,000 people who were ships' passengers and again stayed an average of six days in the Port of Mombasa. It has been worked out that these people on the average spend £6 a day and they stay in this country for 20 days, that is the average. But, in addition to that also, it has been assessed that there are, at least, 100 people who spend the night in Nairobi, every night, throughout the year, who are merely air crews. They are the people who come and go operating aircraft. Well, those 100 people have to be accommodated somewhere.

That brings me, Sir, to the story of the hotel. Soon after the end of the war, various interests in Nairobi I think made very serious endeavours to promote the expansion of accommodation, especially in Nairobi. In the first case I think it was unfortunate that the plot offered to the potential investor carried such a high stand premium that no businessman would touch it. A number of years then elapsed and another plot was offered and again, I think it is unfortunate that nothing has been built on that plot, because three-and-a-half years have gone by, since it was allocated, and we have the position in Nairobi to-day of people arriving, quite genuine visitors, like our Harvey B. Cheesman, and unable to find anywhere to stay. The result is that many of your potential tourists are driven to stay in inferior accommodation and they go back with an impression

which could do nothing but harm the tourist trade of this country.

I think, Sir, that there is, therefore, a prima facie case that there is an opening for private enterprise to set up some kind of accommodation, a luxury type of accommodation, in Nairobi. I think, Sir, that it also shows that there has been something wrong, in that private enterprise or the investor has not come forward in the last ten years. As a purely temporary alternative to provide quick accommodation in Nairobi, at one time I sponsored a scheme which got the unfortunate name of the Nairobi Motel. I would, Sir, like to take this opportunity of clearing a good deal of confusion on that scheme. It was an idea that a country type of hotel should be built outside the City boundaries, consisting of possibly separate cottages, the advantage being that it could be built quickly, where a great number of these transit travellers could stay for the one or two nights that they require, it could be approached directly from the new Nairobi Airport and the great advantage that I see is that it would attract a number of Kenya residents coming to this City occasionally to buy requirements for their farms and who have nowhere to park and nowhere to stay, because it would be the kind of accommodation where a farmer could go and put his lorry or leave his trailer, and get into town and do his jobs and get back with plenty of space.

A number of farmers I have spoken to on this particular subject commend it.

From the point of view, Sir, of air-crews, transit air passengers and farmers, I believe that that country type of hotel has considerable advantage, because it could be constructed so quickly compared with the large-scale hotel which so many people talk about as required in Nairobi.

Returning to the problem, Sir, I do suggest, with all sincerity, to the Ministers concerned that there must be a solution to this problem. It may lie in granting encouragement to the investor, and that I think it is psychological rather than financial whether it is relief from customs duty or whatever also it might be. I think it is difficult to assess at this stage, but, what is important is that the

[Mr. Cowie] investor must be encouraged by some confidence which he is given by Government action. Because the day has gone, or certainly is not available to us now, that we could think in terms of Government financing such a scheme. It would obviously mean borrowing more money, and even if the Railway Administration were to do it, it may mean borrowing more money. So the only outlet seems to be to promote and invite private enterprise to fill this gap.

I do submit, Sir, that there is a case for the intelligent investor to take up this cause. I do also suggest, Sir, that there is a challenge thrown out to all Members of this Council that there must be something wrong and it is, therefore, up to us to find out why something has not developed in the last 10 years and to waste no more time in trying to provide better and more suitable accommodation, especially in Nairobi, in the shortest possible time.

That, Sir, would be the one way of ensuring that we do get a better share through our Mr. Harvey B. Cheesman of the thousand million pounds' worth of tourist travel that is the potential.

I beg to support.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I rise to say that of course the Government is prepared to accept the Motion in the terms in which it is now offered.

My hon. friend, the Member for Mombasa, put forward a number of arguments and we, on this side of the Council, recognize, of course, the position which he has outlined. It is, however, Sir, in most of the cases in which he has covered a question of priorities in so far as Government is concerned. Now, Sir, I was fortunate only recently to visit the island of Jamaica, not, I may say, Sir, as seems to have been thought by some people, at the expense of the Kenya taxpayer, and there I came into the middle of a country which, because it is six hours or so from America, has developed, in the post-war period, a very considerable tourist industry. A lot of its tourist industry is, of course, short-stay visitors flying in for less than 72 hours, or they are short-cruise passengers staying in the

coast ports, like Kingston, again for 72 hours. They, themselves, have put into effect some considerable time ago, in 1944 to be exact, a law which is known as the Hotels Act Law and which grants certain relief in respect of customs duties, excise duties, tonnage tax and income tax to persons who expend moneys upon the construction or equipment of hotels in Jamaica and for purposes incidental thereto or connected therewith.

Now, being interested in the general conduct of the legislation and wanting to study how, indeed, this had had any effect upon the tourist industry, I naturally had many talks with the officials concerned, and it was estimated that the revenue foregone under these concessions had, indeed, amounted to £165,000 in the six years during which the Act had been in operation to 1952; consisting of £55,000 for custom duties, tonnage tax and excise duty remissions and £110,000 for income tax remissions.

Now, before the war, when they were still very interested in the tourist industry, their hotel accommodation only provided overall for about 2,000 visitors. But then, of course, they had not the tremendous air traffic in and out, because there is quite a week-end traffic from America to Jamaica—they had not this air traffic in and out and at peak periods this accommodation proved inadequate. "During the same period"—well, "in the six years up to 1952," I am quoting from the official notes, "a capital investment in hotel building totalled about £1.7 million; 18 hotels, with accommodation for 1,160 persons, were built and 19 hotels were renovated or extended, there by providing further accommodation for 1,400 persons". They believe that this increase in hotel accommodation did help to stimulate the tourist traffic industry to Jamaica and that, in fact, its effect was to lengthen the average stay of visitors, and that, I think, may be taken from the argument that in 1952 their long-stay visitors of 72 hours and over were about 24,500 and their short-stay visitors of under 72 hours had gone to 80,000, as distinct from proportions in 1949 of 13,700 and 54,900 respectively. Their estimated yield from this 113,000 visitors was about £5 million, from which it appears they do not spend quite so much on the average in Jamaica as we

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do here, particularly as the hotel charges on the Montego Bay side, that is the tourist side, a reasonable room is 20 dollars a night, and most of the decent rooms are 40 dollars a night whilst the best rooms work out at 100 dollars a night... So that it seems, of course, that there is a reasonable profit to be obtained from running a hotel where prices of that kind could be charged.

But, Sir, having said all this, the people themselves said you must not judge on the outside appearance alone, for it is, and I am using their words almost, it is difficult to assess precisely what proportion of this development is directly attributable to the Hotels Aid Law since (a) the industry is further assisted by Government to substantial annual grants for tourist advertising and promotion; and (b) the enactment of the law coincides with the cessation of hostilities in 1945 and the attendant tourist travel boom. In other words, as the dangers of the ocean ceased to exist and war conditions passed away the natural flow of tourist traffic resumed brought with it a demand and brought with it an investment possibility, therefore one must not take the outside figures alone without judging the other conditions.

Now, Sir, by a peculiar coincidence, whilst I was there, almost, I had presented to me a Report on Finance and Taxation in Jamaica by J. R. and U. K. Hicks which had just been called for by the Jamaican Government, and this dealt as a report with the existing system of Government finance in Jamaica having regard to (a) social and economic conditions and (b) existing Government policy and to make such recommendations as may be necessary to enable the Government of Jamaica to make the most use of sources of revenue on which it can draw—a somewhat ominous term of reference for a financial survey. However, Sir, it will be interesting, I am sure, to Members to find out what they had to say on this general matter having had an experience of a law in operation for many years. They set out the programme of assistance as it exists and say, "as against these considerable concessions the only contributions to revenue which can be attributed even indirectly to the industry are (1) income tax paid by hotel employees

which cannot come to a large sum, (2) the small entry duty paid by all persons visiting the island, (3) the no doubt substantial item of taxation on liquor and tobacco consumed by hotel guests. If all these tobacco receipts are taken into account, the Jamaican Budget is, no doubt, assisted by the existence of the tourist industry. But it ought to be assisted by the existence of any industry. The potentialities of tourism are one of the natural advantages of Jamaica, they ought, we feel, to assist the Budget a good deal further. There is no reason why the net revenue which is got out of the industry should not be increased without hindering its development." I hope that no hon. Member is feeling a cold draught going through the Council at the present moment.

Now, Sir, they go on to say, having referred to the exemption of customs duty on equipment—"the exemption must, therefore, be judged to be an extremely bad one, from the standpoint of the general efficiency of the tax system; it is bound to set bad precedents for the whole revenue administration. We accordingly recommend that it should be circumscribed, and made into something which offers less opportunity for evasion. An easy line, which would greatly simplify the task of enforcement, would be to confine the exemption to fixtures—to such things as must be fixed in place in order to be used, so that, if they are sold off subsequently, it can only be at a much reduced second-hand value. We consider that it is altogether wrong to give exemptions for such things as furniture and crockery." Obviously they had in mind the impression that I too gained from discussion there, that a very wide gap had been opened in the customs administration of which the unscrupulous were taking advantage.

On the matter of income tax concessions, Sir, they said, of course, that having made various suggestions about the reformation of the pioneer industry's law should be applied to new hotels as well as to new undertakings of a more industrial character. The same transitional provisions should apply in the case of hotels that are at present enjoying income tax privilege.

In their final recommendations, page 168 of the report, they say, "Duty-free

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of hotel equipment should be closely circumscribed and restricted. The above regulations about income tax concessions to pioneer industries should apply to hotels," and this is a very important principle that they have suggested, that instead of there being a grant of many thousands of pounds to tourist and hotel publicity—"Hotel publicity should be financed directly by the Hotel Board through a levy on the industry and not through the Budget."

Now, Sir, against this background of income tax concessions which is so often used in comments in this country, "something that should be done for either this or for that," in this case for the hotel industry. I wonder if hon. Members are aware that in the case I am quoting, "the pioneer industries in Jamaica", the company tax is Sh. 8 in the £1, as opposed to our Sh. 5 in the £1, and I contend that the overall steady and low rate of company tax is a much better general incentive than particular or special incentives could be. It is obvious, if one reads this report, that these concessions have had to be paid for by an increase in other rates, so that, Sir, the picture over there is not quite as bright from the point of view of the general taxpayer and recipient as would appear on first reading the figures that I gave. But now, Sir, we are fully aware, as a Government, that it is in everybody's interest to expand the hotel industry. I think sometimes it is forgotten, Sir, that during the Emergency we have had a great influx of personnel for whom we have been unable to provide houses and they are, indeed, at the present moment, because we have not got the finance for housing, occupying hotel accommodation that should really be available for the visitor type. But, as we cannot find the capital for the houses, as we cannot persuade private enterprise to enter what in this country is a fairly sure range of investment to any great extent, then, Sir, we have to recognize that our hotels will, indeed, be used and more by the static type than the visitor type which should be their true purpose.

Now, Sir, my hon. friend, the Member for Mombasa, did talk about a return to tariff control, and that is a matter largely for my hon. friend, the Minister for

Commerce and Industry, but, Sir, I was for some time on the Hotel Control Authority, before I, myself, became interested in the other side of the hotel business which was helping as a director to run hotels and I would substantiate wholeheartedly what my hon. friend, the Member for Ukamba, has said. That, indeed, there are two or three hotels I can name in this town who because the tariff was kept low found themselves incapable during the good years of building up a return or an accumulation of capital which would have enabled them to expand during the days when capital was easily obtained. Sir, we must be careful, in my opinion, having got rid of this control which, on the face of it so often appears to be an answer but which has many underlying evils, in my opinion, we must be careful that we do not again start it with all the staff and all the expenditure that we used to face in the old days. I think we have to say, Sir, that if this country is going to develop in this way, there are certain sufferings which have to be endured until private enterprise is ready to fill the gap properly and can see that there is an adequate return for its money. So that, I could not, without very great consideration, and without being persuaded, and I think my hon. friend, although I have not talked this over with him, would agree, I could not without very, very great argument be convinced that it would be a wise step to return to a system of control.

But, Sir, we have not been altogether idle in this matter. Some time ago I had discussions with the Colonial Development Corporation and put forward an idea that perhaps if they could find a proportion of the capital, and a proportion of the capital could be found from other sources, we could, perhaps, build ourselves a first-class hotel in Nairobi, and get one of the big world-wide companies of hotel promoters to come in and run it for us and offer them the building on purchase over a number of years. Now, I have by no means lost hope that that will be a possibility, but I come back again to the fact, Sir, that this will be a case of priorities because if the Colonial Development Corporation does not wish to find the whole of the capital, somebody will have to find the balance and if the balance has to be

[The Minister for Finance and Development] found from Government funds it will mean the Development Committee and the Government will have to sacrifice something else in order that this project shall go on. That is a matter that rests within the decision of the Government as a whole, if ever, we get to the final negotiations.

But, Sir, we will do what we can. We will have a look at all these suggestions again. We are conscious, I think, of the advantages and conscious of the disadvantages, but this I can say that if there is anybody with capital, and I say with capital because we cannot negotiate with men of straw, we have had experiences of this, if there is anybody with capital who can show that they are prepared to put that capital into an hotel in any vital spot in this country, if they will come and talk to the Government, to my hon. friend, the Minister for Lands, my hon. friend, the Minister for Commerce and Industry, and myself, I can assure them that we will do everything that we can, once we are assured that the application is genuine, to assist them. That, I think, Sir, is the best thing that can be done at the moment. We will consider the case because we know that there is this need to encourage private enterprise; there is this need to get hotel investment in. We will do what we can and we accept the Motion with pleasure.

MR. HARRIS: Mr. Speaker, I seconded this Motion because I believe that it is essential that we should do something about both the quality and the quantity of hotels that we have in this country. I would draw the attention of hon. Members however, Sir, to the point that this Motion deals with both domestic and visitors' hotels. I think having taken the advice of Jamaica, had an insight into the life of Mr. Harry B. Chessman—(shouts of "Harvey")—I knew it was something to do with the Minister for Finance. (Laughter.) I would like to bring the attention of the Council back, Sir, to the more domestic problem. Now, the hon. and gallant Nominated Member who has spoken, asked the question, what has gone wrong in the last ten years that we are no better off for hotel accommodation than we were ten years ago. In that respect, I would like to

correct one small thing that the hon. Member said and that is, I think he forgot that there have been extensions to the New Stanley Hotel in Nairobi in the last five years.

But, Sir, I believe that the reason is because after the war it was essential that we should have a hotel tariff control, and I believe it is from that that things started to go wrong. As the hon. Member for Ukamba has said, during the years when there were the people about—a hotel population—the profits were prohibited by control and nobody was willing to invest or reinvest those profits in the development of hotels. And the Hotel Control Authority, of which I am still a member, a year ago decided that in an endeavour to try to solve the hotel problem it would recommend to Government that the tariff control should come off. I would like to make it quite clear here, Sir, that there is still a Hotel Control of standards and action has been taken by the authority recently in trying to improve standards of hotels. But, Sir, the recommendation was made in the belief that, as the Minister for Finance has said, there were a great number of people living in hotels who should be living in normal residential accommodation; there were a great number of people living in what should be tourist hotels, who should have been living in ordinary private hotels and a great number of those, Sir, were civil servants who had the benefit of a housing allowance. I could give examples of civil servants who have lived in some of the better hotels in Nairobi for years and years and years, because they could afford it out of the generosity of the country. But, Sir, we believed that if we took off the tariff control but maintained the standards control, it would lead to increased building of hotel accommodation of all types, both visitor hotels and domestic hotels. It is only when you get real competition among the private hotels—and I am dealing with them principally—it is only when you get competition, and fierce competition, that you will improve the standard and reduce the price. At the present time there are more people requiring hotel accommodation than there are beds and the whole time that situation remains you will not get improved hotels. If, Sir, it is true, as the hon.

[Mr. Harris]

Member for Mombasa mentioned, that since tariff control was taken off, there has been a 20 per cent increase in tariffs without a corresponding increase in the standard, then perhaps the Hotel Authority may have made a mistake, but I do submit, Sir, that the time which has elapsed between the time when the control was taken off and to-day is perhaps rather short to judge.

The hon. Members, Sir, will remember that there was considerable criticism, three years ago, at the suggestion that rent control should come off commercial premises. But if, Sir, one takes a walk now for half a mile due east of this building, one will see that probably the policy of relaxing that control has paid a dividend in getting investors to put up the necessary buildings, and to-day there are empty offices in Nairobi and, I believe, I have even heard that there are empty shops coming along any moment. Well now, Sir, that is the position that the Hotel Control Authority hoped that the relaxation of tariff control would bring in the hotel industry.

I would like to underline, Sir, what the hon. Member for Ukamba said about the inducements during those years between the war and last year to hotels. Now, I am not talking, at this stage, about the hotel designed essentially for the tourist industry, but if one goes through the dividend record of private hotels that are public companies or public hotels that are essentially local rather than tourist hotels, one does not find a very pretty picture for the investor. In fact, the general record of dividends with one exception has been something like nil, nil, nil, 7½ per cent, 6 per cent, 7½ per cent over the last six years. All these matters were taken into consideration, Sir, at the time when the Hotel Control Authority was considering relaxing the control. There is one exception to that, Sir, in public published accounts and that is in the case of the Nyeri Hotels. Now, the Nyeri Hotels—their dividend record up to 1952, for the years I have, was nil, nil, nil, and then of course—it is an ill wind—the Emergency came along. Nyeri became an army headquarters and the dividend record has been better. I do not believe, speaking without the book, I do not believe even

now it has gone above 7½ per cent, which means, Sir, an average return on all the hotels for which I am able to get records, of something like 5 per cent average which is not the kind of thing to induce capitalists to come and build the hotels which we want.

But, Sir, I would like to endorse some remarks made by the Minister for Finance, that I believe the real problem with the domestic hotel is to get ordinary domestic housing as an alternative. We have got a great number of people in Nairobi living in hotels who would only live in hotels in very, very few other countries in the world. They would either be in small houses, apartments or boarding-houses, and I believe that the real problem is not one of returning to a tariff control on hotels, I believe it is of providing the other form of housing in which these people should be living.

I would commend to the Minister for Finance, Sir, the possibility of an extension of such a scheme as the Bernhard Estate Scheme where private enterprise is erecting houses but the rent, over a given period, is, in fact, guaranteed by Government, and I believe that a scheme whereby private commercial enterprise in this country entered into partnership with Government in guaranteeing those rents, might very well be the solution, not only to our hotel problem, the residential type, but also to one of our cost of living problems which we will be dealing with later this afternoon, Sir.

Now, I would like to reply to just one point made by the hon. Nominated Member, Mr. Tyson, who suggested that we should look on this matter in an East African way rather than in a Kenyan way, and said that private enterprise had had ample opportunity to remedy the situation and had not done so. To start with, Sir, I do not believe that private enterprise has had ample opportunity if one considers the kind of negotiations that have been conducted with hotel companies who have been interested in this country and have gone empty away. But, Sir, I was talking only a month or two ago to the Chairman of the Lake Hotel, Entebbe, in which the Uganda Government have a considerable investment, and he told me that if we wanted the Lake Hotel at Entebbe, he would be very willing to get rid of it at any moment. He even added that every time an aircraft of

[Mr. Harris] one particular airline went through, they always used to reckon to lose an average of 12 blankets per night. So, Sir, even when hotels are run by Government they are not completely free from headaches, and I think, Sir, that there is now the opportunity for private enterprise to come forward. I am very glad that Government have agreed to accept this Motion, because I think with encouragement from Government there may well be people in the world who know how to run hotels, who have professional staff, who would be willing to come here, but they must get that encouragement from Government and not the usual red tape and frustration that has happened in the past.

I beg to support.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Speaker, first I should like to congratulate the hon. Member for Nairobi South on what I thought was one of the most constructive speeches I have heard in this Council for some time.

My hon. friend, the Minister for Finance, has asked me to reply to one point that the hon. Member raised. He asked me to say that in regard to the Bernhard Estate Scheme, he is already exploring the possibility of extending schemes on similar lines and is proposing to pursue the matter.

Now, if I may deal—(The hon. Member tagged my coat and asked me to add, "In London.") If I may deal with one or two points that hon. Members have raised quite briefly, I would like, first of all, to refer to that made by the hon. Member for Mombasa with reference to the Industrial Development Corporation providing funds. Of course, the Industrial Development Corporation would be delighted to consider any applications, but, as the hon. Member knows, because the funds are provided from Government money by this Council, the funds available are very limited indeed and as the accounts laid upon the Table recently show most of those funds, with the exception of a little working capital, are fully committed. Nevertheless, propositions that come up on a business basis are always considered sympathetically by the Industrial Development Corporation and, of course, the provision of funds is in the

hands of the hon. Member who spoke and other hon. Members of this Council.

Now, Sir, I did not wish to refer, at any length, to the hon. Member for Mombasa's remarks about the Hotel Control Authority. The members of that Authority of which the hon. Member for Nairobi South is one, do a thankless task, without pay, and, in my opinion, within the limits of practicability, an excellent job. I know my hon. friend agrees with me on that point, and I was glad he drew attention to one particular thing on which they have done a great deal of work, and that is the establishment of minimum standards for hotels through Regulations under the Ordinance. My hon. friend's knowledge of the exact position of documents in the Attorney General's office was remarkably detailed. However, I am glad that he dropped me the hint and I will take up the matter and see if my hon. friend, bearing in mind the very great pressure he is under, will be able to do something to speed up the matter.

In regard to tariff control, I think the hon. Member for Nairobi South and my hon. friend, the Minister for Finance, gave the answer. It is my personal view that with tariff control we will not get new buildings. Without tariff control it may well be that we have one of the basic conditions, one of the desirable conditions, under which new hotels may be built. As my hon. friend pointed out, tariff control has only been non-operative for a matter of six to eight months—it is too soon to draw conclusions. Nevertheless, relaxation is working and is working most effectively, in regard to the suspension of rent control on business premises in respect of which hon. Members will remember a Motion introduced about 18 months ago.

In regard to the point made by the hon. Nominated Member, Mr. Tyson, that the Railway Administration should build hotels in Kenya, well, no doubt it would be a desirable thing if the Railway Administration felt they had the capital available, felt they had capital additional to that required to provide for their basic services, such as better harbours, railways, rolling stock, locomotives, if indeed, they could see capital that, in terms of their own priorities, they felt could be made available for

[The Minister for Commerce and Industry] hotel building. That would be an excellent thing for us, but I suggest that if that capital were provided at the expense of their principal function which is to provide adequate transport facilities for the growing trade of industry and agriculture of this country and the other East African countries, then I do not think that we would be getting a very good bargain.

Now, on the point of subsidiary authorities under the Hotel Control Authority, I think that my hon. friend, the Member for Mombasa, made a constructive suggestion. I will look into that, and I will ask the members of the Hotel Control Authority to examine it with a view to making any recommendation they think practicable.

Finally, Sir, I would like to say that I welcome this Motion very much personally. I agree with what the hon. and gallant Nominated Member, Colonel Cowie, said about the importance within our territories, and within the limits of finance available, of doing everything we possibly can to attract capital to build hotels. I believe that there is a very much greater future in the tourist industry than we have fully realized so far. Undoubtedly it is to be hoped we can get private capital to fill the gap, and for those reasons, Sir, and subject to the points that I have made, I have pleasure in supporting the Motion.

MR. MATHU: Mr. Speaker, Sir, in support of this Motion I should like to make a few comments on the speeches made by previous speakers.

One is on the complaint which has been voiced against African staff working in hotels. I agree with the hon. Member who made this complaint that it is not for the interests of the industry that there should be inefficient servants in these hotels, and that they should be men of high standard and men of character, who will not be charged with dishonesty, stealing and the rest of the crimes that have been suggested, and I should like, Sir, first of all to say that one of the reasons I think that my hon. friend the Member for Mombasa, in moving this Motion, mentioned this matter, and, in a more detailed manner by

the hon. Member for Ukamba, is that the wages are rising and there is no corresponding increase in work and in efficiency. Now, I share the apprehensions of hon. Members, but I should like first of all, Sir, to say that, as far as the wage increases are concerned, they are justified in the fact that there has been a very high rise in the prices of the essentials which are necessary to keep these servants alive. I refer to food prices, clothing and rents and transport. I think hon. Members will appreciate that, even with these wage increases, the Africans find it very difficult indeed to make ends meet, because of the prices of some of these items which I have just mentioned.

I think my hon. friend, the Member for Ukamba did also say that the hotel trade depends mainly on the takings from the bar, because the food prices would not pay. Well, in the same way these servants working in hotels find a tremendous difficulty in feeding themselves properly because of the high prices in the cost of food.

Now, but let me say, Sir, that I do not want to endeavour to justify the inefficiency complained of, neither do I want to justify the dishonesty that would perhaps have appeared in this industry. All I am suggesting, Sir, is this: that the wage increases are definitely justifiable under the rising cost of living we are going through in this country; and, secondly, that it is up to the management of these hotels to make sure that they only employ staff that is efficient. I do not think, Sir, that with the necessary discipline on the part of those who invest money in these hotels that they should keep any staff that is not of number one quality, and I think the mistake is that there has been a legacy in this country that there must be more quantity in houses and hotels rather than quality of servants, and I think it a mistake that we should allow that situation to happen. We should do with perhaps 50 per cent of the servants we have in our own households and in hotels, particularly if they were efficient, and we should not go for quantity because we want to specialize—one boy to do the shoes in the morning, and when he has finished the job he sits down along the corridor to wait until some other job comes. Now, this speci-

[Mr. Mathu]

alization is merely responsible for the inefficiency that my hon. friend the Member for Ukamba is complaining about, and I think it is a terrible mistake that we should allow this to happen.

Now, having said that, Sir, I have one further comment to make in support of this Motion, and that is with regard to the arrangements we make for visitors to take rooms in hotels, particularly those who are of a non-European type. This is a very delicate problem, and we have discussed this matter many times. To suggest that, as far as visitors are concerned, our hotels should be more tolerant of men of colour who visit our country—particularly in these big towns—to make sure that there is no discriminatory attitude given to them, because that will turn them away. When they go back to their respective countries they will give Kenya a bad name.

I have one particular case in mind, Sir, which I think I must quote, of a lady professor from the United States of America who visited this country on a world tour not many years ago. She had a bed in one of the Nairobi hotels, but when she came in to breakfast, the lady, I think, in charge of the hotel looked at her and said "Oh!"—in other words, surprised that she had a bed in that hotel, and she had to clear out that morning without breakfast, Sir, and she had to be accommodated by a friend in a private residence in the town. She was on a world tour, and a very important scholarship from America, and she was going, as I said, to every part of the world from here. She was going to Abyssinia, Palestine, Asia and the whole of Europe, and if she was given such bad treatment in our hotels because she was a person of a different colour, then she would perhaps naturally speak bad words about our Colony when she goes to those other places.

Further, Sir, even the local non-European community—I think we should exercise even greater tolerance when they can patronize hotels—men and women of a high standard of achievement—should not be debarred to patronize these hotels just because they happen to be men of a different colour.

Now, with these remarks, I support the Motion.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir, I apologize for taking up the time of the Council when I know that we have got a long agenda in front of us, but I do want just to deal briefly with this question of assistance given by the Lands Office. My hon. friend the Member for Mombasa mentioned the question of favourable terms, and I think these have been queried actually in the Council during this debate.

I would just like to give the Council these figures. As regards the actual site in Nairobi, recently given, the capital value was considered to be somewhere between £135,000 and £160,000. Taking that as an average of about £150,000, and 20 per cent of the capital value for stand premium, it should have been about £30,000. Government offered that piece of land at a stand premium of £1,000 only—that is, one-thirtieth of the actual proper stand premium.

As regards rent, the rent based at 5 per cent of the remaining 80 per cent of the capital value should have been £6,000 per annum. Government has offered that at £10 per annum for the first ten years; £300 for the next fifteen years; and £1,000 for the next seventy-four years.

Now, Sir, I cannot believe that anyone could say that this is an insubstantial contribution to this matter. In fact, I would be prepared to say that the Land Office has very considerably contributed to this particular problem.

In the case of Mombasa, the actual stand premium was fixed at £4,000, which was considerably higher than the Nairobi one, but in that case there were two sites which were considered to be extremely valuable. Again, the rent was fixed at £10 per annum for the first ten years. Again, Sir, I feel that this is a considerable contribution.

Sir, I think we have got, possibly, to look outside what Government has done to what, in fact, is happening. It is probably, Sir, a question of conditions. I personally was in the West Indies for five and a half years. We had the same legislation as Jamaica and, in our island in five years, there was not a nibble of any kind for putting up any form of hotel and, in fact, we had to go a long way beyond the Jamaica legislation to try to

[The Minister for Education, Labour and Lands]

get aid—to try to get someone to come and assist us with the hotel problem—but the point was that Americans were moving down from the Bahamas and Bermuda to Jamaica, and they found the conditions they wanted and the people with the capital also, as my hon. friend, the Minister for Finance said. They got people in with money, and they got a good return on their money.

Nevertheless, Sir, I am prepared to support this Motion, and I give my hon. friend, the Member for Mombasa, my assurance that I will do everything I can to help to take gold from the goldman, and cheese from the cheeseman.

THE SPEAKER: If no other hon. Member wishes to speak, I will call upon the hon. Member to reply.

MR. USHER: Mr. Speaker, Sir, I first add to something that my hon. friend, the Minister for Commerce and Industry, said in regard to the position of the Railway. The point was raised by the hon. Nominated Member, Mr. Tyson. I may say that some time ago I did speak to Mr. Kirby about this very matter. I am sure he would not mind my reproducing the conversation. I told him I had heard very complimentary remarks about him as a hotel-keeper, and I said did he really like hotel-keeping? I supposed he did not. Well, his answer was, "I should like to go in for it in a big way but, frankly"—as my hon. friend said—"it would make us inroad into the possibly available capital in the next few years which I could not contemplate". And so I think we must dismiss that for the time being.

With regard to Jamaica, I was very much interested in what my hon. friend, the Minister for Finance, had to say, and interested in the figures. They were very similar to the figures I have had access to myself. In fact, I have a suspicion they were the same figures! Now, I have also seen from them an expressed intention to go on with the legislation which I think, in fact, lapses some time about now, so that the account I had was not quite so bleak as the one he put before me—before hon. Members. That account was based upon a report—from what he read from the report, I should judge the authors to have been what I may be allowed perhaps to call "Treasury" types,

with rather a dull soul that does not readily assist enterprises!

The interesting thing, of course, that he told us; I think, was that the tendency was to convert the short-term stayer into the long-term stayer, and that is, I think, what we ought to look to; but when he spoke about the benefit the country derived, I was a little surprised, I must say. Obviously the bar bills were considerable, and obviously there were various other ways in which they contributed, but the expenditure *per diem* of visitors is no inconsiderable matter. I am not going to give the figures, but it is generally considered to be in the region of £2 a day and, I dare say, in many cases, of course—those who come on big game safaris—it is a very great deal more, and I hope that will not be lost to view.

The hon. Member referred also to the amount of accommodation in what we might call "visitor" hotels here taken up by those resident in the country. Indeed, it is a very serious matter. I believe that, so far as one can ascertain, something like one-third of that accommodation is so taken up, and obviously it makes a very serious gap in our accommodation available to those who are visiting the country. Nevertheless, even taking that into account, unless our visitors and tourists are to be forced into low-standard hotels, it is the case to-day that we need at least 300 more beds at once—and that is not looking ahead to any expansion whatever of the industry. I should like that point noted, because, at the rate at which we build, 300 beds is a very considerable amount.

I was glad also to hear what the hon. Minister for Commerce and Industry had to say about the Central Hotel Authority, and about any subsidiary authorities. The point I should like to make in reply to that is that the subsidiary authorities cannot really be expected to do very much at present, nor, for that matter, the Central Hotel Authority, until they are armed with these minimum standard regulations.

I think I have been used a little severely on my suggestion to return to tariff control. I would remind hon. Members that I did not advocate it. I used it rather as a threat. I felt that, if the almost intolerable conditions of certain—what you might call boarding-houses

THE HUSBY

—person here, it should be made known to them that we should have to consider something of the kind. In any case, it would not be a composition of full staff council, but would be tied to a situation—that is to say, would be a limitation in change according to the standard arranged by the Council. I will leave the subject at that.

I think my then friend, the African Representative Member, Mr. Mathu, made a point which I should have liked to have made myself, as qualifying what I then said. It is not that in fact the service is as good as it was twenty years ago. The present conditions of service are partly due to the Emergency—in fact, very greatly due to the Emergency—but I do not hesitate to say that—as in any other kind of business—the standard of the service is at some ways at least a reduction on the employees, and I should like to see a greater effort by hotel-keepers to train the servants that they have, not necessarily that they should go on in a big way for apprenticeship schemes—apprenticeship schemes—over the next few years.

I have been reminded that I ought to refer to the Hotelkeepers' Association—then a committee part of my own Council—that they have, in fact, had it in mind that all their hotels are non-union. I would not like to put that forward because we are employing now in a state of affairs where there are wages could be fairly called a union. And, perhaps the agreement in the future will not be such a success.

I agree thoroughly with what was said by my then friend, the Minister for Finance. It is not that he knows that I previously did not feel that the Commission should do much for the industry. I certainly did not call, at any unbecomingly intervention, I merely wanted, in mentioning the question of wages, that it should continue to be as much as is possible called.

I think there were with the matters that were raised in the course of debate, Mr. Speaker, and I beg to move.

The question was put and carried.

MOTION

ORIGIN, METHODS AND GROWTH OF MAU MAU

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, before I propose, I beg to ask your permission to make a small amendment to the Motion on to-day's Order Paper. The amendment I should like to make, Sir, is the addition of the words "to conduct an inquiry" after the word "appointed" in the first line.

THE SPEAKER: It will mean the Motion will then read: "That a suitably qualified person be appointed to conduct an inquiry to examine . . . etc." It is in no way alters the sense of the Motion, and I can agree that you may alter it.

I might, however, suggest that in view of our usual customary timetable—and I understand there might be some discussion to business—it might be desirable to take the break of fifteen minutes now instead of interrupting the Move of this Motion in two or three minutes. I therefore suggest we adjourn Council for fifteen minutes.

Council suspended business at six minutes past Four o'clock and resumed at thirty minutes past Four o'clock.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SPEAKER: Mr. Speaker, I beg to move under Standing Order No. 166 that Standing Orders be suspended to the extent necessary to enable the Council, when it meets to-day, to adjourn until 10.30 p.m. on Tuesday, the 6th March, 1954.

THE SPEAKER: Sir, for this Motion is that the wisdom of suspending some of the Council is such that it could not be concluded by the normal time to-day and without doing work as usually done here, or considering business with an unduly long interval. Members will be better off if adjourn on Tuesday, than this afternoon.

I beg to move.

Question proposed.

The question was put and carried.

MOTION

ORIGIN, METHODS AND GROWTH OF MAU MAU

Consideration resumed.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I beg to move the following Motion:—

That a suitably qualified person be appointed to conduct an inquiry to examine the origins, methods and growth of Mau Mau, and to consider if deficiencies in the Government machine permitted the movement to develop and, if so, whether these have been remedied, and to report thereon, and that, for this purpose, full access be given to all Government documents, and that memoranda be invited from members of the public.

Now, Sir, on the 3rd December, 1953, I moved a Motion in this Council with the same general objective as the Motion which is before the Council to-day. The Government at the time were unable to accept the Motion—one of the reasons being that the Administration was over-stressed, and that such an inquiry would impose too much strain on them and thus lead to a diversion of effort from the Emergency.

I believed that this argument had some substance, and I therefore took no further action until the end of last year. I then put down a question in which I referred to my original Motion, and asked if the Government considered the time opportune for such an inquiry—or rather whether an opportune time for such an inquiry had now arrived.

Now, Sir, the form of historical survey, or examination, visualized in the Government's reply did not seem to me to be at all likely to meet the demands of public opinion, or the purpose of my original Motion, and it is for these reasons that I raised the matter again to-day. At the same time, I should like to make it clear that I believe an historical examination of the origins and growth of Mau Mau would be of the greatest value, providing it only forms part of a much wider field of inquiry.

Now, Sir, in speaking to the original Motion, I made it clear that I sought no form of witch hunt, and I do not do so to-day. Nor do I seek a vindictive

type of public inquiry which might perhaps be animated in the same sense as what I can only describe as "McCarthyism". On the other hand, it would be equally undesirable that the inquiry should in any sense be open to the charge of whitewashing either the Government of to-day or of individuals. Should the Government therefore, Sir, see their way to accepting this Motion—as I hope they will—it will clearly be of the greatest importance that the persons selected to conduct the inquiry should be of such standing as to command public confidence in every way.

Now, Sir, I think it can be regarded as an historical fact that action against Mau Mau was long delayed, and that, when action did finally come, it was somewhat half-hearted, and not altogether effective. It is therefore necessary that we should find out what was wrong in the machinery of Government to allow that to happen. It is even more necessary to know whether defects in that machinery have now been fully remedied. We must find out whether the existing machinery is sufficiently streamlined to deal with any future recurrence of Mau Mau in another form and, possibly, under another name. I think it is true, on the whole, that the British have always been accused of basing their plans for the next war on their experience of the last one. Therefore, I think it is very necessary that imagination should be brought to bear, so that any future form of subversion can be dealt with quickly and objectively.

Now, Sir, I have not advocated the holding of a public inquiry. There are many good reasons apart from those I have already given—but I do think that it is absolutely essential that the report for which I have asked in the Motion should be made available to this Council—and to the public—as soon as possible, after the inquiry has been completed.

It is also, I think, essential that any defects in the existing machinery of Government which may be revealed by the inquiry should result in immediate action on the part of the Government, with a view to rectifying them. Furthermore, if the inquiry is to achieve the objects indicated in the Motion, it is quite obvious that full access must be

(Mr. Usher)

—persist here, it should be made known to them that we should have to consider something of the kind. In any case, it would not be a reimposition of full tariff control, but would be tied to standard—that is to say, would be a limitation of charge according to the standard attained by the hotel. I will leave the subject at that.

I think my hon. friend, the African Representative Member, Mr. Mathu, made a point which I should have liked to have made myself, as qualifying what I did say. I do not think, in fact, the service is as good as it was twenty years ago. The present conditions of service are partly due to the Emergency—in fact, very greatly due to the Emergency—but I do not hesitate to say that—as in any other kind of business—the standard of the service is—in some ways at least—a reflection on the employer, and I should like to see a greater effort by hotel-keepers to train the servants that they have, and, particularly, that they should go in a big way for apprenticeship schemes—apprenticeship agreements—over the usual two years.

I have been reminded that I ought to say in regard to the Hotelkeepers' Association—this is another point of my hon. friend's—that they have, in fact, laid down that all their hotels are non-racial. I would ask him to be patient because we are emerging now from a state of affairs where there was what could be fairly called a colour bar, and perhaps the improvement he desires will not be seen immediately.

I agree thoroughly with what was said by my hon. friend, the Minister for Lands. In fact, I think he knows that I personally did not feel that the Commissioner for Lands could go much further in this matter. I certainly did not call it any unsubstantial contribution. I merely wished, in mentioning the question of terms, that he should continue to be as mild as he possibly could.

I think that deals with the matters that were raised in the course of debate, Mr. Speaker, and I beg to move.

The question was put and carried.

MOTION

ORIGIN, METHODS AND GROWTH OF MAU MAU

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, before I proceed, I beg to ask your permission to make a small amendment to the Motion on to-day's Order Paper. The amendment I should like to make, Sir, is the addition of the words "to conduct an inquiry" after the word "appointed" in the first line.

THE SPEAKER: It will mean the Motion will then read: "That a suitably qualified person be appointed to conduct an inquiry to examine . . ." etc. It in no way alters the sense of the Motion, and I can agree that you may alter it.

I might, however, suggest that, in view of our usual customary time-table—and I understand there might be some discussion to business—it might be suitable to take the break of fifteen minutes now instead of interrupting the Mover of this Motion in two or three minutes. I therefore suggest we adjourn Council for fifteen minutes.

Council suspended business at ten minutes past Four o'clock and resumed at thirty minutes past Four o'clock.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, I beg to move under Standing Order No. 168 that Standing Orders be suspended to the extent necessary to enable the Council, when it rises to-day, to adjourn until 2.30 p.m. on Tuesday, the 6th March, 1956.

The reason, Sir, for this Motion is that the volume of business now before the Council is such that it could not be concluded by the normal time to-day and without sitting until an unseemly late hour, or conducting business with an undesirable haste. I gather, Sir, that the convenience of most hon. Members will be better suited by meeting on Tuesday, rather than to-morrow.

I beg to move.

Question proposed.

The question was put and carried.

MOTION

ORIGIN, METHODS AND GROWTH OF MAU MAU

Consideration resumed.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I beg to move the following Motion:—

That a suitably qualified person be appointed to conduct an inquiry to examine the origins, methods and growth of *Mau Mau*, and to consider if deficiencies in the Government machine permitted the movement to develop and, if so, whether these have been remedied, and to report thereon, and that, for this purpose, full access be given to all Government documents, and that memoranda be invited from members of the public.

Now, Sir, on the 3rd December, 1953, I moved a Motion in this Council with the same general objective as the Motion which is before the Council to-day. The Government at the time were unable to accept the Motion—one of the reasons given being that the Administration was over-stressed, and that such an inquiry would impose too much strain on them and thus lead to a diversion of effort from the Emergency.

I believed that this argument had some substance, and I therefore took no further action until the end of last year. I then put down a question in which I referred to my original Motion, and asked if the Government considered the time opportune for such an inquiry—or rather whether an opportune time for such an inquiry had now arrived.

Now, Sir, the form of historical survey, or examination, visualized in the Government's reply did not seem to me to be at all likely to meet the demands of public opinion, or of the purpose of my original Motion, and it is for these reasons that I raised the matter again to-day. At the same time, I should like to make it clear that I believe an historical examination of the origins and growth of *Mau Mau* would be of the greatest value, providing it only forms part of a much wider field of inquiry.

Now, Sir, in speaking to the original Motion, I made it clear that I sought no form of witch hunt, and I do not do so to-day. Nor do I seek a vindictive

type of public inquiry which might perhaps be animated in the same sense as what I can only describe as "McCarthyism". On the other hand, it would be equally undesirable that the inquiry should in any sense be open to the charge of whitewashing either the Government of to-day or of individuals. Should the Government therefore, Sir, see their way to accepting this Motion—as I hope they will—it will clearly be of the greatest importance that the persons selected to conduct the inquiry should be of such standing as to command public confidence in every way.

Now, Sir, I think it can be regarded as an historical fact that action against *Mau Mau* was long delayed; and that, when action did finally come, it was somewhat half-hearted; and not altogether effective. It is therefore necessary that we should find out what was wrong in the machinery of Government to allow that to happen; it is even more necessary to know whether defects in that machinery have now been fully remedied. We must find out whether the existing machinery is sufficiently streamlined to deal with any future recurrence of *Mau Mau* in another form and, possibly, under another name. I think it is true, on the whole, that the British have always been accused of basing their plans for the next war on their experience of the last one. Therefore I think it is very necessary that imagination should be brought to bear, so that any future form of subversion can be dealt with quickly and objectively.

Now, Sir, I have not advocated the holding of a public inquiry. There are many good reasons—apart from those I have already given—but I do think that it is absolutely essential that the report for which I have asked in the Motion should be made available to this Council—and to the public—as soon as possible after the inquiry has been completed.

It is also, I think, essential that any defects in the existing machinery of Government which may be revealed by the inquiry should result in immediate action on the part of the Government, with a view to rectifying them. Furthermore, if the inquiry is to achieve the objects indicated in the Motion, it is quite obvious that full access must be

(Group Captain Briggs)

given to all relevant documents, including secret documents, and therefore I should like to ask the Government, if they should see their way to accepting this Motion, to give me a definite assurance on that particular point.

Lastly, Sir, I should like to say this: should the inquiry reveal that any Government official failed in his duty to a serious degree, I should like to have an assurance that it will not be overlooked by the Government, and that suitable action will follow.

Now, Sir, to conclude my remarks, I believe that an objective and constructive inquiry such as I visualize may go far to prevent a recurrence of the events of the past three years and if we can, as a result, achieve that end and prevent future bloodshed, terror and subversion, then, Sir, I do believe the time the Council is devoting to this debate will not be wasted.

I beg to move, Sir.

MR. SLADE: Mr. Speaker, Sir, I have urged at some length the reasons why an inquiry of this kind is necessary and I do not think I need repeat those reasons now, more particularly as the hon. Mover has really covered them again to-day.

I would, however, like to emphasize just two or three points that he has made. First of all, it is very important that we make clear our position in this matter—namely that this is not a witch hunt. Indeed, Mr. Speaker, we are very much concerned with examining whether there have been deficiencies in the Government machine in the matter, but it is only part of the inquiry and it may prove to be quite a small part. We are concerned to examine just how a thing like this arose; and if it transpires in the course of the inquiry that certain individual officers are to be held to blame, I think the probability is that we should find those same officers have already departed from us. So, Sir, it is a question, as the hon. Mover said, of an inquiry to be sure, so far as we can, that such a thing does not occur again.

If I might give a very simple parallel, Sir, in farming. If an animal sickens, one's first concern naturally is to try to cure the animal concerned—that is what we have already tried to do in this

Emergency—but even more important to the farmer, is the consideration as to whether other of his animals are going to sicken, whether there is an epidemic, whether it is a dangerous thing which may spread if he does not learn from the sickness of the first animal, or whether even if there is no immediate danger, there is the possibility of the land being fouled by disease and the disease recurring at a later date. That is the nature of this inquiry, Sir; to prevent recurrence.

Sir, it is most undesirable when moving for an inquiry of this kind, that one should pre-judge the work of the Commissioner. So I will not attempt to suggest what he may find.

But again, in support of the hon. Mover, I would like to emphasize two further points. One is with regard to the historical survey to which the hon. Chief Secretary referred in a recent reply to a question by the hon. Mover. Now, Sir, I am very certain, as is the hon. Mover, that we want that historical survey; and it is not our intention that this inquiry should replace that survey. I would rather put it in the opposite way, to the way in which the hon. Mover has put it. He said that the historical survey should form part of a wider investigation. I see it rather, Mr. Speaker, the other way round; that the historical survey will come last, and will embrace this inquiry and other things as well, because in this inquiry we are concerned only with the origin and growth of the Mau Mau movement, but in an historical survey, we are concerned also with the course of the Emergency itself and what measures were taken, and to what extent they succeeded, and to what extent they failed. Now that is of extreme importance, not only for our own future guidance, but also for the guidance of other countries who may be faced with similar problems. And what I hope, Mr. Speaker, is that when this inquiry has taken place, and has been concluded, there will then be an historical survey undertaken by a professional historian of high repute who will, indeed, use the findings of this inquiry as part of his material, but will go beyond them to examine those other things that I have mentioned concerned with the course and the final termination, I hope, of the Emergency.

(Mr. Slade)

Lastly, Sir, again in support of the hon. Mover, I agree that we do not want in this case a public inquiry for the reasons that he has given, and from our own experience I think. But it is all the more important if there is no public inquiry, that the findings of the inquiry should be published, and published, as far as possible, in full. There may be certain reservations on grounds of security that have to be made; but I hope they will be kept to the very minimum, to the honest, basic minimum, if they have to be made at all. It is vitally important that if an inquiry is not a public inquiry, then the public should know that they are going to get eventually the final answer comprised in the findings of the inquiry.

Mr. Speaker, I beg to second.

THE CHIEF SECRETARY: Mr. Speaker, Sir, let me say at once the Government regards this Motion as a very different cup of tea from that of 1953. If indeed it thought it was in any way comparable, it would refuse to accept it. But, in its present terms, the Government is prepared to accept the Motion. Let hon. Members should be under any misapprehension, or think that the Government is keeping its fingers crossed about the form this examination will take; or the procedure to be adopted, I should like to make it perfectly clear now what kind of examination the Government has in mind agreeing to this Motion: It will be an examination by a suitably qualified person appointed by the Governor. The report will be made to the Governor. It will be a factual, historical examination of that happened, when it happened and, as far as can be judged, how it happened. It will not be an inquiry supported by recommendations. The detailed description of matters which should form the subjects of this examination, will be laid down by the Government, but within the limits of this Motion.

I am grateful to the hon. Mover and the hon. seconder for making it clear that there is no wish for a public inquiry. The Government could not agree to a public inquiry under the Commission of Inquiry's Ordinance. Members of the public will be allowed to submit memoranda to the person charged with this examination, but there will be no question of members of the public having a right to be heard. The purpose of the examination

will not be to allocate responsibility for anything done, or not done, before the Emergency or during the Emergency; whether or not the persons concerned are here or are not here. The object of the exercise will be an examination of those matters to which I referred in my reply to the hon. Mover's question in December last, that is to say, first the origins and growth of Mau Mau including the circumstances which permitted the movement to develop so rapidly without the full knowledge of the Government, and, secondly, any deficiencies which made themselves apparent in the Government machine. Those will be the two subjects of this examination.

Now, it is the intention of the Government that the report should be in a form which can properly be published. But hon. Members will recognize that if the person charged with this examination has access to secret documents, it may well be that the contents of those documents will be reflected in the report; if that is the case, it is inevitable that part of the report will have to be withheld from publication. The public interest will demand that that should be done. The Government cannot, therefore, give an undertaking in advance to publish the whole of the report; but the Government does recognize that one of the purposes of the report will be to restore public confidence and to make it clear that steps have been taken to remedy any deficiencies which may have existed.

With regard to the question of access to secret documents, I cannot, of course, give an absolute undertaking that the person charged with this examination will have access to every possible secret document. In many cases there are authorities concerned other than the Government.

I would refer to one point made by the hon. Mover. It would be wrong to say that action against any person in the public service would automatically follow the examination, but, no doubt, if the examination disclosed a dereliction of duty, Government proceedings would be taken in a proper manner.

GROUP CAPTAIN BRIGGS: That is what I asked for actually.

THE CHIEF SECRETARY: One further point, Sir. This factual survey and the

[The Chief Secretary] historical inquiry, will be one. If necessary, if the historical examination can be supported by anthropological documents; but we must bear in mind that this paper will be designed for the average citizen and we would not wish to include in it material which was better fitted to a scientific paper or for the decent obscurity of a learned tongue.

Sir, I beg to support.

THE SPEAKER: If no other hon. Member wishes to speak, I will call on the hon. Mover to reply.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I will be extremely brief in my reply. There are just two points I would like to comment on. First of all I would like to thank the Government for having met hon. Members on this side in accepting this Motion, having gone as far as they have gone.

The hon. Chief Secretary referred to the fact that this is a very different Motion from the one I originally moved in this Council. Of course, he is quite correct, in so far as this Motion is concerned, because the wording is entirely different, but I think the words I used was that the intention was the same. It has the same general objectives.

Now, I fully accept what the hon. Chief Secretary said in regard to the report, and it may of course be necessary that certain parts must be omitted from that report that are related to secret matters, and I fully appreciate that and I am sure everybody on this side of the Council will accept that too.

I think, subject to those particular comments, I am entirely satisfied with the reply of the hon. Chief Secretary and I thank him again for having met us on this matter.

The question was put and carried.

MOTION

REPORT ON INCOME TAX

Adjourned Debate of 29th February resumed.

MR. CROSSKILL: Mr. Speaker, Sir, when Council adjourned yesterday evening, I was just giving my opinion, that we in this Council could not properly consider the findings of the Gill Committee, nor indeed the expressions of opinion in the dismal document to which I referred,

until we do fully appreciate the basic financial position in which this country is situated at the present time. I summed up my opinion by saying that I believed the wealth of the country is inadequate at the present time to provide the revenue necessary to support the rapidly developing economy at a taxation level which is encouraging to the development which is needed by us. There, Sir, if that is anywhere near the truth, we have a very vicious financial circle which we must break in some way because I believe firmly that our only salvation lies in continued and expanding economic development. But, Sir, the Royal Commission on Lands said in their wisdom that only by reducing taxation can we increase our wealth. That, Sir, is undoubtedly a very sound economic theory, but they did not enter the controversial lists and explain how this could be translated into practical finance. How, Sir, can we do this? We know that the Minister for Finance has no fairy wand, nor has he, unfortunately, Sir, wealth in this country in the form of oil or gold on which he can draw to assist perhaps less fortunate industries. A very great problem confronts him.

The first way in which I feel that we must look, Sir, is towards loan finance. Now, I do not know whether the hon. Minister opposite, is afraid that we have reached a proper ceiling for the loans which we should have for developing this country. I do not know whether the fears are on the opposite side of the Council, Sir, or whether they are five thousand miles away, but I believe they exist, I do believe, myself, that we have not yet by any means reached the ceiling for loans which can be deemed to be unsafe. How can anyone be brave enough to state that when, Sir, we accept and realize that since 1939 our Budget has developed tenfold, and Sir, we are still expanding. We have been told recently by Mr. Troup that the productivity of the European farming industry can be increased threefold in ten years. We know that there is tremendous expansion proceeding at the present time under the Swynnerton Plan by the gift of £5,000,000 from Her Majesty's Government.

In those circumstances, Sir, I believe that it would be extremely unwise and quite wrong to say that we have reached our loan ceiling.

[Mr. Crosskill]

I have mentioned Mr. Troup's prophecy that the productivity could be increased threefold in ten years, but not, Sir, under the present circumstances. He referred to taxation in this country and he said that "taxation is a deterrent to development in farming out of proportion to the actual sums of money involved". But, Sir, in spite of these statements, authoritative, statements on the economic soundness—the basic economic soundness—of this country and its development, our policy at the present moment is to take money where we can, where it can be found, almost in desperation, "irrespective of whether it is morally or economically justified".

We were told yesterday, Sir, that "we must wait for happier financial times". With that, Sir, I profoundly disagree. I believe that it is no good sitting back and waiting for happier financial times. I believe that we must create those happier financial times by a more courageous financial policy. It is a sorry state that we are in, Mr. Speaker, but it is not one which can be righted immediately and by a stroke of the pen.

Now, Sir, first of all I should like to refer to the question of taxation which I would emphasize, a non-racial problem. It is a problem which affects us all in this country for the good of our country. I believe that the majority of African people in this country at the present time, are paying as much taxation as is equitable. On the other hand, there is a small minority which is not yet within the orbit of the present tax structure, and I think it should be altered. It is very creditable that an increasing number of Africans are raising themselves economically above the orbit of the tax structure which, at present, is designed to bring revenue from them.

We are told, Sir, that the graduated poll tax will shortly be introduced which will put this alright, as soon as administrative staff is able to deal with this matter. Well, Sir, Sir Wilfred Woods in 1946 made this recommendation with the proviso that it could not be done at the moment because the administrative staff was unable to deal with it. That, Sir, is ten years ago, but I am not complaining. I agree with what my hon.

friend, the African Representative Member, Mr. Mathu, said in the Marchant Report that he thought it was premature that graduated poll tax should then be applied and he asked for a moratorium of five years; which was granted. That five years is now over and I think the time has come. But, Sir, graduated poll tax is not going to solve our country's problems by any means. Those who have read the report, will know that it was estimated that revenue would be £3,500 and the estimated cost of its collection would be £2,500, and, therefore, we must not rely upon that to set the finances of our country aright by any means.

Again, on taxation, I believe that some Asians at the present time are very heavily taxed in relation to their means by the Personal Tax. Again others are undertaxed owing to the unsuitability of the tax structure for our social make-up which is a multi-racial one. I feel that there should be no patching now and that we should have an examination of the structure with a view to a new design altogether. Therefore, Sir, I say that if the information provided by Messrs. Pim, Woods, Plewman, Marchant, Gill and company is inadequate to provide us with the information necessary to redesign our structure on a more equitable basis, then let us have a Royal Commission. But let it, I ask, be with broader terms of reference than those which limited the report of the Gill Committee.

Yesterday I asked that we should examine other countries where the social structure was similar to our own. I mentioned Brazil. The hon. Minister opposite told me afterwards, that Brazil was an unfortunate choice because it was faced by an economic crisis at the present time. But, Sir, I did say, if I may quote, "There they have similar racial conditions to those we have here. Perhaps they have something to offer, who knows, but I think we should not be too circumscribed in our search. But, Sir, if Brazil was an unhappy choice, even if the economy is in a time of crisis, we may be able to learn from their mistakes and in any case, possibly I think the economic débacle may be due to too much reliance for their national revenue on coffee export tax."

[Mr. Crosskill]

But, Sir, if Mr. Troup and the Royal Commission are satisfied with the potential economic expansion of this country, then surely we should be satisfied that we could quite safely ask for further loans. If that is not established, Sir, then perhaps this Royal Commission could not only examine the question of taxation, but our economic potential.

Now, Sir, I wish to refer to other possible sources of revenue. I fully appreciate that without other such sources of revenue, it is quite impossible for us to ask at the moment for any great degree of implementation of the recommendations made by the Committee whose report we are debating at the present time.

Now, I am going to put forward two suggestions, one of which I have made in this Council before. That is with regard to one of the greatest capital assets which this country possesses at the present time and that is cattle. There are, Sir, in this country at the present time 7,000,000 head of African-owned cattle. They are worth maybe £50,000,000. That, Sir, is a very considerable capital asset which, I submit, is not contributing what it should to the wealth of the country. We ought to take annually from that amount of cattle 1,000,000 head, but I believe that that big asset is being mismanaged, or perhaps it would be more accurate to say, unmanaged at the present time.

Now, I have asked experts on the Meat Commission how it is that we are unable to sell the annual off-take of cattle. I am assured that their condition is so poor that their condition is of value. Now that, Sir, is a very sad state of affairs due to complete mismanagement. One can go into Samburu country by Barsoloi and Barsoloina and find large tracts of land which are over-grazed, and large tracts of land which are under-grazed showing there is mismanagement. Government has now taken steps to establish a satisfactory ranching scheme for the Tugen tribe and I only hope that they will follow up that pilot scheme belatedly with a larger one for the Samburu.

Again, the Maasai cattle; the Maasai probably possess the greatest proportion of the 7,000,000 to which I referred, but

are they, Sir, contributing to the revenue of the country as they should? I submit that they are not and I would put this, not only to the hon. Minister for Finance, but also to the hon. Minister for African Affairs and the Minister for Agriculture and ask that they will examine this seriously since this potential source of wealth is being neglected. I do feel that they should see how it could be better managed and how we, thereby, could, by graduated poll tax, or through some sales tax, increase our revenue.

Now, Sir, the second suggestion as to how we could increase our revenue. I now refer to the question of herd valuation, more particularly to the herd of cattle owned by European farmers in this country. Now, there is a great number of herds of cattle in this country which, for years past, have been on the basis which is known as the cash basis instead of a valuation basis which means that until that herd is sold, they are not subject to any form of taxation, whereas herds of cattle which are on a valuation basis, are revalued each year and any increase in value is deemed, as it is, to be profit. But, as I say, there are a number of herds in this country still on that cash basis. The owners, Sir, are financially unable to change over to a valuation basis owing to the deflated value of the pound. It would mean they would be practically ruined if they paid taxation on the appreciated value to-day as against maybe 15 years ago, based on the value of the pound 15 years ago and the value of the pound to-day.

South Africa had a similar problem to that, Sir. They immediately took the bull by the horns, and they waived, Sir, all past claims and said that they would establish a value to-day on which they would demand no payment. Since they did that, revenue has been accruing yearly from those herds and, Sir, I do urge that we could do the same thing; waive past claims and immediately we should start getting revenue from those herds.

Now, Sir, I have indicated two sources of additional revenue, and I, therefore, now wish to advocate the implementation of some of the Gill recommendations, those which will encourage very necessary development without which

[Mr. Crosskill]

we shall not find salvation in this country.

The first one, Sir, which I would ask for is with regard to averaging profits over a period of years. This, I would suggest, should refer only to agriculture. Now, no other industry in this country, Sir, is subject so much to hazard and vagaries of climate and price as agriculture.

Everywhere in the Commonwealth I think you will find that there is provision for some system of averaging of profits over a varying period of years. In this report, Sir, the pattern which was chosen for recommendation was that which is in operation in Canada at the present time. It is recognized that such a measure is necessary in order to safeguard farming economy, and all are agreed here that farming is the basis of the economy at present of this country. It must safeguard the farmer against an irregular flow of revenue which is due to circumstances which may be well beyond and outside his control.

Well, Sir, that recommendation was made by the Gill Committee and the Government reply is really rather startling. Government reply, Sir, is, "To allow averaging over this period would cause an overall reduction in revenue and would result in an irregular flow of revenue which could embarrass the Government financially". Sir, the whole point in putting this up is that it does embarrass the farmer financially to have this irregular flow, and the farmer is much more subject to vagaries of weather than the Treasury.

Furthermore, Sir, I would emphasize the claim by saying that this only refers to agriculture which is responsible for one-fifth of the income of the country, of our national income. It refers to a national income of £25,000,000 as opposed to the total of a £125,000,000 and, therefore, dealing in this manner with only one-fifth of the income of the country, I consider would not adversely affect the country's revenue in the manner which is suggested by the Minister.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Would the hon. Member, Sir, agree that the recommendation as shown on page 6 of the Sessional

Paper 11 (4), does not refer to agriculture only?

MR. CROSSKILL: I think the hon. Minister, I do not appreciate that fully, but I hope he will appreciate, Sir, that I am putting this specifically forward for agriculture.

The next concession which I submit should be granted is not purely for agriculture, but for industry of all kinds. It is a request which has been made many times and I believe should have ready acceptance now. It is with regard to deductions of capital development which can be included as expenditure to be counted against annual revenue.

Now, Sir, in advocating this, I would first like to read a short extract from the report. With regard to such deductions it says, "There is a tendency to regard any deductions in respect of capital expenditure as inherently wrong, and, if granted at all, then granted only by way of grace or concessions. That such a misconception has continued to flourish, or be nurtured by the proper interpretation of any words in the act, we think most undesirable". Therefore, the Committee, Sir, supports wholeheartedly this principle which indeed is customary throughout the Commonwealth. In the United Kingdom farmers there are treated in a much more favourable manner with regard to development than in this country where surely the development is more necessary than after hundreds of years of development which has taken place in the United Kingdom.

There was some doubt in the minds of the members of the committee, Sir, as to whether it would be an advantage. They submitted that the small deductions taken annually over a long period, were possibly more to the advantage of the farmer than an immediate large deduction. But, Sir, there again I believe they were criticizing this perhaps more in the light of agriculture in the United Kingdom than in a young country such as ours here. I do strongly recommend that it is necessary, these larger deductions, in this country for this particular reason. What is most valuable to a young farmer, who is starting to develop not a farm but land, is that he shall not, after his first crop, cash crop, wheat or whatever it may be, be taxed heavily so extracting money from him which he should put

[Mr. Crosskill]
...the further development of his
...Conditions here, Sir, are entirely
...there start they are in the
...United Kingdom. Even in the
...Kingdom they have those development
...conditions. Therefore more should
...we have them. Sir, I submit, out in this
...country.

We have heard, Sir, to-day of very
...assistive assistance given to the hotel
...industry. It looks, Sir, as if Government
...is having a change of heart; perhaps to-
...day that has started. Now if encourage-
...ment in that way can be given to the
...hotel industry, I do submit, Mr. Speaker,
...that similar or more encouragement
...should be given to the agricultural
...industry which provides us with our food.

Finally, Sir, I would not like to lay a
...Nigeria, as a paper which has been
...discussed in a different way here than
...in this Council and it is with
...reference to Nigeria. I know Sir that it is
...a subject one or which arises in the
...Royal Commission or another described
...in his historical records. I know it was
...said by Mr. Crosskill and discussed by the
...Honourable Member but was essentially
...about some income Government has
...made over years of encouraging the
...development of undeveloped land and
...therefore they have not that much that
...Sir, I think, Honorable would like to
...discuss that we would certainly con-
/>sider it in our report. It was after a great
/>...time that we had a general poll tax.

...I would like to suggest to the
/>...Honourable Member that it is
/>...a very important matter which, with-
/>...out any more statistics and financial
/>...statements which might well be adopted in
/>...the report of the Commission, the hon.
/>...Member, that Sir, I do submit, Sir,

...I think that the
/>...Commission should be
/>...able to make a
/>...very valuable
/>...report on the
/>...taxation of
/>...the country.

THE MINISTER FOR AGRICULTURE,
/>ANIMAL HUSBANDRY AND FORESTRY
/>MEMBER: I am sorry to interrupt the hon.
/>Member, but I should advocate a graduated
/>poll tax for cattle owners, or a tax on per
/>head of cattle?

MR. CROSSKILL: Mr. Speaker, refer-
/>ring back to the question of cattle, it was
/>recommended in the Minister's
/>Committee Report that if the Masai were
/>taxed under the graduated poll tax
/>system, revenue would be increased from
/>£500 in the country to £10,000. But, Sir,
/>that seems to me not very satisfactory and
/>that the amount raised thereby is not
/>commensurate with the tremendous size
/>of the wealth which they possess and
/>therefore, I put in Sir, to the hon.
/>Minister that it should consider not only
/>the graduated poll tax system, but
/>whether or not it would be more equi-
/>table, more effective to introduce a system
/>of sales tax. Sir, I proposed to four
/>years which I have recommended might
/>also be given one of our districts. The
/>first thing to consider is the amount of
/>income and revenue by those two
/>methods. I have suggested that though
/>the hon. member has said to start with
/>the poll tax, he has suggested the tax system
/>which I believe to be the most equitable and
/>satisfactory in the long run. The point that
/>we should note is that such a small
/>concession, which will be the incentive to
/>development, which is so necessary to our
/>country.

...I would like to suggest to the
/>...Honourable Member that it is
/>...a very important matter which, with-
/>...out any more statistics and financial
/>...statements which might well be adopted in
/>...the report of the Commission, the hon.
/>...Member, that Sir, I do submit, Sir,

...I think that the
/>...Commission should be
/>...able to make a
/>...very valuable
/>...report on the
/>...taxation of
/>...the country.

[The Minister for Finance and
/>Development]
/>he would be good enough to let us know
/>the title of that book? Am I correct in
/>saying it was "Let 'Em Eat Cheeseecake"?

MR. CROSSKILL: The hon. Minister is
/>quite correct.

Mrs. SHAW: Mr. Speaker, Sir, I do
/>not intend to go in for the marathon on
/>the Gill Report and the Sessional Paper
/>which opened this debate. I am not an
/>expert on fiscal policy, and, in fact, I
/>feel rather diffident in entering these
/>lists at all. But I do so to put a few
/>suggestions and points which have struck
/>the ordinary man in the street—the non-
/>expert—which I submit, Mr. Speaker,
/>might include the bulk of the taxpayers.

The Minister for Finance in his apolo-
/>gia said that for a variety of reasons
/>Government could not accept most of the
/>recommendations in the Gill Report.
/>But what strikes one in reading that Ses-
/>sional Paper, is not that it is for a
/>variety of reasons, but that the same reason
/>is put forward time and again and
/>that is the loss of revenue which would
/>accrue from the acceptance of the recom-
/>mendations. Now the Gill Report is a
/>survey of what the tax-paying public feel
/>about the method of tax impositioning.
/>Also they are recommendations. I sub-
/>mit, of men who are expert in the field
/>of fiscal policy and I do not think that
/>Government should reject their advice,
/>advice given after long and careful
/>study of a mass of evidence from all
/>sections of this community, solely on the
/>grounds of loss of revenue, without pos-
/>sibly exploring the possibility of replac-
/>ing this loss by some other form of
/>taxation more acceptable to the general
/>taxpayer. There, again, I am not suffi-
/>ciently expert to put forward alternative
/>suggestions, as my hon. and should say
/>hated friend, the Member for Mau
/>has done—I leave that to the Minister
/>for Finance, whose field it is.

Turning to the Sessional Paper, there
/>are one or two points that I must ask
/>the Minister to enlarge on in his reply.
/>For instance, on page 5 of the White
/>Paper, Recommendation No. 17, where
/>it says, "All taxpayers should be placed
/>on the same basis in regard to expendi-
/>ture incurred on leave passages for them
/>and their families, regardless of whether
/>such expenditure is met by the taxpayer

or by his employer," why is it that there
/>is a differentiation between one class of
/>taxpayer and another in regard to the
/>amount allowed for income tax pur-
/>poses in respect of leave passages?

THE MINISTER FOR FINANCE AND
/>DEVELOPMENT: I wonder, Sir, if the hon.
/>and gracious Member was present when
/>I referred to the fact in my opening
/>speech that these have now been altered
/>and corrected?

Mrs. SHAW: I am very glad to hear
/>that; thank you.

Turning to page 8 of the White Paper,
/>Recommendation No. 11, which my col-
/>league, the hon. Member for Mau has
/>referred to, I must stress this again. The
/>recommendation says, "In the case of
/>agricultural undertakings an option
/>should be extended for the cost of cap-
/>ital expenditure on a wide range of
/>improvements to be claimed as a deduc-
/>tion in full from income of the year in
/>which the expenditure is incurred." Now
/>the recommendation is for certain capital
/>or development expenditure of agricul-
/>tural undertakings to be allowed as a
/>deduction from income tax in the year in
/>which it is incurred. It seems unfortunate
/>that Government should defer decision
/>on this matter until the Commission to
/>be appointed has considered it. The
/>Commission is unlikely to be able to pro-
/>duce its report before the end of 1956,
/>and, Mr. Speaker, I submit that if Gov-
/>ernment takes as long in publishing this
/>as it did the Gill Report, it means that
/>consideration of this matter will be de-
/>ferred until 1958 at the earliest. As it
/>must be Government's policy to encour-
/>age the development of agriculture in this
/>country, and the implementation of
/>the recommendation would encourage
/>farmers to develop their land more
/>quickly, it seems that such a statement is
/>very undesirable. The Government may
/>lose £400,000 in the first year, but it will
/>gain in subsequent years and, ultimately,
/>assuming that the rates of tax remain the
/>same, there is no loss to Government
/>whatsoever. May I ask the Minister for
/>Agriculture to do some special pleading
/>for the farmers in this matter.

Turning to page 9 of the White Paper,
/>Recommendation No. 18, where it says,
/>"Deductions should be allowed in respect
/>of reasonable medical expenses incurred
/>by a taxpayer on himself and his de-

[Mr. Crosskill] back into the further development of his farm. Conditions here, Sir, are entirely different from what they are in the United Kingdom. Even in the United Kingdom they have those development concessions. Therefore even more, should we have them, Sir, I submit, out in this country.

We have heard, Sir, to-day of very laudable assistance given to the hotel industry. It looks, Sir, as if Government is having a change of heart; perhaps to-day that has started. Now if encouragement in that way can be given to the hotel industry, I do submit, Mr. Speaker, that similar or more encouragement should be given to the agricultural industry which provides us with our food.

Finally, Sir, I would just like to lay a bogey—to lay a bogey which has been flaunted as a threat over our heads many a time in this Council and that is with regard to Schedule A. Now, Sir, that is a property tax on which evidence in the Royal Commission on taxation described as an historical curiosity. I know it was raised by Mr. Troup and discussed by the Farmers' Union but was eventually turned down, because Government has found other means of encouraging the development of undeveloped lands; and, therefore, they have cast that aside. But, Sir, if the hon. Minister would like to introduce that, we would certainly consider it as long as it were offset against income tax or graduated poll tax. But, Sir, I would like to suggest to him that he might consider Schedule B which is a rough and ready assessment without taking into account statistics and financial accounts which might well be adapted to the use of this country in its present stage of development. That, Sir, is Schedule B.

Now, Mr. Speaker, finally I have indicated four steps which I sincerely believe would assist in getting us through our financial difficulties. I believe that we are justified and that we should see that our loan ceiling is raised.

Secondly, I believe that we can increase revenue, maybe only in a small way initially, but we can in the two ways that I have suggested.

Thirdly, Sir, I do believe that in—

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: I am sorry to interrupt the hon. Member. In dealing with the cattle, was the hon. Member advocating a graduated poll tax for cattle owners, or a tax on per head of cattle?

MR. CROSSKILL: Mr. Speaker, referring back to the question of cattle, it was recommended in the Marchant Committee Report that if the Masai were taxed under the graduated poll tax system, revenue would be increased from £3,500 in the country to £10,000, but, Sir, that seems to me not very satisfactory and that the amount raised thereby is not commensurate with the tremendous size of the wealth which they possess and, therefore, I put it, Sir, to the hon. Minister that he should consider not only the graduated poll tax system, but whether or not it would be more equitable, more effective to introduce a system of sales tax. Sir, I referred to four steps which I have recommended might assist us in getting out of our difficulties. The first being to raise our loan ceiling, which I believe is justified; the second to increase our revenue by those two measures I have suggested even though the flow might be small to start with; the third, Sir, to redesign the tax structure, which I believe to be inequitable and unsuitable to our society. The fourth, that we should now, Sir, start making small concessions which will be an incentive to development, which is so necessary to our country.

In talking about incentives, Sir, I would just quote a dedication of a book which I recently read. It is dedicated to "One who, by repeated urgings, drove me on, shared with me for richer or for poorer and to whom I shall always, as long as I live, owe a great debt." It was dedicated, Sir, to the Commissioner of Income Tax. That, Sir, I submit is not the incentive that we require. That, Sir, is the whip. Now a much greater incentive I suggest is if at the end of the whip, on the lash, is attached a carrot. That, Sir, I think is the incentive that is required and it can be supplied, Sir, by a more courageous and imaginative financial policy.

Mr. Speaker, I beg to support.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, before the hon. Member concludes, I wonder, Sir, if

[The Minister for Finance and Development] would be good enough to let us know the title of that book? Am I correct in saying it was "Let 'Em Eat Cheesecake"?

MR. CROSSKILL: The hon. Minister is quite correct.

MRS. SHAW: Mr. Speaker, Sir, I do not intend to go in for the marathon on the Gill Report and the Sessional Paper which opened this debate. I am not an expert on fiscal policy, and, in fact, I feel rather diffident in entering these lists at all. But I do so to put a few suggestions and points which have struck the ordinary man in the street—the non-expert—which I submit, Mr. Speaker, might include the bulk of the taxpayers.

The Minister for Finance in his apology said that for a variety of reasons Government could not accept most of the recommendations in the Gill Report. But what strikes one in reading that Sessional Paper is not that it is for a variety of reasons, but that the same reason is put forward time and again and that is the loss of revenue which would accrue from the acceptance of the recommendations. Now the Gill Report is a survey of what the tax-paying public feel about the method of tax imposition. Also they are recommendations. I submit, of men who are expert in the field of fiscal policy and I do not think that Government should reject their advice when given after along and careful study of a mass of evidence from all sections of this community, solely on the grounds of loss of revenue, without possibly exploring the possibility of replacing this loss by some other form of taxation more acceptable to the general taxpayer. There, again, I am not sufficiently expert to put forward alternative suggestions, as my hon. and should say learned friend, the Member for Mau Mau has done—I leave that to the Minister for Finance, whose field it is.

Turning to the Sessional Paper, there are one or two points that I must ask the Minister to enlarge on in his reply. For instance, on page 5 of the White Paper, Recommendation No. 17, where it says, "All taxpayers should be placed on the same basis in regard to expenditure incurred on leave passages for them and their families, regardless of whether such expenditure is met by the taxpayer

or by his employer," why is it that there is a differentiation between one class of taxpayer and another in regard to the amount allowed for income tax purposes in respect of leave passages?

THE MINISTER FOR FINANCE AND DEVELOPMENT: I wonder, Sir, if the hon. and gracious Member was present when I referred to the fact in my opening speech that these have now been altered and corrected?

MRS. SHAW: I am very glad to hear that; thank you.

Turning to page 8 of the White Paper, Recommendation No. 11, which my colleague, the hon. Member for Mau Mau has referred to, I must stress this again. The recommendation says, "In the case of agricultural undertakings, an option should be extended for the cost of capital expenditure on a wide range of improvements to be claimed as a deduction in full from income of the year in which the expenditure is incurred." Now the recommendation is for certain capital or development expenditure of agricultural undertakings to be allowed as a deduction from income tax in the year in which it is incurred. It seems unfortunate that Government should defer decision on this matter until the Commission to be appointed has considered it. The Commission is unlikely to be able to produce its report before the end of 1956, and Mr. Speaker, I submit that if Government takes as long in publishing the assessment it did the Gill Report, it means that consideration of this matter will be deferred until 1958 at the earliest. As it must be Government's policy to encourage the development of agriculture in this country, and the implementation of the recommendation would encourage farmers to develop their land more quickly, it seems that such deferment is very undesirable. The Government may lose £400,000 in the first year, but it will gain in subsequent years and, ultimately, assuming that the rates of tax remain the same, there is no loss to Government whatsoever. May I ask the Minister for Agriculture to do some special pleading for the farmers in this matter.

Turning to page 9 of the White Paper, Recommendation No. 12, where it says, "Deductions should be allowed in respect of reasonable medical expenses incurred by a taxpayer on himself and his de-

(Mrs. Shaw) — The Government's reply is, "Medical expenses are one of the many burdens which fall on the private individual in the course of his daily life and, while there are precedents in other countries for deductions from income in respect of medical expenses, the desirability of accepting the recommendation is doubtful. It would add substantially to the administrative burden falling on the Department, and the Department could not handle this additional burden at the present time". I think that is a very weak answer. Government servants normally receive free medical treatment which is, I believe, not regarded as part of their remuneration for income tax purposes. The non-Government servant may have to pay his own medical expenses which he cannot regard as an expense against income for tax purposes. Here again, as in note 2 above, different classes of taxpayers appear to receive different treatment in regard to medical services.

Turning to section 49, paragraph 30, it is well known that Government have what I might describe as an "African attitude" towards women. But it is quite extraordinary to me that they should support taxation, which, as the Gill Committee Report points out, puts a premium on living in sin. As to the Minister's contention that sufficient English is not known to implement the recommendation in paragraph 33, I would only say that never yet in 29 years, even in the most outlying district where I live, have I ever received an invoice written in Swahili, Hindi or, indeed, in anything but English. It has always been in English and quite legible English, so I think there again that recommendation is rather feeble.

The Minister has stated that the door is not closed, although it seems to me that Government has given it a very good slam, but I would remind him, that doors that are left closed for too long, are apt to become rusted and are very difficult to reopen.

The hon. Member for Mau, in his very excellent speech, gave us a list of the fiscal inquiries that have been held within the last five years. It is an impressive list but unhappily most of their recommendations have shared the

same fate and are now lost in the limbo of forgotten things.

Those committees were all appointed as a result of public clamour. They all sat and deliberated a long time and Government in turn sat on their reports an even longer time and finally rejected their recommendations hoping, I believe, that by then public clamour would have turned its roving eye elsewhere. That has been the form and this White Paper shows that Government—the Treasury, I may say—is again running true to form in this matter, but the clamour always starts again, which proves—if we are to believe one of those ill-fated reports—that our tax burden is not too light, for Mr. Plewman says in his report: "To tax too lightly is also wrong, for a community which is unconscious of its taxes is unlikely to take an intelligent interest in its tax policy and thus to help to improve the system". Well, I may point out that we are all, on this side, extremely anxious to help to improve the system; but I am not so certain that our advice is going to be taken in the spirit in which it is offered.

In conclusion, I should like to quote again from the Plewman Report, a very excellent report, and commend the advice contained in paragraph 108 to the Minister for Finance, for although it was written in 1947, I believe it to be very applicable to our present situation, for in the report the author states: "There must be obviously moderation in all matters. The level of taxation may have to vary with the times and must always take into account the level of economic activity proper to the Colony. Wartime taxation has in it a commendable element of sacrifice, but in such taxation, as in the restrained use of resources in time of war, there must be respite when the national emergency has ended if enterprise and progress is not to be impeded".

Mr. Speaker, Sir, I beg to support

THE SPEAKER: I feel that I should draw the attention of hon. Members, perhaps more especially of the hon. and gracious lady who has just spoken, to Standing Order 62 which refers to the reading of speeches. As long as hon. Members perhaps—I would not know—read their speeches from their seats, I can imagine perhaps that they are merely

[The Speaker] refreshing their memory by reference to notes, but if they come down to the Table and place thereon a typescript speech which they then proceed to read over, I am afraid that I can no longer pretend to delude myself. I am after all here to see that within reason Standing Orders are adhered to.

MR. SLADE: Mr. Speaker, Sir, I beg to move an amendment to the Motion. I move that the Motion be amended by inserting the word "regretfully" immediately before the words "takes note". Then, Sir, if that amendment were passed the Motion should read: That this Council records its appreciation of the valuable services of the Chairman and members of the Income Tax Committee, Kenya, 1952-54 and regretfully takes note of the contents of Sessional Paper No. 6 of 1955.

Mr. Speaker, I am certain that we are all of one accord in recording our appreciation of the valuable services of the Chairman and members of this committee. What does strike me, and I know many other hon. Members, is that if this Sessional Paper was intended as evidence of Government's appreciation of that valuable service, it is the most unconvincing evidence I have ever met. Because, Sir, this Sessional Paper is indeed regrettable in the light of this work, the skill, time and experience that was put into this report, it is an almost incredibly carefree and casual handling aside of a work of very great value. In almost every comment on the recommendations of this report, we find Government, in this Paper, either begging the question or postponing the question. Begging the question, Sir, is apparent in every case where the answer of Government to the recommendation of the report rests on alleged loss of revenue; and we find it many, many times throughout this Paper. On many occasions it is the only reason that Government gives for not accepting a recommendation of the report.

But, Mr. Speaker, there are two completely distinct issues, as pointed out so clearly at the outset of this report, and in the passage which is quoted in the Sessional Paper itself in paragraph 2. There is the question of the management and collection of income tax, which of

course includes methods of assessment. That is covered by an Act of the High Commission. There is the separate question of rates of tax. That is covered by an Ordinance of this Colony. Could there be more clear evidence, Mr. Speaker, of the difference between those two issues than the fact that one is governed by an Ordinance of this Colony and the other is governed by an Act of the High Commission?

The terms of reference of this committee were limited exclusively to the Act of the High Commission. Their terms of reference were "to study the Act of the High Commission, to provide for the management and collection of income tax by the East African Income Tax Department and to make recommendations for amendments which should be made to this Act". They were not concerned in the least, Mr. Speaker, with rates of tax or ultimate revenue; nor, Mr. Speaker, in considering the merits of this report, is Government or are we in the least concerned with rates of tax or ultimate revenue.

The question here on which this committee was asked to advise is how tax should be collected, what should be the basic principles of assessment; that is a question on which they have advised, and the merits of their advice must be quite independent of the amount of revenue we want to raise. They have made careful recommendations as to certain measures designed to improve the methods of collecting and assessing tax. If those methods that they recommend are right, they should be adopted, Sir, and if the adoption of those methods means that the consequent revenue to this Colony under existing rates of tax falls short of what the Colony needs, the rates of tax have to be amended. If you have to amend the rates of tax to arrive at the same revenue as you had before, it means indeed that some people pay more tax, but others are paying less, and you are arriving at the right method of assessment. Because these questions of assessment are questions of equity; they are questions of encouraging development; questions of encouraging the welfare of the community; not encouraging, as has been pointed out, that people should live in an unmarried state, so as to have

[Mr. Slade]

a better position under the income tax law.

Mr. Speaker, I do contend that Government, every time they answer this report by saying that that recommendation means loss of revenue, are begging the question. They must not be allowed to get away with it. Supposing Government were forced to drop that answer and to look for other answers to the recommendation of this committee, I do believe, Mr. Speaker, that they would have to accept almost every one of these recommendations; either on the grounds that they do indeed encourage development and thereby, of course, the production of further tax; or that they are in the best interests of social welfare and morality; or that they are just downright equitable. They could not have avoided accepting them, if they had not resorted to this alleged loss of revenue; and I ask, Sir, even now, that Government should consider these recommendations on their merits and not have regard to subterfuge of that kind.

The other reason for regret, Sir, which I have mentioned already, is that where the question has not been begged it has been postponed. As the hon. Member for Nairobi North pointed out in his detailed analysis of this Sessional Paper, in almost every case where loss of revenue is not given as the excuse for rejecting the recommendations of the report, it is acknowledged that there is some merit in the recommendations of the report but proposed that consideration of those merits should be passed on to this Commission that we are yet to have in the future—the clearest possible example, Mr. Speaker, of never doing to-day what you can put off until to-morrow. Not a very good policy, and we have seen it too often in matters of this kind.

What are to be the terms of reference of this Commission? Are they to be the same as those of the Gill Committee? Are they really to cover the same ground all over again? If so it is a fine tribute—fine expression of appreciation of the value of the work of the Gill Committee. And what prospect is there again, if their terms of reference are to be the same, that they will receive any more serious consideration

than this report has received, when we have waited another two years for their report? But if their terms of reference are different, then surely the recommendations put forward by this committee in accordance with their terms of reference must be considered now. They cannot be put off for a Commission that is going to have different terms of reference.

It is, Mr. Speaker, quite inexcusable, having waited all this time, that Government should answer so many of these recommendations by saying yes, yes, we will put that before the Commission for them to consider.

I will not waste time, Mr. Speaker, commenting on the series of quite unintelligible arguments which appear in this Sessional Paper and to which the hon. Member for Nairobi North has referred. I will remind hon. Members where they occur—examples of them. One is on page 9 of the Sessional Paper under sub-paragraph (21), an astonishing proposition about reducing the cost of the purchaser's capital investment. Another winner is on page 10, a commentary on sub-paragraph (25). Sub-paragraph (25) dealt with the question of allowable reserves from income in order to make capital developments, and the argument was that this was objectionable because it did not take employees into account.

My hon. friend, the Member for Nairobi North, has dealt with that one.

Mr. Speaker, there is a series of particular items in the recommendations of this committee, and in the reactions of this Sessional Paper, with which I am very deeply concerned. I think I need only mention four of them now. Two of them have been discussed at some length already, and I will only just mention them briefly again. One is the proposal mentioned on page 6 of the Sessional Paper, sub-paragraph (4), that incomes should be averaged. Mr. Speaker, I cannot for the life of me see the equity of refusing that recommendation that the taxpayer should be allowed to average his income over five years, whether farmer or otherwise. What justice can there be in making a man who happens to have a fluctuating income pay more tax than the man who has a steady income? I am sure all of us would much

[Mr. Slade] rather have the steady income, and yet be penalized for his misfortune owing to the nature of his business or trade.

The other one, Sir, on which other speakers have already touched, is on page 8 of the Sessional Paper, paragraph 11: the option, in the case of agricultural undertakings, to deduct in full from the income of the year the cost of capital expenditure on a wide range of improvements. There again, Mr. Speaker, I cannot see that any just ground has been put forward by Government as to why that should not be allowed in the light of the very reasoned arguments given by the committee for its recommendations. Indeed, Sir, this is one of the cases where Government does not actually say no, we will not do it. After some 12 lines of what can only be described as "blurb", we get the words: "Nevertheless, the Government considers that this important matter should receive special study by the Commission to be appointed to inquire into income tax in East Africa". Why not now, Mr. Speaker? Why not a special study now, and answer?

I refer now to two more detailed items. Sir, one is page 10 of the Sessional Paper, a commentary on sub-paragraph 25; the question of section 22 of the Act and the extent to which companies or undertakings are to be allowed to hold back profits from distribution. Now it does appear to me again, that Government has just not taken this recommendation seriously at all. They start by saying that really section 22 has nothing to do with this matter at all, but of course it has. It is section 22 which lays down whether there is to be a 100 per cent distribution or a smaller percentage; which means that it is touching this vital question, whether companies can hold back profits for further development without their members being taxed according to their individual rates. Now you could not, Sir, believe, reading this Sessional Paper, that Government is here answering a long, detailed argument by the committee on this most vital subject. There is no reference in this Sessional Paper to the arguments advanced by the committee, that I can see. What the committee recommended was that there should be a special committee set up, rather similar to the Special Commission of the United Kingdom, and

that it should be the functions of that special committee to deal with the charging of surtax on the undistributed profits of certain companies. But the essence of the recommendation in this committee's report is that the special committee should examine whether or not the profits retained and withheld from distribution were necessary or advisable for the maintenance and development of the company's business. Now those words "necessary or advisable for the maintenance and development of the company's business" are quoted, and the Gill Committee pointed out that they were taken straight from section 246 of the United Kingdom Act; in other words, they were following a clear precedent. They pointed out that the marginal note to that section in the United Kingdom Act consists of the words "Tests of adequacy of distribution of income", and that is the point, Mr. Speaker. There must be somebody impartial to decide to what extent the distribution of income is adequate; and that should be the yardstick—what is necessary or advisable for the maintenance or development of the company's business. But Government, in its Sessional Paper, just ignores all that. They ignore the reference to the precedent in the United Kingdom; they ignore all the arguments; they just let it slide.

One last point to which I would make reference, Sir, is on page 11 of the Sessional Paper, sub-paragraph (3)—the recommendation that English should be the only officially recognized language for the purpose of the Act. Now, Sir, I would strongly support other speakers who have pointed out that although it may be premature, as Government says, to insist on the universal use of English at the present time, that is not what the committee recommended. What the committee recommended was that it should be compulsory for those who want to conduct businesses which will render them liable to taxation, that they should conduct their businesses in such a way that the tax can be properly assessed; in other words, keeps their books in English. If they are able and fit to conduct a business, they are fit to have their books kept in English, and they should not be entitled to conduct business otherwise.

Now, Mr. Speaker, if Government is afraid of doing this because it is premature, I might ask the question—Is the

[Mr. Slade] new Companies Bill that is under consideration by the High Commission premature? Because that, I understand, provides that, for the purposes of that Bill, if it becomes law, all accounts are to be kept by companies in English. Perhaps that consideration is premature. If so, we should let the High Commission know, before they waste too much time on it.

Mr. Speaker, I do not think I need say any more about this, which the hon. Member for Mau so rightly described as a dismal document. It is indeed a disgraceful document—a matter for deep regret—but there is yet time for Government to reconsider this report and really take it seriously instead of brushing it aside; and I do beg them to do so, Mr. Speaker, and that is the purpose of this amendment.

LT.-COL. GHERSIE seconded.

THE SPEAKER: You have already spoken.

MR. USHER seconded.

Question proposed.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I have enjoyed the speeches from the hon. Members on the other side of Council. They reminded me of rather versatile trapeze artists rolling along with their bicycle wheels completely off the floor. In other words I would really like to ask hon. Members opposite to come down a little bit to earth and consider the actual financial position of this country, and in particular I want to deal with it in so far as it affects my portfolio.

The hon. and gracious lady for Nyanza asked me if I would specially plead with my hon. friend the Minister for Finance for taxation reliefs in regard to developments on farms and whether I would advise him. Now, Sir, nobody likes taxation. Much the most popular thing in the world you can do is get up and really be, I think, like Janus facing two ways; one way you require reduction in taxation and then you turn about and demand more services. Now what in effect, is the hon. and gracious lady from Nyanza asking me to do as Minister for Agriculture? I am quite prepared to take a special pleading with the Minister for

Finance for development reliefs on taxation on agriculture, but, Sir, if I do so, he undoubtedly will come back to me and will say that the effect of this on the revenue, despite the rather contemptuous and light way in which it has been cast on one side, will be to the order of £300,000 a year.

Now I thought hon. Members would like to know some of the demands that I have to make on the Minister for Finance, not only should I have to plead with him to give the farming industry relief to the extent of £300,000 a year, but, having done that—having relieved the revenue of that amount of money—we have got to find additional money. We have got to find it in my own portfolio alone for the following demands which have come up from hon. Members opposite. Special research staff for foot-and-mouth: £75,000 for the building of an institute for foot-and-mouth. A special examination of Newcastle Disease in poultry. I have had a demand of over £25,000 for wheat breeding of special strains. I had recently, in one hon. Member opposite's constituency a request for a fertilizer subsidy. That was followed with a demand for £6,500 for research in coffee—(Inaudible interjection)—Yes, I have had to come down from my bicycle and pedal very hard to meet any of these things. Artificial insemination centre—more bulls required to develop the beef industry. One-quarter to half-a-million pounds worth of money for the development of water and water resources alone. £1,000 for a show at Salisbury to advertise the agricultural industry. £3,500 for a show in Newcastle to advertise the agricultural industry. Innumerable demands—£250,000 loans to African farmers. (Anonymous interjection—Don't get excited.)

I am not, I am really enjoying myself. £485,000 for development loans for the agricultural industry. And finally, Sir—

LT.-COL. GHERSIE: On a point of order, Sir, has what the Minister is saying at the present moment anything to do whatsoever with the Sessional Paper on the Gill Report?

THE SPEAKER: The hon. Minister was asked a question on this subject from your side and I think he has every right to reply.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Thank you, Mr. Speaker. We have had to sit here and be fatigued for the last two hours and it will do hon. Members no harm to allow us to throw some of the cabbages back. I felt terribly wicked when the hon. Member for Aberdare was speaking and it is only reasonable that he should feel wicked too.

Now, Sir, the hon. and gracious lady for Nyanza is a particularly important Member over roads for Nyanza and very recently in her constituency very great demands were made on me, as a Minister of the Government, for rail communications and better roads. Now all I want to say to hon. Members—how are these to be provided if the plea that the revenue will suffer is to be brushed on one side? If I go to the hon. Minister for Finance and ask him to relieve the agricultural industry of income tax burdens of £300,000 in order to secure development, he has to find that money somewhere, and the point I am really trying to make, Sir, is I believe that as a Government we can meet some of these demands, but we can only meet them if the people of this country, in co-operation with ourselves, will really resist the cry for more and more services. It is easy enough to say the Government is extravagant; it is easy enough to say it could effect economies in the portfolio, one immediately has a deputation to ask why the service has been cut. What I really want to emphasize, Sir, I think it is illogical for hon. Members to castigate the Government for this Paper in the financial circumstances of the moment. In effect, if we cut our revenue by granting taxation reliefs in any form, that relief can only be met in one of two ways. It can only be met either by a reduction in services—and I gave that long list to hon. Members to show the sort of demands that are coming up from hon. Members or their constituents; alternatively it can be met by Her Majesty's Government. I do put it to hon. Members in view of the financial help which we have had from Her Majesty's Government, are we really entitled to make a considerable reduction in revenue and turn round to the people of Great Britain and ask for more money? I do submit that we have

got for the moment to accept the position we are in in the hope that we can lighten it in the future. Now, Sir, I would be speaking for the whole of the Government to say that the Government itself is not opposed in any way to development reliefs. What it finds difficult, is how to finance them at the present time and the point that the hon. Member for Aberdare made in regard to, I think he said "special study now, why not have it now", is this, Sir. If we made that special study now, there would be no possible hope whatever of meeting the point, but if we can postpone it and examine it in a year or two when the financial position has improved, there is every likelihood that the Government can meet some of the points that have been raised. Now I must emphasize, Sir, it is not the Government's wish to throw this report on one side. It is unfortunately the financial strait-jacket in which the Government finds itself.

Now, Sir, might I just go on to one or two points which the hon. Member for Mau raised with me, and I must deal with them because I feel that he is advocating something which, if he changed places with me—and it would really be quite suitable that he should and then I should have the fun of saying the things that he has said—would be quite impossible. It would be disastrous to have a sales tax on cattle. My greatest task as Minister for Agriculture is to stimulate the flow of cattle so that I can relieve the land of the pressure, improve the grazing and thus raise the carcass weight, and obviously if we are going to embark on anything like that—and I am perfectly prepared to look at it in my Ministry—we ought to place on the cattle-owning tribes something in the nature of a grazing fee, with which we possibly could finance the sales of cattle from the area. There is one other factor, Sir, we cannot arbitrarily remove cattle from these areas because we have to examine the economy of the family in the area. If we were to destock too ruthlessly to-day we would have a problem on our hands, but one of famine relief, and what we lost in the sales tax we might very well have to replace in feeding the areas concerned.

There are one or two points on this, Sir, I think it is possible for us, through a development which must take five to

[The Minister for Agriculture, Animal Husbandry and Water Resources] seven years, enormously to increase the wealth from the cattle-owning people, but it can only be done by a plan which meets the needs for quarantine to overcome disease, holding grounds to contain the cattle while they are waiting to move out during the inoculation period, and the whole of their disposal, and in that I certainly would want the help of the hon. Member in particular because—

Mr. CROSSKILL: Mr. Speaker, would the Minister agree that when he says that you must not destock too quickly, would he agree with me that there are 14,000 head of stock in the Tugen Reserve when there should be 3,000?

THE SPEAKER: I would draw the attention of the hon. Member to the fact that he has had a chance of developing his argument. Members must not intervene in order to produce further arguments which they forgot to use when making their contribution to the debate.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: No, Sir, I would not agree with the hon. Member.

I did not wish, Sir, really on a taxation report, to bore the Council with a lengthy discussion on the development and maintenance of the beef industry in African areas. What I was trying to say, Sir, is that if we are going to raise the wealth of the African cattle-owning areas, we can only do so on a long-term plan which considers grazing control, the provision of holding grounds and movement out of the area, and I would hope, in order to stimulate the revenue as the hon. Member has said, that he will help me deal with the political clamour, if it arises in his constituency, over the movement of cattle from a foot-and-mouth area under inoculation, because it is quite certain that we cannot solve the stock problem and hence increase the wealth, unless we can have freedom of movement. So I shall rely on the hon. Member to assist me in that way and I shall also rely on his assistance in helping me obtain suitable holding grounds for cattle in the outward move-

ment from the reserves, if those should prove necessary.

Now, Sir, I really have dealt, I think, with the two points he has raised and I should like finally to say this. As the Minister for Agriculture nothing would please me better than to do this special pleading with the Minister for Finance, but I can only do so, in justice to the Minister for Finance, if I can present him with a reasonable method of meeting the revenue which I am asking him to give up. That is not only my task; it is the task of every citizen in this country and I do feel in many ways that we—we, I mean the people of this country, not the Government—have got into the habit of demanding services, getting excited when they are not provided and equally excited when they have to be paid for.

THE SPEAKER: I would draw the attention of Council to the fact that what I wish to do is to dispose of the amendment to the Motion and then we can carry on debating the Motion as it stands, either in its amended form or as it appears on the Order Paper. The amendment is—it is proposed, and seconded as to whether the word "regretfully" should be imposed between the words "and" and "takes" in the third line of the Motion as it appears on the Order Paper. That is the subject we are discussing.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I do not purpose to keep the Council very long in saying that the Government, for obvious reasons, cannot accept the amendment.

(Cry of "Shame".)

I do not propose, Sir, to bandy words like "disgraceful", exchange for the word "disgraceful", "realistic", or bandy words with flights of fancy by telling the hon. Members opposite to keep their feet on the ground, which I think my hon. friend the Member for Mau has already used once in this debate. I will merely say, Sir, that the Government, for obvious reasons, cannot accept the amendment, and I suggest that when we have let the hon. Member for Nairobi North make the second speech which I know he is so desirous of making, the amendment should then be put.

THE ASIAN MINISTER WITHOUT PORTFOLIO: Mr. Speaker, Sir, in my opinion the arguments advanced by the hon. Mover for the amendment are not sound in logic. In the first place, he referred to the terms of reference of the committee and then said that the recommendations made by the committee are in regard to methods of collection. Now, if he had seen paragraph 4 of the report itself, he would not have made that statement. In paragraph 4, the committee recognizes that on account of representations which they received from various parties, they had to go beyond their terms of reference. The East African Income Tax (Management) Act, 1952, is referred to in that paragraph and the committee has stated that the Act is confined in its provisions so as to exclude the fixing of rates of tax, the fixing of the amounts of personal allowances and the conferring of exemptions. If the committee had confined itself to the terms of reference, some of the recommendations would not have been made, because they refer to personal allowances, conferring of exemptions, etc., and the committee also stated in that paragraph that "however and quite apart from the fact that we have had many representations made to us concerning these matters, we have had to have some regard to them and we ventured to make some observations accordingly".

Now, Sir, the hon. Mover of this amendment referred to the Sessional Paper as a very dismal document, but he overlooked one factor which I would like to bring to his notice; that when the committee went beyond the terms of reference and made recommendations which affected the revenue of the Colony, they ought to have followed a principle of keeping a balance between the taxpayer's point of view and the need for the revenue of this Colony. They ought not to have merely taken into consideration the taxpayer's point of view.

I think the Sessional Paper is quite right in pointing out the omission which has been made by the committee in this matter. I would like to read, in support of my argument, the terms of reference of the Royal Commission which examined the taxation in the United Kingdom in 1951, where it states:

"Whereas we have deemed it expedient that a Commission should inquire into the present system of taxation of profits and income, including its incidence and effect, with particular reference to the taxation of business profits and the taxation of salaries and wages, to consider whether, for the purpose of the national economy, the present system is the best way of raising the required revenue from the taxation of profits and income, due regard being paid to the point of view of the taxpayer and of the Exchequer."

Now, Sir, when this committee went beyond its terms of reference—

LT.-COL. GHERSIE: Question.

THE ASIAN MINISTER WITHOUT PORTFOLIO: The hon. Member for Nairobi North says "Question". It appears then that he also has not carefully studied paragraph 4 of the report of the committee. When the committee went beyond the terms of reference and began to refer to what is provided by territorial legislation, and which amounts to only this, that there they will be concerned with the personal allowances, exemptions and deductions and so on, which is not provided by the High Commission Act, which was the only Act which they were asked to examine and report on. Therefore, Sir, I believe that when the committee went beyond the terms of reference, they ought to have in making their recommendations, kept a balance between the taxpayer's point of view and the need of the revenue of the Colony. In my submission, when the Sessional Paper points out time and again that so much revenue will be lost, it was a correct assessment of the situation; the other point which, if the hon. Mover of the amendment had applied his mind to the recommendations it would have been found, that while the committee made many recommendations which will mean loss of revenue they have not made any constructive suggestions for raising revenue to counter-balance the loss.

Well, Sir, I do not propose to speak on this amendment at length, but I would like to refer to recommendations 24 and 25 arising out of section 22 of the High Commission Act. In my submission, Sir, the hon. Mover of the

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Amendment has misinterpreted the recommendations which have been made by the committee in regard to this matter. If we see the recommendations 24 and 25, the first recommendation—24—"A special deduction should be granted in the case of undertakings carried on by an individual or by individuals in partnership to compensate for the disadvantage presently suffered in such cases in the matter of accumulating surtax-free profits as compared with cases where undertakings are carried on by companies".

Now, Sir, the purpose of that is not that accumulation of capital for further development.—

ADJOURNMENT.

THE SPEAKER: The time for interruption of business is reached. Council will therefore stand adjourned until two-thirty p.m. on Tuesday next, March 6th.

Council rose at fifteen minutes past six o'clock.

Tuesday, 6th March, 1956
The Council met at thirty minutes past Two o'clock.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:—

The Transfer of Powers (Minister for Local Government, Health and Housing) (No. 1) Order, 1956.

The Transfer of Powers (Minister for Local Government, Health and Housing) (No. 2) Order, 1956.

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

ORAL NOTICES OF MOTIONS

BAN ON COMMUNISM

MR. MATHU: Mr. Speaker, Sir, I beg to give notice of the following Motion:—

THAT in the opinion of this Council Government should take the necessary steps to proscribe Communism in Kenya.

TRANSFER OF POWERS—MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I beg to give notice of the following Motion:—

BE IT RESOLVED that the orders cited as the Transfer of Powers (Minister for Local Government, Health and Housing) (No. 1) Order, 1956, and the Transfer of Powers (Minister for Local Government, Health and Housing) (No. 2) Order, 1956, be approved.

ORAL ANSWERS TO QUESTIONS

QUESTION No. 41

MR. USHER asked the Minister for African Affairs to state with reference to paragraph 8 (at page 5) of Sessional Paper No. 21 of 1954, what arrangements have been made for the control of movement into urban areas?

THE MINISTER FOR AFRICAN AFFAIRS: The whole question of the control of movement into urban areas is at present

[The Minister for African Affairs] under close consideration, and the views of the provincial commissioners and local authorities concerned have been sought.

The hon. Member will be aware that certain City Council by-laws are used in Nairobi and draft by-laws are under consideration at Mombasa. Similar regulations operate for control in other townships. The regulations controlling the movement of Kikuyu, Embu and Meru through their passbook system have worked satisfactorily, although the organization and staff involved are large and expensive.

When proposals at present under review have been finally considered by the Government I will be in a better position to give the hon. Member a fuller statement of Government's intentions.

QUESTION No. 63

GROUP CAPTAIN BRIGGS asked the Minister for Local Government, Health and Housing to state fully:—

The number of orders for dried milk powder placed with Kenya manufacturers since 1st January, 1954, and will he name the manufacturers concerned.

Will he also state the total amount of dried milk powder imported by Government departments during the same period and, if such importations took place, the reasons for it and the dates.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: The two Government departments which are the chief consumers of dried milk powder are the Medical Department and the Prisons Department. Since 1st January, 1954, the Medical Department has placed six orders for dried milk powder with Messrs. Dalgety & Co., Ltd., for a total of 9,600 lb., and three orders with Messrs. Smith, Mackenzie & Co., Ltd., for a total of 4,400 lb. I understand that the manufacturers for whom these firms are the agents are the Kenya Co-operative Creameries and Messrs. M. P. Products of Naro Moru.

I regret I have not yet been able to ascertain the total number of orders placed by the Prisons Department for local dried milk. Dried milk powder is not part of the normal rations issued by

the Prisons Department and it has been necessary, therefore, to make a search through the purchases of individual prisons. I shall be glad, however, to give the information to the hon. Member for Mount Kenya in writing as soon as I have received it myself.

In the same period the United Nations International Children's Emergency Fund has made a gift to the country of 76,000 lb. of dried milk powder which has been used for treating children whose nutritional condition indicated the necessity of some supplementary protein diet. The majority of this milk has been distributed in areas affected by the Emergency. No dried milk powder has been purchased from abroad.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, arising out of the reply, I do not know whether it is in order for me to state that I have no interest to declare, because I am merely a supplier of milk and not a manufacturer, but, nevertheless, I would like to ask the Minister for an assurance that he will endeavour, as far as possible, to place orders for dried milk with local manufacturers rather than for imported dried milk.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: We have placed no orders for imported dried milk. Any dried milk that has been imported has been a free gift.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, arising out of that reply, would the Minister consult his colleagues of the Ministry of Security and Defence on a view to endeavouring to have dried skimmed milk powder placed on the menu for the Prisons Department?

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: I understand from my colleague, the hon. Minister for Defence, that this matter is now being gone into and I will certainly consult with him.

QUESTION No. 67

MR. MATHU asked the Minister for African Affairs to state whether, now that the Meru tribe has been severed from the Kikuyu Land Unit as a result of their proved loyalty, the Government proposes to remove most of the disabilities imposed upon them as one of the scheduled tribes as an additional recognition of that loyalty?

THE MINISTER FOR AFRICAN AFFAIRS: The active co-operation with the Security Forces shown by the Meru in recent months has been a big factor in our success in the elimination of terrorists in that area. It has been possible therefore to relax many restrictions on the Meru people within the Meru District, and it is Government's intention to do this progressively as circumstances permit.

It should be understood that, while the application of Emergency Regulations in this area may be relaxed, the time is not yet ripe to relinquish any powers that may still be needed if any deterioration in the security conditions in Meru should occur.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move:—

THAT under Standing Order No. 168, the Standing Orders be suspended to the extent necessary to enable Order No. 6 to be taken after Order No. 12.

Sir, this trifling rearrangement in the order of business is designed to suit the convenience of most Members.

MR. HARRIS seconded.

Question proposed.

The question was put and carried.

MOTION

REPORT ON INCOME TAX

Continuation of Debate

THE SPEAKER: Before Mr. Patel proceeds, we are at present discussing the amendment on the Order Paper to the original Motion which also appears on the Order Paper. I venture to draw hon. Members attention to this because I would like to dispose of the amendment first, then continue with the debate on either the amended Motion or the Motion as it stands. As hon. Members are aware, any Member can speak to the amendment, but, if they have already spoken, not again to the main Motion. Those who have not spoken can speak to the amendment only, and then subsequently again to the substantive Motion.

THE ASIAN MINISTER WITHOUT PORTFOLIO: Mr. Speaker, at the close of the Council last Thursday, I was referring to Recommendations Nos. 24 and 25.

Non-acceptance of these two recommendations by the Government, were among other things cited in favour of the amendment which has moved to the Motion, and an impression was given as if the purpose of section 22 was to keep the undistributed profits for the use of further development. I propose to point out, Mr. Speaker, that the purpose of section 22 is not as has been alleged and to show that the Government is right in not accepting Recommendations Nos. 24 and 25.

Before enactment of section 22, the shareholders of private companies, and also of public companies, were free to distribute profits, or not to distribute the same, as was thought fit by the directors of the various companies. I would point out, Sir, that thus the shareholders then, even of private companies, save the higher rate of tax and also the charge of surtax up to a certain amount. At that time even the professionals and partners of private firms, had to disclose full profits and to pay the tax and the surtax on the full amount, while the shareholders of private companies were then not liable to pay higher rates or surtax in case their profits were not distributed. Therefore, Sir, the passing of section 22 of the Act requires private companies thereafter to distribute profits up to 60 per cent and, in certain circumstances, up to 100 per cent, otherwise in law it was deemed that the distribution had taken place. The aim of the section is, in my opinion, to obtain tax and surtax from individual shareholders on 60 per cent and, in some cases, 100 per cent of profit whether distributed or not and this brought, in my view, the private companies much nearer to the position of the professional man and also the partners of firms.

Now, Sir, the committee recommends that the principle which is applicable to private companies, as far as surtax is concerned, should be extended to professional people and partners of a private firm so that they also may not be liable to pay surtax up to a certain amount of the profits. But, this recommendation, in my submission, has two weaknesses. Firstly, it omits in its recommendation the employees in the country who may be saving amounts which are used for the purpose of development in this country, and the second is, if all the

[The Asian Minister without Portfolio]

taxpayers, including employees, are given the relief as is recommended in Recommendation No. 24, then, obviously every taxpayer will be relieved of, up to a certain amount, from payment of surtax and the rate of surtax will have to be increased. While making this recommendation, it is overlooked that before the passing of section 22, as far as the private companies were concerned, they were not liable to pay and the individual shareholders were not liable to pay surtax if the profits were not distributed. It is only when that section was introduced that the shareholders of private companies became liable to pay surtax in regard to profits up to 60 per cent or 100 per cent in certain circumstances. In my submission, therefore, Recommendation No. 24, is not reasonable and moreover as is shown in the Sessional Paper there would be an estimated loss of £350,000 if that recommendation were accepted. So the recommendation is not only faulty but is based upon merely the taxpayers' point of view without due regard to the revenue of the Colony.

Now my comments on Recommendation No. 25: The committee suggests that a special committee be empowered to decide in a case of certain companies mentioned in the report, to decide whether a reasonable part of the profits have been distributed or not, and if the committee decided that a reasonable part of the profits were not distributed the Commissioner will be entitled to call upon the company to distribute full profit or to deem that full profit was distributed. If the reasonable part of the profit is not distributed, and if the committee has that power in my submission, it will be a very arbitrary way of deciding whether the profits have been correctly distributed or not.

I would particularly like to refer to page 72 of the report, clause 9 where it states, "For the purpose of giving effect to this section", it means the section which the committee recommends should substitute the present section. "For the purpose of giving effect to this section there shall be appointed a special committee or separate special committees in respect of separate areas in the same manner as is provided in section 76 and subject to the same regulations as

are therein provided, and all matters which require to be determined in relation to whether a company has or has not distributed a reasonable part of its total income for the purposes of determining whether an order may or may not be issued pursuant to sub-section (1) hereof shall be referred in the first instance to and determined by such committee". Now, if that Recommendation No. 25 is implemented, it will mean that for different areas in the Colony, different committees may function and their decisions in regard to what percentage of profit should be distributed may vary and may take place from the different points of view, and therefore, I would suggest that it will be something absolutely arbitrary. In this case also, if the recommendation is implemented, there will be a loss of revenue to the Colony to the approximate amount of £250,000. I suggest, therefore, that the careful examination of these two recommendations and some other recommendations, will disclose that the Government has rightly refused to accept them.

Before I conclude, Sir, I wish to correct myself in regard to what I said last Thursday. I said that in making some recommendations, the committee went beyond the terms of reference. What I wished to say was that the committee heard evidence and received representations beyond its terms of reference and, therefore, was influenced in making some of the recommendations which it did.

However, Sir, I reiterate that the committee in making these recommendations have acted on the taxpayers' point of view without due regard to the revenue of the Colony.

Mr. Speaker, I therefore beg to oppose the amendment.

LT.-COL. GHESIA: Mr. Speaker, Sir, just before we adjourned last Thursday, the Minister for Finance made the following statement:—

"I do not propose to keep the Council very long in saying that the Government obviously cannot accept the amendment. Mr. Speaker, I do not propose, Sir, to bandy words like 'disgraceful', exchange for the word 'disgraceful', 'realistic', or bandy words with flights of fancy by telling the hon. Members

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opposite to keep their feet on the ground, which I think my hon. friend, the Member for Mau, already used once in the debate."

He then went on, Sir, he said, "I will merely say, Sir, that the Government, for obvious reasons, cannot accept the amendment and I suggest that when we have let the hon. Member for Nairobi North make a second speech which I know he is desirous of making, the amendment should then be put."

Now, Sir, I would be awfully interested to know exactly why the Minister made that remark with reference to me. Quite frankly when I was looking at the Minister, he looked very pale. In fact, he looked ill, it may have been due to hard work, I am sure it was not because he is cross with me. Well, Sir, at that stage I had no intention of making a second speech in the course of this debate. But, it is the Minister who put the idea in my head. You see, Sir, I am not a polished politician, or a tactician, and quite frankly, Sir, I would never even if I wished to speak a second time in the debate, resort to such jockeying, may I use the expression, jockeying for position whereby an amendment is moved and as a result of that amendment I have a second opportunity of entering into debate.

Sir, those sort of things do not enter my mind.

There is only one remark I wish to make, Sir. The Minister need have no qualms about the other marathon speech, as I think he referred to it. But, I would like to say this, Sir, and it is in reply to the last speaker, the Arian Minister without Portfolio, and he was really replying to what my hon. friend, the Member for Aberdare, had said. But, again, he completely missed the point that the hon. Member tried to make. He has dealt with section 22 and the question of the shareholder in escaping his contribution to the tax. He referred to the 60 per cent which is deemed to be distributed or 100 per cent in the case where a company's profits exceed the total subscribed capital of the company. I think that is what the hon. Minister was referring to.

But, Sir, that is not the point. There was no suggestion that there should be

a wholesale relief of surtax. The point about this has been emphasized during this debate on more than one occasion and I must quote from the Gill Report to emphasize it again, and it is this, Sir, "Consideration should always be whether or not the profits retained or withheld from distribution when necessary or advisable for the maintenance and development of the company's business."

Now, Sir, the words have been placed in inverted commas and they were taken from section 246 of the United Kingdom Act, which I am certain the Minister for Finance will continually quote during the course of his reply. It is, Sir, tests of adequacy of distribution of income. There is no intention, Sir, that taxpayers should escape their responsibility, or the liability, of tax. It is that industry, private companies in particular, should be allowed to expand, that they should be allowed to retain certain reserves in order to expand so that the Minister, the Minister, Sir, one day will derive the benefit from that expansion of industry and obtain increased revenue.

Sir, I beg to support the amendment.

THE SPEAKER: No other Member wishing to speak to the amendment.

The amendment was put and negatived.

THE SPEAKER: Debate now continues on the original Motion.

MR. CHANAN SINGH: Mr. Speaker, Sir, in supporting the Motion before the Council, I wish to add my tribute to the work of the Gill Committee. The report is, in my view, remarkably thorough and careful. The only criticism of the report that I have is, that unfortunately it represents only the taxpayers' point of view. The taxpayers' case is very faithfully argued. Of course, if the country had the necessary money to spare I would support all the recommendations that are made. The recommendations, I think, Sir, are all sensible and fair. But, the only question is whether, at this particular moment, we can sacrifice the revenue involved in those recommendations.

As I read the Sessional Paper, Sir, the Government itself does not seem to

[Mr. Chanan Singh]

contest the fairness of the recommendations. The Government has turned down the recommendations for the only reason that they do not think that they can make up the loss involved to revenue.

Now, Sir, if this Council can suggest some ways of raising the necessary revenue, then, I think, there will be time to consider the recommendations again.

The hon. Member for Aberdare made a very good suggestion when he suggested that the Government should increase the rate of tax. I presume he means the rate of income tax. If that is so, Sir, I wish to place it on record that I support that suggestion. But, Sir, we see that several other speakers have put forward other alternatives which are not so reasonable. Emphasis has been laid on the introduction or on the increase of indirect taxes, but, Sir, indirect taxes, as is well known, bear heavily on the lower income groups and it is for that reason that in almost all countries a limit is imposed on the extent to which the Government raises its revenue by indirect taxes. The sales or purchase tax has been suggested, Sir, this is not a new tax. It has been tried in various countries of the world, but the truth is that a sales tax has succeeded only in totalitarian countries where the entire population of the country enjoys nearly the same level of prosperity. Where there is so much inequality as exists in Kenya, a sales tax cannot work satisfactorily.

Whenever a sales or purchase tax has been introduced in a democratic country, Sir, various exceptions have been made in order to make it as fair as an income tax. In the United Kingdom, for example, most items of mass consumption are exempted, and the rates of tax on different commodities vary according to their more or less luxury character. The same has happened in other countries. In India, Sir, in 1942 when I was there on holiday, a sales tax was being considered and there the view was that all shops which had a turnover of less than a certain amount—2,000 rupees, was the amount suggested there—should be exempt from sales tax. It was also the proposal to exempt most items of food-stuffs and things like books and papers, so that in effect a sales tax comes to be a

progressive tax and it comes to assume the same character as income tax.

I am sure the intention of the people who propose the introduction of the sales tax, or purchase tax, in Kenya is that it should be levied on most commodities that exchange, because if it is restricted only to a few luxury items, it will not bring forward any appreciable revenue. Sir, if it is imposed on articles of common consumption, then it will hit the larger families, and even if the families were of the same size. Sir, people in other countries have asked, "Is it reasonable to assume that a man with an income of £1,000 consumes 10 times as much tea, sugar or flour as a man with an income of £100?" That is why, Sir, in a sales tax there is a great danger of what they call regression, that is, the tax will hit the lower income groups harder than the higher income groups.

Sir, the question of examining the tax structure in these territories has been mentioned. One speaker, at least, suggested that we should not, again, get commissioners or a commissioner from the United Kingdom, because the conditions here are different, because in Kenya, it has been suggested, we have a multi-racial society? Well, Sir, how does it matter that we have a multi-racial society? After all, we are discussing income tax. Income tax is a tax on income, not on the race of an individual. And after all, if we have agreed to follow the British traditions why not follow Great Britain in this particular instance? After all, the inequalities that exist in incomes now will not always exist, and very soon it will not be reasonable to say that income tax does not affect all sections of the population to the same extent, because inequalities are being reduced, day by day.

It has been suggested, Sir, that we might import a commissioner from a country like Brazil. I do not know what gives people the impression that Brazil has a fairer tax structure. It is true that some years ago Brazil derived most of its revenue from indirect taxes. But, Sir, so far as I know that position has changed. The latest edition of the *Chambers's Encyclopaedia* says, "About 80 per cent of the revenue is derived from direct taxes," while the chief items of expenditure include debt service, defence,

[Mr. Chanan Singh] and public service". Agriculture is not included in this list. In any case, Sir, even if conditions in Brazil were similar to conditions in Kenya I would not support the suggestion that there is any need to go outside the Commonwealth to look for expert tax advisers. There was a time when, in the Commonwealth, people did not care much about what professors in the universities said, but their views now seem to be changing. We were told in this Council the other day by the hon. Minister for Finance, that Professor and Mrs. Hicks made a report on Jamaica. There is no reason why we should get suitable people from the United Kingdom to investigate the tax structure of these territories and to make a report. After all, there is nothing that professors in British universities do not know. My own view is, Sir, that the structure that will suit us ultimately is the tax structure that obtains in the United Kingdom now.

There is one other question, Sir, that has been mentioned in debate. That is the question of the language of account books. Now, Sir, this again is an old controversy. In 1920 when the first Income Tax Bill was introduced, it included a clause that all books of account should be kept in English. The Governor then voted against this clause, but nevertheless it was passed in this Legislative Council. Ultimately it was deleted at the instance of the Colonial Office. The matter was again discussed by the Plewman Committee and the Plewman Committee—not long ago—myself thought that a recommendation like that has nothing to do really with matters of taxation. It has been suggested that we might obtain the views of examiners of books in the Income Tax Department; but, Sir, I do not see how any examiner of books can say that you can keep false books in any one particular language. It does not matter in what language the books are kept. What matters is what is in the books. I am sure, Sir, fraudulent books can be kept in English as easily as in any other language. And after all, as the Government has in its employment, such a large number of Asians. What difficulty there is in reading books of account kept in Asian languages or even in Kiswahili or in Arabic for that matter, I cannot see. There is also the point, Sir, that in this part of the Com-

monwealth there are a large number of Her Majesty's subjects who use, or wish to use, their own language for writing books. Why they should be prevented from doing that, I really do not see. The Income Tax Department if it feels any difficulty can easily employ a few Asians or a few Africans to read books written in Kiswahili and a few Arabs to read books written in Arabic. There should be no difficulty there and in any case, Sir, I have been, at least, on one committee dealing with matters like this, where they took evidence from the Income Tax Department as well as from outside people. Sir, my impression was that for no taxation reason was it necessary to have books written in English. There are political reasons and it is for those political reasons that pressure has been brought on the Government to change the Income Tax Law to make it compulsory for traders to write their books in English. Otherwise, I am convinced, Sir, that there are no income tax reasons as such which make it necessary to keep books in any other language. We have a large number of Arab traders, for example, round about the Coast, who write their books in Arabic or Kiswahili and there is a growing number of African traders, some of whom will be able to write their books in English, but the majority of whom will be writing books in Kiswahili. So far as the Asian traders are concerned, Sir, the proportion of them who keep books in English is increasing every day. I am sure most of the big business houses keep their books in English. It has been suggested that Asians traders somehow manage to send orders for goods in English and to receive and read invoices written in English, but somehow cannot write their books in English. Well, Sir, that is not so. Those traders who do their correspondence in English also keep their books in English. I do not think there are many cases of firms who do their correspondence in English, but keep their accounts in Gujarati or in some other Asian language. As I say, Sir, most firms are coming to keep their books in English and before long a vast majority of them will have their books in English. Nevertheless, Sir, I do not think that this is a matter in which there can be legal compulsion.

With these words, Sir, I support the Motion.

MR. MACKENZIE: Mr. Speaker, I have listened with great interest to the speeches made by hon. Members opposite, but I hope that they will excuse me if I do not take up all the points that they have made.

I should, however, like to congratulate them on the high moral tone which they have consistently maintained in their efforts to relieve my hon. friend of the revenue he needs to pay for the services which they and their constituents continually press.

I would also like to congratulate them, Sir, on the very fine collection of epithets which they have used in referring to the Government's White Paper, and in some cases, indeed, to my hon. friend, and to the Treasury. I was so impressed, Sir, with this that I kept a record of them as I thought they might be of some interest. For example, the hon. gentleman, my friend, the Member for Nairobi North, speaks of the White Paper as being a "disappointment, unrealistic and lacking in imagination". He even suggested that the Treasury are "biased" and that they are doing "little for the benefit of the Colony". He speaks of "lack of vision" and "passing the buck" and "discriminations". Sir, in some cases the Government's attitude is said to be "incredible" and elsewhere it is an "insult to the professional community". In fact, Sir, on one occasion he even referred to my hon. friend as being "inhuman".

Then, Sir, there was my hon. friend, the Member for Mau, who said that the White Paper was "abysmal and defeatist" and who would insist that my hon. friend, and possibly others too, should follow in the footsteps of Charlie's Aunt in search of a better system of taxation. And there were other suggestions, Sir, such as that the Government was wishing to encourage people to live in sin; and there was, finally, the hon. gentleman, the Member for Aberdare, who had a very fine and sonorous muster-roll of naughty names, "unconvincing evidence", "regrettable", "casual brushing aside", "begging the question", "inexcusable" and "unintelligible".

Well, Sir, I spent the week-end pondering over all these fine epithets and in wondering what they meant. Could it be, for example, that in the absence of any logical arguments produced in sup-

port of their strictures on the White Paper, hon. Members opposite felt this string of epithets would serve their purpose equally well. I felt that could hardly be the case. Then, thinking the matter over further, I remembered that the hon. and gracious lady, the Member for Nyanza, had said that the real trouble was that time and again the Government paid insufficient attention to what the tax-paying public feels. Well, Sir, I think there may be something in that. The tax-paying public does not really, at heart, like paying taxes at all, and I think that that may be the real explanation of the matter, and of the epithets. The real trouble, is, Sir, that hon. Members opposite feel that income tax would have been better if it had never been invented and the epithets admirably express this feeling.

There has also, Sir, been a good deal said about equity during this debate. Well, Sir, as I see it, equity, in this connexion, means the application of the law and of the tax, in as fair a manner as possible as between every taxpayer. It means that it should be applied in such a manner that the taxpayer has a reasonable certainty as to what he will pay, and that there will be freedom from arbitrary action on the part of the collecting authorities. I think, Sir, that it would be very difficult for anyone to show that as far as is humanly possible the law is not equitable in this respect. In some cases, Sir, it even goes further in the way of giving assistance to certain basic and important industries. It would, however, be quite impossible to go as far as some hon. Members opposite would apparently wish, so that all taxpayers would be treated equitably in that they would pay very little tax and some would be treated even more equitably in that they would not have to pay any at all.

Having dealt, however, Sir, generally with some of the points raised, I should now like to turn to four specific points which have been dealt with during the debate.

The first is connected with Recommendation 4 which is on page 6 of the White Paper. Recommendation 4, Sir, says that, "An individual should have a right to be exercised not more often than once in five consecutive years, to

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have assessments on him revised on the basis of tax being charged for each of five consecutive years on an amount of income equal to one-fifth of the aggregate income for the five years together".

Well, Sir, the commentary on this recommendation sets out the Government's view of this matter in simple language, and shows that the net result would be, as a general rule, that the tax revenue will be reduced and quite considerable refunds might have to be made. As my hon. friend has already said, this loss of revenue would be more than the Government could afford, while the irregular payments and the need to make refunds would make the task of the ordinary administration of the Colony, which strangely enough, does need money and has to be paid for—would make that more difficult than ever. It is, indeed, possible that if this proposal were accepted, in certain circumstances and in certain years, the Government might have no income tax revenue at all left, might have to refund the whole lot. And it may be, Sir, as hon. Members opposite have suggested, that the existing system embarrasses the individual taxpayers, from time to time, but I suggest that the proposal in the recommendation would embarrass the whole community very much more severely.

My next point, Sir, arises from Recommendation 18, which is dealt with on page 9 of the White Paper. This recommendation, Sir, suggests that "Deductions should be allowed in respect of reasonable medical expenses incurred by a taxpayer on himself and his dependants". The Government, appreciates, Sir, the generous feelings which have led to this recommendation being made. They cannot, however, agree that the logic is at an equal level. The White Paper shows that medical expenses are only one of the very many burdens which fall on private individuals in the course of their daily lives. Even in the same sphere there are, for example the expenses of dentists' treatment. The 101 accidents which arise in the daily course of life from natural causes, or from acts of God, or even from changes in the bank rate. The fact is, Sir, that the personal allowances and the low initial rates of tax are intended to cover these burdens

against which it is also possible for the individual to insure. No doubt, for that reason a Commission of Inquiry which has recently reported to the Government of the Federation of Rhodesia and Nyasaland has been able to say that in the Federation there were no significant demands for the allowance of private medical expenses for the tax deduction. "In the absence of such a demand and in the light of the circumstances prevailing in the Federation, we are of the opinion, that it would not be right for this type of private expenditure to be singled out for special treatment. We, therefore, make no recommendation in regard thereto".

That, Sir, if I may say so, strikes me as being a most enlightened comment on the proposals at present under discussion.

Next, Sir, I should like to turn to Recommendation 27 on page 10 of the White Paper. That recommendation, it will be remembered, Sir, suggests that "Where the income of a married woman is treated as that of her husband for tax purposes and where husband and wife together contribute to the maintenance of dependent relatives of both of them, two dependent relatives' allowances should be granted". Well, Sir, my hon. friend, the Member for Nairobi North, suggested that this was a reasonable recommendation also it would give married people the same benefits as single ones. The relative merits of the married state and celibacy can, of course, be argued at very great length. The short point though is that the recommendation in question is merely a plea for reducing the tax payable by certain categories of taxpayers. It is a matter of opinion I suggest, Sir, which has nothing whatsoever to do with equity and the opinion of the Committee is not shared by the Government.

Lastly, Sir, I come to Recommendation 30 which is on page 11 of the White Paper and which suggests that "The income of a married woman should be assessed on her separately as though she were a single individual, subject to the exercise of an option by both parties to a marriage to the effect that their combined income should be assessed as to one-half thereof on each of them separately as single individuals, with

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provision for apportionment of personal allowances between them". The comments in the White Paper, Sir, deal quite succinctly with this recommendation and show why it is unacceptable.

Now, I have, however, Sir, already referred to the Report of the Commission of Inquiry into Income Tax appointed by the Federal Government of Rhodesia and Nyasaland which has most fortunately become available during the past week. The recommendations in question were, apparently, also raised by witnesses before the Commission in the Federation and the Commission has some very cogent things to say about it.

With your permission, Sir, I should like to read the paragraphs of the Report of this Commission which deal with this matter, for the benefit of the Council, and, in particular, for the benefit of those hon. Members opposite who feel that this Government is particularly and peculiarly anxious to encourage people to live in sin.

The Commission says, Sir, in paragraph 346 of their Report, in dealing with this matter—

"Most of the submissions made to us supported the aggregation of the incomes of spouses, and of those which opposed it some admitted that it could not in practice be replaced. We recommend that the present law be retained. There are, it seems to us, sound social reasons for treating husband and wife as a unit for the purposes of taxation. Aggregation has been the rule from the beginning in all three Territories, and is the rule in the United Kingdom and in the Union of South Africa. If a marriage is in community of property, and many spouses in the Federation are married in community of property, then there is in law really only one income. The Radcliffe Commission and the Steyn Committee each supported the retention of the aggregation.

If aggregation of the incomes of spouses were abolished then safeguards against tax avoidance by transfer of income-producing assets from one spouse to another would become essential. Gifts between spouses are at common law valid in Southern Rhodesia but valid in Northern Rhodesia and Nyasaland."

Then, Sir, in paragraph 348 the Commission go on and they make this statement: "The complainant is sometimes made that to tax spouses as a unit is unfair because a married couple may pay more in tax than is paid by two single individuals each of whom has an income equal to one-half of the income of the spouses. It is true that this does happen in the case of higher incomes, but they go on to say, "The excess will be diminished if our recommendations for raising the super-tax free limit in the case of married persons to £4,000 is adopted". Then, they go on, "In any event, it seems to us that the complaint is exaggerated. The income of spouses often has a taxable capacity greater than the taxable capacity of the incomes of two single individuals each of whom has an income equal to one-half of the income of the spouses."

Well, Sir, I think it would be difficult to improve on that statement of the position, and it will, of course, be realized that the reference to marriage in community of property is not essential to the arguments set out.

In conclusion, Sir, I should like to say that the Government have given very careful consideration to the recommendations in the report, and that where it has been found possible to effect adjustments which have been clearly in the interests of the taxpayer and of the community as a whole, these adjustments have been made.

There are other recommendations in which the Government has felt able to meet in part and still others which have been noted for further consideration when the time is more propitious. It is, however, obvious that if the essential services of the Colony are to be maintained, we must have the revenue to pay for them. This is well brought out in the first of the terms of reference of the Commission of Inquiry appointed by the Federal Government to which I have already referred and this term of reference, Sir, enjoins the Commission to examine the law with a view to achieving fair and equitable distribution of the burden of taxation with due regard to the economic effects of the incidence of the taxes imposed and with further regard to the revenue requirements of the Government constituting the Federation.

[Mr. Makenzie]

With those words, Sir, which express admirably the attitude of this Government, I beg to support the Motion.

THE SPEAKER: I would again, as I did last Thursday, draw hon. Members' attention to Standing Order No. 62. Despite the lack of transparency of the back of the front bench, I find it difficult to misdirect myself to the extent of imagining that the last speaker was merely refreshing his memory from notes. The hon. Member was in fact obviously reading the whole of his speech.

MR. HARRIS: Mr. Speaker, Sir, there are two quick points I would like to make in this debate. The first is that there seems to be an idea held on both sides of the Council that income tax as practised in other countries is in some way inviolate. We have had quotations by the Secretary to the Treasury and my hon. friend, the Member for Central Area, quoting how income tax is imposed in other countries and thereby arguing that it must, *ipso facto*, be right practice in this country. The whole point, Sir, that we have tried to make on this side of the Council—at any rate, at this end of this side of the Council—is that because a tax, any form of tax, or even any form of tax structure, may be right in Britain or in South Africa or in the Federal Government, all of which were quoted by the Secretary to the Treasury, or in Brazil, they are not necessarily the right structure, or the right taxes, for this country. And, Sir, the Government speakers, so far, keep on threatening us with this new inquiry into taxation and we have been told that there is a delay because Government, in its wisdom, has been trying to get the same chaps, or some of the same chaps, who have done—

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, on a point of order, I must correct the hon. gentleman. I never said the Government, I said this was an East African matter and that an announcement would be made in due course, not by this Government.

MR. HARRIS: I thank the Minister, Sir.

Steps are being taken to try to obtain the same chaps as, in fact, have investigated income tax in the United Kingdom.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, on a point of order, I am sorry I must correct the hon. gentleman. No such statement was ever made that we were trying to retain the same "chaps"; there will indeed, and there might be, obvious disadvantages in such a decision.

MR. HARRIS: I am corrected, Sir, to the extent of saying that I understand and I agree entirely with the Minister that there would be great disadvantages. That is the point I was going to make, Sir, heaven forbid that we should have people here trying to suggest a tax structure in a country such as this, who have already made recommendations in a homogeneous society such as that of Great Britain. That really, Sir, is the complaint that we have on the whole principle of income tax as it operates in this country. It is not a homogeneous society, and income tax is devised for people who live in pretty well the same sort of way.

Now, Sir, the second point I would like to make—I would like to thank the hon. Secretary to the Treasury for congratulating this side of the Council for their high moral approach to this debate, and I, too, Sir, would like to congratulate him on his hindsight un-revealed wit and logic which he has produced in this debate, in fact, I almost called him just now the Member for Greenford. I think that is the headquarters of that well-known gramophone company of which he reminded me so much.

I think, Sir, that the Minister for Finance, on Thursday, suggested that my hon. friend, the Member for Nairobi North, had found a new device for making two speeches in one debate. I do not think, Sir, that clever move is restricted to my hon. friend for Nairobi North.

I beg to support.

MR. MATHU: Mr. Speaker, Sir, I definitely do not intend to intervene in this debate—but there are a few points that have been raised which I feel I must comment upon.

[Mr. Mathu]

The first, Sir, is what my hon. colleague on this side of the Council has put forward, that Government have rejected the majority of the recommendations of the Gill Committee on the grounds that revenue will be lost to the country and, further, the Government says that what they are hoping to do is to set another inquiry into motion on an East African basis which will go into the whole question of income tax. Now, what I have not heard so far, Sir, from the speakers on the other side of the Council is the challenge that my hon. friend, the Member for Aberdare, put to them when he was discussing this point as to what the terms of reference are going to be, but if the terms of reference are going to be the same as provided for in the Gill Report in their first page, then what are the facts that they are going to discover. But, if the terms of reference are going to be different, I think it is important that Government should have given an indication in their White Paper as to what the difference will be in the terms of reference which are visualized when the new commission which is appointed go into this matter.

Sir, that, I think, is a point we would like to hear.

The second point, Sir, which I want to comment upon is also a point that came out mainly from the speech of my hon. friend, the Member for Mau. The Member for Mau, I think, most of his time was spent on suggestions—I think very constructive suggestions—of the fiscal policy of the country and I personally would not have gone into the details he did, but as he did and nobody called him to order, is one of the reasons why I have been prompted to make my comment on this debate.

Now, Sir, he dealt with the fiscal policy going right back to the time of Sir Alan Pim in the 30's and came back to the Gill Report which we are discussing this afternoon. I personally, would like to say, Sir, that I am entirely in agreement with him that the taxpayers of this country should pay on the basis of their ability to pay the tax, and on that principle, the community I represent, I think is very heavily taxed as it is today, Sir. Not only that, it has to pay poll

tax and pay the various African District Council rates and the Local Council rates, but he has also to pay heavily indirect taxation, company tax, of course, also income tax. I think, Sir, that when this Gill Committee was appointed in 1952 a slight was made on the African community in that that community was not represented on that committee, Sir, while the Africans are also subject to income tax as any other community is at the moment. Although the present business that is in the minds of the African income taxpayers is that although the income tax law is non-racial in its wording, Government, at any rate our Government, has never decided to assess income tax among Africans until very recently, and now the taxes go back to 1948 and they are asked to pay lump sums this year, or last year, which I think is iniquitous, although I hate to use the many epithets that have been used against these arrangements and I think that one is very justified, Sir, and I would like to put it across to the Minister to say as representing the taxpayer I have to put their point of view.

The other point I would like to comment on, Sir, which, I think, the Minister for Agriculture tried to answer the other day, is this suggestion of taxing the cattle people, either by my hon. friend, the Member for Mau, who was assessing on sales of cattle and my hon. friend, the Minister for Agriculture, is thinking of grazing fees and all that kind of thing. But while I, personally, agree that there would be some graduation of taxation in accordance with the wealth of the individual, I do not think, Sir, that the present arrangement whereby the Kenya Meat Commission is a monopoly of only one section of the community which produce beef and mutton and who want to make sure that other people do not come into the market, I think is a situation that has prevented most of the revenue coming from the cattle people to the coffers of the Government, Sir.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: On a point of order, Mr. Speaker, is it possible to have a monopoly of one section?

MR. MATHU: May I proceed, Sir? I suggest to my hon. friend, the Minister

[Mr. Mathu] for Agriculture, that the point here is this, that the African pastoral people want to have the best price, best price they can get, for their cattle.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Is the hon. Member aware that they can sell actually outside the Meat Commission? Perhaps the hon. Member is not aware, and they do secure very much better prices than they would, selling through the channels of Nairobi.

MR. MATHU: I would not like to pursue that matter, Sir, but I would like to assure the Minister for Agriculture that if he wants particulars outside this Council I can give them to him. But the pastoral people are dissatisfied with the old arrangement, that is all I would say, but if he wants particulars and details I can give them to him.

THE SPEAKER: This is not a debate on the Kenya Meat Commission, it is outside the terms of this debate.

MR. MATHU: Well, Sir, the other point that has been made by the Gill Committee, and supported by my hon. friend on this side of the Council, is the question of deduction of capital expenditure by farmers or other people in other industries, who spend money on capital expenditure on the development of the country. I personally feel that that is a recommendation which should have been accepted and I think that my hon. colleague on this side of the Council has a very strong case to suggest to the Government that they ought to have considered this recommendation from the Gill Committee with favour, greater favour than they show in the White Paper which is here. We are, after all, a young country, growing, and the main thing, Sir, is that we should have permanent development and if we have to tax the farmer and the other industries on permanent development, the effect would be to discourage permanent development and I, for one, Sir, support the speakers on my right who spoke on occasion.

Now, I have one final point, Sir, before I sit down and that is Recommendation No. 53 which has been mentioned on by previous speakers, which appears on page 11 of the White Paper.

I, personally, support the recommendation of the Gill Committee that books of accounts should be kept in English and I think, Sir, that I am not convinced that the wording of the White Paper that the time is premature is convincing. My hon. friend, the Member for the Central Area, took a lot of time to show that this has nothing to do with taxation because the books—it does not matter how they are written, what they require is what is in it, in those books. But who is going to discover what is in those books unless they can intelligibly interpret the ciphers that are in those books. I personally think that, being a British Colony, the English language should not only be the official language of this Council, but it should be the official language of the country, and books of account should be kept in English, and I could not see any reason whatever why the Government should say that the time is premature. I have had the favour of being a schoolmaster for a little more than ten years, and I could not see any other reason why an Asian, an Arab or an African who goes into business in a big way, and comes under the income tax bar, could not get his books written in English, even if he himself did not know the English language, and I have been reminded only this afternoon by some of my African friends in this city—they go to buy goods from a shop; they get an invoice written in, you know, those funny ciphers which go backward and forward, and I do not know how they can go and interpret these things in their books themselves; and I do think it is a way we should avoid completely and the Arab language—it would be all right in Arabia; the Gujarati and Hindi are all right in Asia; but I think in a British Colony English should be the language, and the books should be written in English, and I do not see any reason why they should be written in any other language.

LT.-COL. GROGAN: Mr. Speaker, for many years I have put a request for the answer to the arguments against this form of taxation, but so far they have never been answered, but I did not really intend to say very much on this occasion, because—although it is necessary, in any conditions, unless it could be supported that my acceptance of things should go by default—I have

[Lt.-Col. Grogan]

aid on several occasions I have the highest respect for the arithmetical exactness by which the hon. Minister speaks, with his ingratiating smile, the distribution of largess, contributed by non-participants among the more despised and unworthy members of society; and I also have the greatest possible respect for the pachydermatous persistence with which he serves the Colony in his capacity of a peripatetic mendicant, but I always have a feeling—and I am sure he will not mind my saying so—knowing the kindly feelings I have towards him—that the physical impact of these impositions on the body politic he only sees—if he sees them at all—as through a glass darkly.

I am saying, I am disappointed in the progress of this gentleman. When he started quite a short time ago as a neophyte in the occult practices of monetary abracadabra, he really did show great promise, but I think he must have got into bad company and fallen among thieves. Well, he seems to have developed contracted the vulturine eye whenever he sees any signs of budding growth and prosperity in any industry as proper fiscal carrion. As an example, the long-awaited and, I think, quite transient prosperity of the coffee industry. Now, I would imagine the lamentable experience of the vulturine swoop on the local industry some time ago would have made him a bit cautious in trying to make the same sort of attack upon the coffee industry.

I have been trying to imagine the mentality of the people who construed this document. I can only visualize them as a little coterie of gentlemen, whose knowledge of taxation derives from the fact that the tax is extracted from their cash salaries, assisted a little bit by ancillary tax-free advantages, incidentally, and that they think that is the beginning and the end of all things.

Of course, they have had this great advantage that, being responsible for this income tax, they have had the assistance of a super vulture, who has flown here from the Andean highlands of the Colonial Office—I believe now classified as *Condor Libertatis* and had the advantage of his recommendations. Was he the genius who thought of C.C.L.—

cost of living allowance, as a result of which they have miserably passed on the burden of their income tax back into the lap, and more so to the shoulders, of the people who have paid their salaries.

Now, enough of that perfidage. I am coming down now to the major point of castigation. I turn now specially to paragraph 11, the tax on overseas income. Now, the particular paragraph which refers to that, shows quite clearly the unbelievable state of mind to which the hon. Minister's head is inflated, because it is packed with fallacies. The first fallacy is that, if money is invested overseas, and the interest is brought here, and is income tax free in this country, then it would not be taxed anywhere; but surely the hon. gentleman must realize that in this tax-sodden Colony there are hundreds of other channels through which any available moneys are gradually sucked into the vortex of the Treasury.

Now, that is one fallacy, and the other fallacy, which seems a very peculiar one to me, and shows the confusion of the hon. gentleman's mind with regard to the very meaning of capital—that he does not know the meaning of capital—is that such an operation will drive capital away. Now, I do not quite understand what the hon. gentleman thinks capital is. The capital, from the national point of view, is not easily driven away. I cannot take any real pleasure in, or in some other lustful pursuit, nor can anybody take his building work, or any of the substantive factors that are, in fact, the national capital. His word means. Apparently only in certain cases there are people that are capable of being driven from place to another. All the other things are static and cannot possibly be moved. Quite true, they may be sold to another party, but they still remain in the country, and the proceeds of the other party—if he is wise—he can move them somewhere else—to some country free of income tax—but if those moneys are invested in other countries, surely it is a lesson to the hon. Minister, and the lesson is this: that the more money that comes here, the more he can tax them in other channels because, after all, income tax represents a very large share of the marginal product of a man's money. That is to say, he has got to pay for his necessities, and this and that and the

[Mr. Col. Grogan] other, and what he pays in income tax is, in effect, to a certain extent, the marginal part of his expenditure, and the more marginal it is, the more certain it is, either it will be invested to the advantage of the country or, alternatively, it will be spent in some channel that produce other forms of revenue, and, therefore, if the hon. gentleman is wise, he will take the advice I have tendered to him over and over again and get the best of both worlds, and that would be by making local loans free of income tax to residents, just as it is free of income tax to non-residents, and, in that way, I contend, he would get the best of both worlds. He would not only get the money brought here—and, incidentally, he would find very, very much less trouble in paying interest in the form of East African shillings than in paying it in the form of London sterling. This is a very, very important matter he should bear in mind, and if he were to do what he has suggested, that he should do, acquire and spend, and make all Government loans in Kenya free of income tax to residents as well as to non-residents, then I am quite certain that he would find he would get a very large amount of money, with less difficulty in paying interest on them, by borrowing it overseas. And also the people who have subscribed would probably prefer to live here than in any other place, and would contribute more heavily to revenue in the form of indirect taxation, and I am quite convinced in that way, he would get a very, very much larger revenue than he gets at all.

Now, the second point that I want to make, that is, in effect, the point of expenditure. The hon. Minister has said that, in effect, there is no reason for a diminishing expenditure. From the other perspective, however, of the country, it is clear that there is a marked tendency to increase the expenditure of the Government, and again, and again, I have brought the hon. gentleman to two very serious attention in making some observations about it, and in fact, suggesting that because I do not think that on all his commitments, and vast financial resources he has at his disposal, that he should be content with the present level of expenditure, and that he should, in fact, be content with the present level of expenditure, and that he should, in fact, be content with the present level of expenditure.

not understand what the basic problems of agriculture are; but I am going to make one more appeal to him—and I will go and scratch up a bit of his backyard, I would very gladly give him a little packet of seeds—either mustard and cress or, preferably, of a melon. I think he will find probably that he may have a certain amount of initial success, but one day he may go around and have a look, and he will see that the whole thing has disappeared in a cloud of blue mould or, alternatively, his cook has used it for other purposes, and I think if he were to compare that experience with his normal experience when he goes back to his office and unlocks the door and goes in and sees all his files still undisturbed; he will realize there is a very large difference between the two forms of activity.

Now, the overriding fallacy—the whole of which is what I can only describe as a very impertinent comment—really lies in the fact—in the complete misunderstanding of the basic principles. Surely the right principle is that a reasonable and a just and an equitable form of obtaining revenue should be the overriding factor, and that expenditure should be related to that, whereas the one that prevails here in this expenditure is the basic fact to which the governing of countries has got to be related. Now that, of course, really lies at the bottom of the whole of this discussion, and I would beg the hon. Minister to bear in mind the point I have tried to make in my floor speech, and again and again, and that is that the right principle of raising revenue should be based on, not how much money is present in a country, but on how it is used, and that, in fact, control should be based on that. Now, of course, the modern principle of income tax, which is the modern principle of that, is based on the principle of ability to pay.

In the matter of this suggestion of making a special inquiry, I think this is, in effect, the same old, wooden tool that we have been using for a long time. I think it will be within the memory of most of us that, during the last war, we actually operated a large number of special inquiries on the various industries, from Government, that of the end of the war, that would all be concerned.

[Mr. Col. Grogan] Well, hostilities did end, but they were not removed, but, in order to justify the non-removal, they did at that time introduce an ancient and derelict virtue from Somerset House to make a report, which he did, proving they were right in not carrying out their obligations, and I have a very shrewd suspicion that the whole purpose of this new suggestion is an attempt to hand-pick a flock of more vultures, who will come along and substantiate the enormities that are resident in this particular document.

The only thing I have got to say in conclusion is that I am very glad that these very earnest and very carefully thought out and very responsible recommendations of the very responsible and knowledgeable body of the Gill Report have been noted. It is the first sign of intelligence we have seen.

Mr. Cowie: Mr. Speaker, I find myself somewhat confused in this debate, and I hope I may be forgiven if I ask for some information. It seems to me that whatever measure has been put up by the Gill Commission, or whatever constructive suggestion has come forward from parts of this Council, the answer is that it cannot be afforded, because it would mean a reduction in revenue.

The hon. Minister said, in opening this debate, that he would not welcome discussions on expenditure, because, and I can quite logically see it, that it is anticipating a debate which we will have to hold in the near future on the terms of the Budget. But, at the same time, Sir, I just wonder what effect the views expressed in this debate will have, and I do hope the hon. Minister will go so far, Sir, as to give us an assurance that he will at least take note of the views that have been expressed, from which I think we may assume that it might have some influence on the way in which the Budget is framed.

In that field, Sir, I have two points to make, and they are both from the compassionate angle. One is, Sir, in defence of the professional man. I was once concerned in that circle, and I think it is difficult for professional people to practise and give of their best services and not, perhaps, have the same privileges as if they were allowed to incorporate themselves as a limited company. If

is a point, by their own rules they are prevented from forming into limited companies, and so one may well not attract the best of professional services at a time when we need them most, simply because the professional man to-day is having, I think, a very great deal of difficulty in the whole structure of his taxation.

The other point, Sir, was merely touched on at the end of the Gill Report, and that is that there should be some relief for the more aged people and those retiring, and I do think, Sir, this country is approaching a stage where some of the earlier pioneers—and the earlier people who have done so much—are getting to a point where they will find it difficult to live on the financial arrangements available to them. I think it is a very fair case to consider some kind of relief for the more aged people, and those who are not actually earning an income.

Lastly, Sir, I wonder if—I do not rule it out of order—I want to refer to two other items which may be under the heading of expenditure. One is on the Emergency. It is my view that any large machine that is set up in the interests of humanity goes on running with a certain amount of inertia. It may well be that as the requirements for expenditure on the Emergency are reduced, to the impetus of the machine carried on, I may well be that there could be some reduction in the organization designed to bring an end to the *Mao Mau* trouble. That would be one means of reducing expenditure.

The other, Sir, I think is that I would commend to the hon. Ministers concerned that it is a matter for decision as to whether or not this country can afford the extent of social services—the standard to which we have got to-day. If the money is not sufficient—well, then, it is a question of whether we can afford it. If that is done, Sir, then it would be possible perhaps to make some of the concessions in income tax that have been recommended, and which, for the moment cannot be considered because they would reduce the revenue.

I would ask the hon. Minister, Sir, if he could in his reply give us more information on those points.

GROUP CAPTAIN BAIGOS: Mr. Speaker, Sir, I would like to preface what I am going to say by remarking that it is my view that income tax in any form in a developing country is an abomination, and I believe that in a multi-racial country it is not only an abomination, but also entirely inequitable, because the tax does not fall equally upon the shoulders of the various races here.

Now, the Minister for Finance has given his reasons against reducing income tax, and I am fully aware of the difficulties he has to face as the custodian of our finances, but I do not find his arguments entirely convincing. For instance, he has suggested that, owing to the demands for expenditure in this country, and to our having to obtain financial assistance from the United Kingdom, any reduction in income tax is virtually ruled out.

Now, Sir, I do suggest that surely, as long as the total revenue from taxation in this country is not reduced, surely the method of raising it is entirely a matter for this country to decide. Surely, again, a switch could be made in emphasis from direct to indirect taxation, without necessarily reducing revenue, and that is a point which I hope the Minister, in due course, will make clear to me, because I am only a simple farmer, and I do not understand these things! I hope that the Minister will reconsider the whole matter, not only on grounds of equity, but because I believe the present high rate of taxation is hindering development and discouraging investment in this country.

Now, Sir, it did appear to me that the reasons given by the hon. Minister for making no distinction between commerce and industry and the farmers in regard to development allowances were not, again, entirely sound. What I should like the Minister to do—if he can see his way to do it—would be to carry out a comparative analysis of the average profits of commerce and industry, and the average profits of the farmers. I think if he did that he would find that the result of such a survey would show that the profits of the average farmer—as distinct from the large plantation—I am referring to the ordinary farmer—would be on a very much lower average basis.

Now, Sir, I believe it is generally accepted that the economy of Kenya very largely rests on agriculture, and I believe that unless some relief is given it is going to be extremely difficult for the farmer to carry out the developments which he wishes to carry out on his farm, and which, I know, is the policy of Government—the wish of Government—that he should do also.

Furthermore, I cannot help feeling that perhaps, in making his decision on this matter, the Minister has left out of account the hazards of farming. I know there are hazards in commerce and industry—I have been engaged in both—but, nevertheless, the hazards in farming, I think, are very much greater, and the rate of profit is very much lower, and therefore there is not the same margin for providing funds for development.

Mr. Speaker, I beg to support.

Mr. Riddoch (Nominated Member): Mr. Speaker, Sir, the Members on the other side of Council have expressed disappointment—bitter disappointment—that many of the recommendations made in the Gill Report have not been accepted by the Minister for Finance on the grounds that the revenue of the country could not afford it. Many of the Members opposite have made suggestions as to how this possible loss of revenue could be made up. Many of them, I think, were of considerable merit, but I am surprised no one has made any mention of the loss to our revenue through tax evasion by the submission of false income tax accounts.

Without venturing to comment on the merits or demerits of income tax as a method of raising revenue in a country like this, it is my belief, in fact amounting to a conviction—which I am sure is shared by many others—that the evasion of income tax through the method I have mentioned is very widespread, and that if this evasion through the submission of false or incorrect tax returns could be reduced even to a modest dimension, the accretion to our revenue would be very considerable. So much so do I think it would increase our revenue that I do believe that our ability to pay for the Emergency would be greatly relieved, and also I think it might induce

[Mr. Riddoch] the Minister for Finance to view with greater sympathy the recommendations contained in the Gill Report.

Now, Sir, like everybody else, I hate paying income tax, but I must say I have the highest regard for the staff of the Income Tax Department, whose duty it is to extract from the public income tax due by them. Of course the department is made up of different branches, and the people that the public come into contact with most are the assessors. It is their duty to deal with income tax returns submitted to them, and I think it is only fair to say that, in their attitude to the public, they are extremely sympathetic, and most helpful in trying to see that each individual is not paying more than he should. It is not to them, therefore, that we must look in finding out who evades taxation through the submission of false returns. It is indeed to the other section—the other very important section—of the Income Tax Department, the Special Investigation Branch, that we have to look in dealing with this most important matter. That branch, I understand, is made up of a number of very highly qualified men—not only highly qualified, but highly intelligent and skilled in the particular specialized kind of work they have to do, and indeed, Sir, up to date already, through their efforts, they have been able to add considerably to the revenue through the collection by them of taxes which are unpaid by defaulters. If it is therefore—because of the need for this highly specialized branch—that we must see to it, Sir, that they are adequately paid for the work they do—that they are not dissatisfied in any way—that we can recruit further members to augment this branch, so that the country can be more adequately covered than it is now.

Sir, indeed it would be a calamity if, through not recognizing the services of those people adequately, they felt disposed to leave the country and relinquish—or leave behind—the vast experience they have accumulated, let alone the difficulty of perhaps recruiting replacements. It would indeed, Sir, be a calamity to this country, and to East Africa.

I beg to support, Sir.

THE SPEAKER: This is a good opportunity for the usual break. We will interrupt business for fifteen minutes.

Council suspended business at eighteen minutes past Four o'clock, and resumed at thirty-five minutes past Four o'clock.

THE SPEAKER: No other hon. Member wishing to speak, I will call upon the hon. Member to reply.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, in rising to reply to this somewhat long and, at times, acrimonious debate, I must express a great feeling of regret that the hon. Members on the opposite side, who have been so free with their criticisms, and so free with their suggestions, do not apparently find the reply sufficiently interesting as to grace this Council Chamber with their presence!

Nevertheless, Sir, under the circumstances, I must of course proceed to put on the record the answers to the arguments they have advanced, even though they themselves may not be present to hear what is said about their comments.

I shall deal first of all, Sir, with my hon. friend, Mr. Mathu's, the African Representative Member's comments on the question of income tax. My hon. friend is quite right when he says that income tax has, of course, throughout recent years, applied to the Africans equally to any other race, and, indeed, I hold that to be the basis of any fiscal structure—that income tax shall apply equally to people of all races and all kinds, dependent only upon their ability to pay; but then my hon. friend says that of course it was only recently that Africans began to realize that they were subject to income tax, and that to assess them back to 1948 was indeed inequitable. I cannot, Sir, accept that it is inequitable. The taxpayers concerned must have been perfectly aware, because they are presumably men of income, and therefore with some responsibility that the liability to income tax existed, and failure to realize you are liable to tax is indeed no excuse for not paying the tax, and it certainly is no reason for the taxpayers foregoing—or the Government foregoing—the tax that was due to it; so that, while I sympathize with the gentleman who have been brought in this manner, I cannot agree that the position

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is iniquitous. I have, however, no doubt that the Commissioner of Income Tax will take due regard to the arguments of my hon. friend.

I will deal a little later on, Sir, with the question of the terms of reference of the suggested Commission. I am glad to see, Sir, that, thanks to the unselfish action of my hon. friend, the Member for Nairobi North, some of the hon. gentlemen have presumably returned to listen to the reply!

I will deal first of all, Sir, with my hon. friend, the Member for Nairobi South. The Member for Nairobi South spoke about the speech of my hon. friend, the Secretary to the Treasury, in some innuendo, as if implying that this was a question of "His Master's Voice", but was, of course, far too polite to say so. It might interest him to know that I did not see the speech of my hon. friend, the Secretary to the Treasury, until after it had been written. This was merely what is often to be found on the Government benches—a unity of thought and purpose and agreement in the action to be taken—a unity which seems to be, Sir, singularly lacking upon certain benches opposite, unless it is a question of increasing expenditure or reducing taxation: and the sad thing about it, as far as I can see, Sir, with regard to the hon. Member for Nairobi South, is that there is no "His Master's Voice" available to him. That is the position, Sir, he spoke about, of bringing in experts from outside; and what applied in other countries, was not invariable, and not necessarily right, is something we all accept. The whole process of the development of taxation of income tax—in this country has been the result of a growth and an adaptation to the circumstances of the country.

Now, Sir, I will turn to my hon. friend, the Member for Nairobi West. I will not attempt to follow the hon. Member through his once again labyrinth of personal and general vituperation. I regret that the hon. Member from time to time seems to think that vituperation and slandering are a great replacement of reasoned argument, and it is, to my mind, a great pity when an hon. Member with the sagacity of the hon. Mem-

ber for Nairobi West finds that only through vituperation—either of myself in person or, what is more serious, in denigration of the Civil Service—is he able to maintain an argument in this Council.

My hon. friend spoke about a Paper packed with fallacy. Sir, my hon. friend's arguments, as far as I can see, are nothing more than economic phantasmagoria, and if anybody does not know what phantasmagoria means—as I am sure my hon. friend does—it means illusive images and an exhibition of shadows. My hon. friend speaks about local loans, and raising them free of income tax, and also the point that we should have to repay in East African shillings and not in pounds sterling. Sir, the whole difficulty of this country at the moment is that it cannot raise enough East African shillings to pay its own way. When we talk about loans free of income tax, my hon. friend must be well aware that one of the great advantages of that is that the surtax-payer get about 16 or 17 per cent. interest on the loan, and the ordinary man would only get his 5 per cent.

It is the same, Sir, if one turns, rather with distaste, to one point which I feel I must answer. The hon. gentleman said that he thought that perhaps part of my folly was due to the fact that I have never worked with my hands. I will make only one reference to that personal allusion. I will, Sir, be prepared to waver with the hon. gentleman that I earned my living with my hands earlier in my life than he did in his; and with that, Sir, I will dismiss the speech of the hon. Member for Nairobi West, and turn to more serious and more weighty matters.

Well, my hon. friend the Nominated Member, Mr. Cowie, spoke, Sir, about the reduction of Emergency expenditure and could we afford the extent of social services, just as one or two other hon. Members opposite spoke about the reduction of expenditure. I need hardly say, Sir, from my point of view, with what joy I look forward to the debate on the Budget estimates, when I expect to see my hon. friend, Mr. Cowie, moving a reduction in the vote on National Parks, and I expect to see all hon. Members opposite moving reductions in the votes of the Police, the Prisons, the

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Administration and Agriculture, specifying in each case which school, which standard of school, they are prepared to sacrifice or which service they suggest the Minister should do without. I am afraid, Sir, that that also is something which will remain in a realm of fantasy because I have no doubt that when the hon. Members come to deal with that particular point, there will be a road in Nyanza, or a water supply at Lumwa, or a school at Nakuru which would be no question of talking about the financial expenditure and the need for economy. And when my hon. friend, Mr. Cowie, speaks about "Can we afford the extent of social services" that, Sir, is a matter for this Council to decide on, but, as my hon. friend, the Minister for Agriculture, said, and said rightly, the moment you try to reduce expenditure in this country, there is a deputa- tion of one's constituents, awaiting to say that you can save on everything else, but not, repeat not, on this particular item; cut the other man—not me.

Now, Sir, my hon. friend, the Member for Mount Kenya, spoke about being fully aware of my difficulties. I often wonder whether the hon. Member is fully aware of the difficulties. He seems to think that all that one has to do is to say this is what we want and then to do exactly as we like. I will make no comment upon that particular aspect.

GROUP CAPTAIN BRIGGS: Mr. Speaker, Sir, I think the hon. Member is misquoting me. I said nothing of the sort.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I think the hon. Member said—and I am open to correction, but I do not think I am wrong—that provided sufficient money was raised in this country, we had complete choice of the way in which we raised the revenue, and I still ask the hon. Member to say that that was not what he said, as if the people who are paying many millions of pounds to keep this country on an even keel to-day would be prepared to see a taxation policy which relates to the destruction of our economy.

GROUP CAPTAIN BRIGGS: The hon. Minister has misquoted me entirely. The words he used are quite correct, but he

has interpreted them in an entirely wrong sense. I went on to explain that I could see no reason why there should not be a change of emphasis in this country between direct and indirect taxation.

THE MINISTER FOR FINANCE AND DEVELOPMENT: The hon. Member is quite right and I am coming to that particular point. I am glad to have the fact made perfectly clear in this particular case, but the fact is that if I were to do what the hon. Member suggests, take a terrific increase in indirect taxation, I would be doing two things. I would be lifting the cost of living in this country considerably, and I might go a long way towards wrecking our economy, by compelling an upsurge in wage levels which no Government could legitimately deny.

The hon. Member said that there should be a greater emphasis upon indirect taxation. I am telling him that there are as great dangers in that fallacy, that indirect taxation can be stretched too far in this country, as in any fallacy which he may consider we have passed before this Council.

Now, Sir, I turn to some of the general criticisms. It was, I think, said—I believe by the hon. Member for Nairobi North—that there had been unwarranted delay in the issue of the Seasonal Paper. I am not a member, Sir, whether hon. Members have any views of the general practice when dealing with financial reports and Commissions of this kind in other parliaments. I have, Sir, with me here the first report, the second report and the final report of the Royal Commission on Taxation of Profits and Income of the United Kingdom. The first report was published in 1953. The second report was published in February, 1954. The third report was published in 1955, in June, and they have not been debated by the House of Commons. Why? Because there a position has been taken up, and quite rightly, that the expression of the view of the Government on the points contained in that report will be found and expressed at the time of the presentation of the Budget. We, Sir, have gone much further than that. We have tried to meet hon. Members opposite by placing a Seasonal Paper before this Council so that there

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should be a debate, hoping, of course, that we would find a responsible and steady expression of opinion and constructive policy as to what should be the taxation policy of the country rather than the type of thing that we have unfortunately had to suffer. Then they say we have brushed aside the Committee's reports and in exactly the same sentence almost as they say we have brushed aside the Committee's reports, they complain about the time we have taken to study it. I really can not understand the two-way elastic stretch which seems to exercise the minds of hon. Members opposite from time to time. They seem, of course, to think that all you have to do is to repeat something loudly enough and often enough and then that is an accepted and true fact. I would use a little quotation which I am sure hon. Members opposite must have heard from time to time. "Use not vain repetitions as the heathens do: for they think they shall be heard for their much speaking".

MR. HARRIS: Like Government!

THE MINISTER FOR FINANCE AND DEVELOPMENT: It seems to me that a few facts produced by them would have been a little more to the point than this type of thing. Now I think the hon. Members say we are lacking in imagination and vision, and that we should only lose revenue in initial years and that after that we should get increased revenue through development. That is what I said. I said that I recognized that this type of step might bring us revenue in years to come; presumably the hon. Member did not listen to what I said, but of course I have little doubt that if we could afford this, we could carry on development at a slightly faster pace than we are doing and we would get more revenue, but the fact remains that it is the initial loss and that we cannot afford as a country. The hon. Member, with all due respect, wants to use a little imagination and vision as to what would happen to us if we approached the United Kingdom and said: "We need £10,000,000 to get through this year; make it £11,000,000, we are going to reduce our burden of taxation this year for the sake of years to come." Just use a little imagination and vision. That

is all that I ask about those negotiations. Her Majesty's Government has helped us to maintain development, to keep services going which we should otherwise have had to close down—economic as well as social—and it prevented much heavier taxation in this country than there would otherwise have been. Gentlemen, there is a limit to what can be asked as well as to what can be given and we must be governed by what we can afford.

It seems to me, Sir, that we should keep in mind the terms to the general benefit of the Colony. Now that means what it says, "to the general benefit of the Colony"; and I am quoting from the Terms of Reference of the Gill Report which should be "to the general benefit of the Colony, and the Government believes that makes these concessions at the present moment, which might well mean an additional one and sixpence or two shillings in the pound in income tax or a very heavy one 20 per cent or 25 per cent increase in our indirect taxation; that that would be more detrimental to the welfare of the Colony than any delay of the concessions which have been asked for.

Again, I would repeat something that I have said on many occasions in this Council: Sir, this is not a decision of the Treasury. This is not a decision of the Minister for Finance—this is a decision of the Government, a collective body which has studied every point in these Papers and has studied every angle of the difficulties and has come to the conclusions as set out in this Paper, and if the hon. Members will look at the first words of the Paper, they will see that they say: "The Government . . ." and that, answering the hon. Member for Mau, includes all Ministers; the Minister for Agriculture, the Minister for Commerce and Industry and all those who, on this side of the Council, have to carry the heavy burden of responsibility for the conduct of affairs.

MR. COOKE: You did not bully them, I suppose!

THE MINISTER FOR FINANCE AND DEVELOPMENT: Certainly not. The hon. Member should try, as no doubt he has, and failed, bullying the hon. Minister for Agriculture! It just does not work!

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Now, Sir, there was another point. The hon. Member for Nairobi North was speaking about the Income Tax Department. Now I want to say emphatically, Sir, that this Paper is based very largely on the advice and, wherever it affects income tax, on the support of the responsible income tax officials; men who have not only knowledge of the law—but which many people can possess—but men who have to carry out the responsibility of the administration of income tax in this country; men who have knowledge of income tax procedure, not only here, but all over the world, and men who are continually watching for what is good and what can be adapted to our position. I would like to pay here a personal tribute to the Commissioner of Income Tax, Mr. Wedderspoon, for his very, very great help to me through-out the whole of this very difficult period.

Now, Sir, I would like to deal with certain comments which have been made and here I speak, I can assure hon. Members, with full authority of the people concerned. The hon. Member for Nairobi North asked if the recommendations in the report had any influence on the drafting of the Management Act, and the answer is no. They were ready to go into the Bill before the Gill Committee Report. The question of attracting income from outside East Africa to come here, several hon. Members have brushed aside, with the type of argument that I just cannot admit, and I would say that leaving aside tax free income, the Government is pushing ahead with double taxation agreements with other countries. The United Kingdom we have done already. Canada, South Africa, the Federation of Rhodesia are almost ready for submission to this Legislative Council, and these agreements eliminate double taxation on income imported to East Africa and, in many instances, certainly in the United Kingdom, it means that no tax is payable in Kenya. These agreements encourage the importation of income and we are going ahead as rapidly as possible. We are also considering agreements of a similar kind with Sweden, Norway, Denmark, France, and so on.

On Recommendation 27, Sir, I said that the principle had been met. I think it was the hon. Member for Nairobi North who seemed to doubt that. Well, Sir, the new section 74 (5) provides full power of appeal to the Courts on the refusal by the Commissioner to admit a late appeal relating to any of the six previous years and involving repayment; and by this means the taxpayer may obtain the repayment referred to by the committee. If that is not meeting the principle, I will perhaps, as I sometimes wonder if I had better do, stop trying to do this job at all.

Recommendation No. 9, Sir. Why refer this to the Commission? Well, Sir, the position about referring it to the Commission was, I thought, set out. It is because redrafting might be desirable, but it is in the opinion of the people who have to handle the income tax law and administration, a very intricate matter and the real answer is in the Paper. Such redrafting would not affect the intended or actual interpretation of the existing law.

Recommendation 10, Sir. Why has this been dealt with in this manner? It is, I think, on page 3 of the Paper—no, I am sorry, it is page 4. I am sorry, Sir, I will deal with that later on.

I will deal with Recommendation 16 which is on page 4, Sir. Now, what the Tucker Commission approved the cost of appeals relating to the measurement of profits, the Royal Commission on Profits and Taxation related this as well as the suggestion that the cost of appeals relating to personal allowances should be allowed.

Recommendation 21. While the Royal Commission—again I am quoting from not the Act, but the Royal Commission Report—agreed that depreciation should be allowed on the cost to the new owner and it is suggested that say profit to the seller should be assessed. I would beg hon. Members who are thinking of pushing this forward, asking me to take note of it, to think indeed what it would mean if we adopted it. It would indeed make the seller—

LT.-COL. GIBBS: Tax on capital appreciation?

THE MINISTER FOR FINANCE AND DEVELOPMENT: I do suggest that that would not be acceptable to the East

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African taxpayer and, in any event, the whole cost of machinery and plant is already allowed in East Africa.

Now, Recommendation No. 33. This is the much debated recommendation about language. Now, Sir, I am one of those people, who, like my hon. friend, Mr. Mathu, believe that as English is the language of the country, and as we are a British Colony, then obviously we must move to English as the basic language for everybody and for all transactions, but it is not possible to do that in one fell swoop, because whatever one says there are many traders who are not capable at this stage of keeping their books in English without paying a very heavy price for skilled assistance. The position is that the Commissioner is already issuing directions that books must be kept in English in important cases. The objective, therefore, is being achieved administratively without putting, in fact, into the law something which could not be brought into force under the circumstances of many of the smaller traders of our country, because it would not be possible to bring in a law and say, "If you have a turnover of £10,000 this you must do, and if you have a turnover of £500, this you must do". In any case, I think there is an awful lot of common sense in the fact that if you intend to keep false books, you will keep them in any language; if you intend to evade the tax, you will do it. That is something indeed which, from time to time, becomes fairly obvious when one looks at the income tax position in this country.

Now, Recommendation No. 36, Sir. The penalty, it was stated, at 20 per cent was too high. Now, Sir, the penalty is reduced to 5 per cent if payment is made within a fortnight of issue of the final demand incorporating the 20 per cent penalty. In other words, the taxpayer, and I claim that here the Income Tax Department and the Commissioner for Income Tax deals very rightly and reasonably with this matter, the income taxpayer has not paid what is, after all, his just due to his fellow people in the country. After a period of time, the penalty of 20 per cent is imposed and a notice is sent out insisting that 20 per cent, but, even then, he is given another

14 days to meet his just and lawful demands and, if he does it during that time, the penalty is reduced to 5 per cent.

Recommendation 38. The law in the United Kingdom, as in East Africa, imposes the penalty. The General Commissioners in the United Kingdom hear appeals as do local committees in East Africa, and the latter may reduce penalties imposed by East African law.

I turn to Recommendation 10, Sir, which I think to be found on page 8. In the opinion of the people who have to administer this law, this recommendation would have no effect whatever on the amount of revenue collected. It might in fact create administrative difficulty in collections other than those which already exist.

Now, Sir, I think I have covered most of the detailed points which were raised in the first lot of speeches.

I would like now to turn, Sir, to my hon. friend, the Member for Mau. I think he said the Government had taken a dismal and defeatist attitude. Well if to be realistic is to be dismal and defeatist, then dismal and defeatist we must be, but I would suggest that at any rate that is far better than over-optimism in our present situation. Our attitude as a Government—and, I suggest, as a Legislative Council—must be realistic. We must adhere to the facts of the present situation, not as we imagine they will be in the years to come. My hon. friend, the Member for Mau, said why cannot I say I accept these in principle, and we will put them into operation when we can. I contend that that would be most wrong. When we can see there is a chance of doing them then we will move to whatever tax adjustments the Government considers are necessary in the interests and the general benefit of the taxpayer, but to say to-day, we accept any one of these recommendations which involve the loss of revenue, and we will put it into practice, would invite the question "When? In two years, in three years, in four years, five years?"—when we have ceased to go on annual visits to the United Kingdom for assistance. To offer some deferred type of hope like that, even at that stage might not then be put into operation because Governments and circumstances and people change. I suggest, Sir, we

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must maintain a realistic attitude. My hon. friend, the Member for Mau asks for a fiscal survey. Heavens, Sir, have we not had enough of these fiscal surveys and committees in this country which cost so much. Now is the wrong time for a fiscal survey with all our unsettled conditions and financial dependency. Now would be the wrong atmosphere for an overall survey of our structure. The hon. gentleman, I think, suggested that we should go to Brazil. Well I heard some remarks about Brazil. I would have thought indeed that anybody who read the financial papers of the world would know that Brazil is one of the places that we should least attempt to copy in these conditions; and that, indeed, they are coming out, themselves—at least I hope they are coming out—of a very difficult position. I am sure the hon. gentleman is well aware of some of the difficulties which the economic practices of Brazil have caused to the coffee industry as a whole and in general. But, Sir, I have been looking for economic surveys, if possible to take place and we have recently had a very good economic survey carried out by the Economist unit on behalf of the Railways. Some time ago, when I was in America, I made a suggestion that perhaps sometime it would be possible for the World Bank to do an overall economic survey for us which would be a guide to the future. That is the type of thing that we really need. I just fail to understand why hon. gentleman opposite must assume that the Government of Kenya, as a collective and responsible body, is not capable of shaping and guiding its own fiscal policy and of adjusting it from time to time to the conditions as they arise. It has many people, many local people, who know the conditions here and who are in touch with the feelings of the people. I do think that perhaps, under these circumstances, it is perhaps sometimes wise to believe that the local people have the ability in the Government of Kenya—

MR. COOKE: And outside it.

THE MINISTER FOR FINANCE AND DEVELOPMENT: And outside it, to carry on the fiscal policy of the country.

Still, Sir, I welcome the new Commission. The new Commission is, after

all, to be based on an East African platform. It is, after all, to take in the whole picture, but to have regard to the conditions which vary from territory to territory. I am hoping that they will be able to take a general and overall view, my hon. friend, Mr. Mathu, raised this particular point—if the terms of reference are going to be the same, the Commission will have no value. I would remind hon. Members that at the time that the Gill Commission was appointed, I begged them to wait for a commission to be appointed from outside. I begged them to have regard to the terms of reference of that Royal Commission, which are "to inquire into the present system of taxation and profits of income, including its incidences and effects, with particular reference to the taxation of business profits, and taxation of salaries and wages; to consider whether, for the purposes of the national economy, the present system is the best way of raising the required revenue from the taxation of profits and income, due regard being paid to the points of view of the taxpayer and of the Exchequer; to consider the present system of personal allowances, reliefs and rates of taxes as a means of distributing the tax burden fairly among the individual members of the community and to make recommendations consistent with maintaining the same total yield of the existing duties in relation to the national income." I am sure that had the Gill Report had those terms of reference, we should have seen a vastly different report in many ways, because they would have had to have regard to the sacrifices for which they were calling. I agree with the hon. Member for Mau, of course, of course our salvation lies in development. We have said it so often from this side of the Council. It is not something which hon. Members alone think of. The Minister for Agriculture, the Minister for Commerce and Industry, the Government Front Bench and Back Bench have said it. Of course it does, but you cannot expend beyond capital and recurrent resources available to you unless you wish to increase recurrent resources and, as external advice always comes and, more acceptable to hon. Members than what we say from here, let me turn round and read what Sir Frederick Leith-Ross, Chairman of the Honorary

[The Minister for Finance and Development] Bank of South Africa, said, reported in *The Times* on February the 14th. "To-day the credit squeeze which is occurring throughout the world would mean that capital would not be so easy to obtain, and consequently Central Africa Federation would have to examine its development plans, concentrating on those of prior necessity such as the Kariba and Shire power-schemes. Sir Frederick Leith-Ross is on a tour of Africa, and came to Nyasaland through East Africa." If the hon. Members for Nairobi South and North, who did the criticism, would perhaps listen to this one, they might perhaps agree with it. "In order to attract capital in the present world money market," he said, "the Federal Government will have to improve its own budgetary position, say, by new taxes."

MR. HARRIS: On a point of explanation, Sir, I was just making sure of the Minister's reference. I thought it was Granville-Ross.

THE MINISTER FOR FINANCE AND DEVELOPMENT: The hon. Member perhaps does not know the Chairman of the Standard Bank of South Africa, and he is rather mixing him up with somebody he knows in another capacity.

Now, Sir, the hon. and gracious lady, the Member for Nyanza—I think she produced something about my being inhuman. I think she said that I was making people, or tempting people, to live in sin. I know she had flights of sinful fancy somewhere, and it might perhaps, Sir, and I am not going to argue on the economic aspect of it, but it might perhaps, Sir, interest the hon. and gracious lady to know what the Royal Commission said in April, 1934, in the report, which has not yet been debated of course by the House of Commons, although it has been received by Her Majesty's Government. "It was said to us that aggregation is socially undesirable since it tends to discourage marriage and to induce a man and woman with separate incomes to live together without becoming husband and wife. We can give very little weight to this argument. First, it is not true as a general statement that aggregation operates as a tax on marriage. It is only true of a man and woman, both of

whom have incomes, and then only if certain ranges of incomes are exceeded. It then goes on to illustrate how, by various allowances, in certain categories, the tax is not increased. Secondly, we are sceptical of the suggestion that men and women are in fact dissuaded from marriage by any such nice calculation of financial policy." Sir, what a picture the hon. and gracious lady carried forward.

MRS. SHAW: Sir—

THE MINISTER FOR FINANCE AND DEVELOPMENT: I am sorry; not until I have finished.

What a picture the hon. and gracious lady brought forth to my mind. She brought forth to my mind, Sir, a gentleman proposing to a lady, and as he got down to his knees, and before she said "Yes," she said, "What is your income, dear?"

SIR CHARLES MARKHAM: They always do!

THE MINISTER FOR FINANCE AND DEVELOPMENT: He then worked out whether her income and his income would assure him of living in the manner to which he had been accustomed, and then he decided that the incomes combined would result in the payment of £100 income tax more than if the incomes were separated, and they decided that from that time on convention had no further part in their life. Rubbish! Can it be wondered that the Royal Commission made this type of remark.

"In the circumstances, we think it sufficient to record our view, that the reasons that impel men and women to prefer marriage to more casual associations, are many and powerful and that the present treatment of the income of married couples for the purpose of tax, is not more likely to lead people away from matrimony than to tempt them into it," and I think, Sir, that at that the argument must be left.

Now, Sir, I think I have covered quite a number of the points I have raised, and thank the Chairman and the members of the committee which made this report. We do appreciate, as I said at the beginning, even though we cannot agree with a number of their conclusions, we do appreciate the great effort which

[The Minister for Finance and Development] went into the work. If, indeed, there is a feeling, as there is a feeling, that in this particular case only certain sections of the taxpaying community were represented, and that, indeed, the general taxpayer, the small individual taxpayer, went almost unrepresented, and that as a result of that, the recommendations which emerged were biased, and not willfully, because I have the greatest respect for the integrity of the Chairman of this committee, but were biased by the type of investigation which went on, and if at times, therefore, they slipped away from the realization that it was the general benefit of the Colony that mattered more than anything else, that does not detract from our expression of thanks and gratitude for the good work they have done and the thought they have stimulated by the production of a number of these recommendations. The door is not closed. That, I have made clear, from the very beginning, and that is something which hon. Members on the opposite side of the Council, either willfully, or unwittingly, have failed to refer to.

Now, Sir, I spoke at the beginning of this speech about the question of phantasmagoria. Sir, there is one hon. Member whom I must say got right away from that at one point in his speech at any rate, and that was when the hon. Member for Aberdare said, "I recognize if you accept these recommendations and give these concessions, you will have to lift the rate of tax." Now that is the real point of difference between us. I believe that to lift the overall rate of tax, would be more detrimental to this country than any of these concessions could at this stage in our economic and fiscal history be valuable, and, from that, I am afraid we cannot, indeed, depart.

MR. SLADE: I thank the hon. Minister for giving way. I would not like to be commended by him under false pretences. What I actually said was that if you have to raise the same amount of revenue by income tax, then indeed the rates of tax will have to be increased, in the event of the Gill recommendations being accepted.

THE MINISTER FOR FINANCE AND DEVELOPMENT: That, Sir, is the vital

point, but if indeed we yield on income tax on this point, the rates of tax would, in my opinion, have to be increased because—well, I cannot anticipate another debate.

I would like, Sir, also to say that we have, and would like very much, to express our thanks to the Income Tax Commissioner and his officers, without whose work, carried on at times, and at the present moment, in very great difficulty, as it is hard to get staff and, when we get staff, we cannot find houses for them; they have carried on in times of great difficulty the collection of revenue, without which work, money would not be available to carry on the work of development, to carry on the work of the creation of additional wealth and, without which, services cannot be maintained and reports indeed would be of little value.

I would, Sir, like to close on one note which comes from the source often quoted by my hon. friend, the Member for the Coast, Edmund Burke, which will perhaps correct an impression that seems very deep in the minds of some hon. Members opposite, some hon. Members of this Council. It is taken from "Observations on the Publication of the present state of the Nation" and is, therefore, perhaps very applicable at the present moment. "It is a general popular error to imagine the loudest complainers for the public to be the most anxious for its welfare," and I would repeat it, Sir. "It is a general popular error to imagine the loudest complainers for the public to be the most anxious for its welfare." Others, also, are just as anxious for the welfare of this Colony as some of the hon. Members opposite.

Sir, I beg to move. (Applause.)

LT.-COL. GHERSB: Mr. Speaker, Sir, on a point of personal explanation, the hon. and gracious lady for Nyanza did not attempt to rise but the Minister was not prepared to give way. I think she was attempting to defend herself against a statement made, namely, that she was responsible for having returned to the Minister as inhuman. Sir, I think the Minister was wrong and I accept the responsibility for that remark.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I am sorry, Sir, if I may rise on a point of explanation, Sir, the hon. gentleman did use it, but I also made a note that the hon. Member for Nyaanza also referred to it.

Mrs. SHAW: On a point of information, Mr. Speaker, I was not rising on that point. I was rising to say that the flights of fancy that the Minister has just indulged in as regards the effect of income tax on marriage, I cannot claim that remark as my own. I was merely quoting the Gill Report which he does not appear to have read.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I thank her for her explanation. The lady quoted the Gill Report and said it encouraged people to live in sin and she supported that point of view.

The question was put and carried.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: I beg to move—That under Standing Order No. 168 the Standing Orders be suspended to the extent necessary to enable the Hospital Treatment Relief (European) (Amendment) Bill (Bill No. 28) to be taken through all its stages to-day.

Sir, in normal circumstances, the proposal that Standing Orders should be suspended to permit a Bill to go through all its stages in one day, would draw from me all the expressions of revulsion and righteous indignation which were so eloquently voiced the other day by the Member for Nairobi North. Sir, my eyes would flash. But, as the hon. Minister for Local Government pointed out, in the financial resolution moved by him a few days ago, it is in the public interest that this measure should become law as soon as possible.

Sir, I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: seconded.

Question proposed.

The question was put and carried.

BILL

FIRST READING

Hospital Treatment Relief (European) (Amendment) Bill—(The Parliamentary Secretary to 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-day.

BILL

SECOND READING

The Hospital Treatment Relief (European) (Amendment) Bill
Order for Second Reading read.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I beg to move that a Bill entitled The Hospital Treatment Relief (European) (Amendment) Bill be now read a Second Time.

This, Sir, is a Bill concerning which a Motion was moved here in this Council on Wednesday last. It is a Bill, Sir, which I am sure the hon. Members understand, almost all of, which provisions in the Bill were gone into during the moving of that Motion and the Objects and Reasons also explain the Bill in full.

The Minister, Sir, apologized to the Council for a mistake during the discussion of the Motion, when he referred to the relief which patients received—Sh. 45 which in fact is Sh. 40. This has been corrected in the Press, but I wish to correct it here also for the sake of the record. He also made an attempt to make a further amendment to the Ordinance, no doubt with special regard to its title in order to avoid confusion.

Sir, the Bill is a very short one and I do not think I need waste the time of the Council and therefore I beg to move.

MR. CONROY 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

Order for Committee read. Mr. Speaker left the Chair.

IN THE COMMITTEE

[D. W. CONROY, Esq., O.B.E., T.D., in the Chair]

THE HOSPITAL TREATMENT RELIEF (EUROPEAN) (AMENDMENT) BILL
Clauses 1 to 3 agreed to.

Title and enacting words agreed to.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Chairman, I beg to move that the Committee do report back to Council its consideration of the Bill appearing on the Order Paper and its approval thereof, without amendment.

Question proposed.

The question was put and carried.

Council resumed.

[Mr. Speaker in the Chair]

REPORT

MR. D. W. CONROY: Mr. Speaker, I beg to report that a Committee of the whole Council has considered, clause by clause, The Hospital Treatment Relief (European) (Amendment) Bill and has approved the same without amendment.

THE HOSPITAL TREATMENT RELIEF (EUROPEAN) (AMENDMENT) BILL

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I beg to move that the Hospital Treatment Relief (European) (Amendment) Bill be now read a Third Time.

THE CHIEF SECRETARY seconded.

Question proposed.

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

REPORT

THE EMPLOYMENT OF WOMEN, YOUNG PERSONS AND CHILDREN (AMENDMENT) BILL

MR. LUYT: Mr. Speaker, I beg to move that the Council do agree with the Report of the Committee.

THE SPEAKER: I would like to say here that in future, when a Bill has been amended in the Committee Stage, before Members are asked to agree with the Report of the Committee, they will have

the opportunity of seeing the Amendments which will be circulated with the Order Paper. This has not been done today, but it will be done in future.

Question proposed.

The question was put and carried.

THE EMPLOYMENT OF WOMEN, YOUNG PERSONS AND CHILDREN (AMENDMENT) BILL

MR. LUYT: I beg to move that the Employment of Women, Young Persons and Children (Amendment) Bill be now read a Third Time.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR EDUCATION, LABOUR AND LANDS seconded.

Question proposed.

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

REPORT

THE PYRETHRUM BILL

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I beg to move that the Council do agree with the Report of the Committee.

Question proposed.

The question was put and carried.

THE PYRETHRUM BILL

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: I beg to move that the Pyrethrum Bill be now read a Third Time.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

MR. HARRIS: Mr. Speaker, Sir, in the Second Reading of this Bill you will remember, Sir, that the Minister gave an undertaking that the Bill would be actually brought into force on a date to be specified by the Governor and that we incorporated an amendment into the Bill to that effect. In speaking to that amendment, the Minister stated that he would get various parties together to see whether general agreement could be found on certain matters which I raised. I am wondering, Sir, before this Bill is read a Third Reading, whether the Minister would indicate that before recommending it to the Governor's implementation of

[Mr. Harris] this Bill, he will initiate exhaustive discussions between the various parties.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I am happy to tell the hon. Member that I have set aside Thursday of this week for these exhaustive discussions.

Question proposed.

The question was put and carried.

The Bill was accordingly read a Third Time and passed.

MOTION

SUSPENSION OF STANDING ORDERS

THE CHIEF SECRETARY: Mr. Speaker, Sir, I beg to move that under Standing Order No. 168 the Standing Orders be suspended to the extent necessary to enable business to be interrupted to-day at Six o'clock. This Motion, Sir, is to suit the convenience of hon. Members.

Mr. HARRIS seconded.

Question proposed.

The question was put and carried.

MOTION

COST OF LIVING REPORT

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

THAT this Council approve the terms of Sessional Paper No. 63 of 1956.

This Sessional Paper No. 63 of 1956 deals with the report of the Cost of Living Committee which was originally appointed in October, 1952, which was debated on the report then laid in the Legislative Council on 18th May, 1954. On 24th February, 1955, we accepted a Motion on the Cost of Living Report and at that time we had a fairly full debate on the general cost of living position.

For those Members who feel that there has been a delay in this matter, I am sure that the report of the debate which took place on 24th February last year would explain the ground which I, therefore, do not propose to cover again.

I would, Sir, now turn to the White Paper and take paragraph 2, the general problems of rising prices. The Paper

says "The world has been experiencing during recent years a general inflation. Kenya has not been able, nor could it insulate itself from the effect of these price movements. In addition, the development of the economy by the injection of capital, both Government sponsored and private, has often resulted in demand exceeding supply, and an upward movement in the price structure."

Paragraph 14 of their report: The Committee recognizes that the continued rise in the Kenya cost of living is, however, in accordance with the general trend of a community developing rapidly, and further increases, particularly in wages, must be anticipated. There is full agreement, Sir, with the finding of this committee, and, as hon. Members will realize, the committee expressed that hope in 1954 and there is no doubt about it that this process of increasing wages and continual rise, although controlled, is, in fact, taking place to some extent.

After, Sir, I have dealt with the general figures of the rise in the price levels, I will deal, Sir, with the general position of the Colony and its economy in certain respects as regards—as it affects the cost of living. It might be interesting, Sir, to quote to the Council some of the price differences which have taken place since August, 1952, and up to January, 1956, though the latter prices still, I think, are to be published. One pound of bread, white, in August, 1952, was 55 cents. By January, 1956, it had risen to 65 cents. Butter in August, 1952, was two shillings 55 cents. By January, 1956, it had risen to three shillings 85 cents. Sugar in August, 1952, was 50 cents. By January of this year it had risen to 61 cents. Milk a pint was 43 cents in August, 1952, and by January, 1956, had risen to 55 cents, whilst one dozen eggs in August, 1952, were four shillings and 70 cents, by January, 1956, they had risen to five shillings.

That is what is known as the list of breakfast table items and has, therefore, to be regarded as one of the general pictures of the increase in prices in this country. It is interesting, too, to note that in Kenya, taking 1948 as 100, the figure has gone by the middle of 1955 to about 128, which is an 18.8 increase overall progression between 1952 and 1955.

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The other territories have shown somewhat similar trends, and if one takes the overall items, the percentage increase between 1952 and 1955 was 14.8 per cent in Kenya; Uganda 15.8, Tanganyika 16.4. So that it can be said, and said quite rightly, that there has been a gradual upward trend throughout the last three years. But I must emphasize that these figures show that it has indeed been gradual and not as bad as it has been in some other areas.

Now, the point is, Sir, what is the cause of this upward tendency and how far are we, as a Government in Kenya, able to influence and retard that creeping advance? Let us take, first of all, Sir, the general effect of outside prices on the cost of agricultural production. I think, as most of the hon. Members are aware, the position in the United Kingdom from which a lot of our supplies come, has been one of continually increasing prices, which have affected the whole sphere of exports. We, indeed, have had, therefore, in those circumstances, to import those materials, that machinery, we need for our development at this increasing price, and, as we have no resources with which to manufacture this heavy equipment, and this needed production material within our own economy, we are, of course, unable to keep down that advancing tide, which plays a great part in our rising costs of production.

What, of course, we could do, Sir, is that when these things arrive at this end, these many imported materials which we need to keep the life of the country going, we could, of course, keep control of the price at which it reaches the consumer. That is a step which could be taken and which, indeed, as the legislative power exists, would be, in theory, easy to take, but the whole of the Government's policy, accepting as it has done on this occasion many arguments from hon. Members opposite, has been to move away from price control and leave the economy free to accustom itself to a competitive world and, I believe, that that policy has been a wise one and is one which we should maintain to the greatest extent possible. So far, indeed, have we carried this, that to-day the only subjects—the only matters subject

to price control are cement, wheat, flour, firewood, charcoal, maize, meal, rice and sugar. Our Price Control Office, not long ago, had a staff and its extension was from 643,000 to 645,000 in annual expenditure, which is to-day reduced to a skeleton. It has no great effective staff and, indeed, its duties of investigation and prosecution have to be carried out by the police and by the Weights and Measures Department, under the control of my hon. friend the Minister for Commerce and Industry.

Now, Sir, as I say, we could, by the reinstatement of price control, effect some control over the cost of retail prices which the consumer would pay. But it would be, indeed, at the cost of interference, and heavy interference, with the freedom of our economy. That economy is something which, in the type of world in which we live to-day, has to accustom itself to the continual flow of competition and, as the White Paper says, Sir, where commodities are not in free supply the Government recognizes that price control cannot be effective without an allied system of rationing, and there are limits to the extent of rationing which would be acceptable, or possible, in Kenya to-day.

Sir, I can speak from experience, as much as I could during the last war, I was on the Commodity Distribution Board, which had to carry out very strict rationing and rationing in Malaya, and I was fairly obvious that where plans went to short supply, the imposition of price control in the country did little more than drive them out of the market completely, and create a black market, which we attempted to control by rationing.

But, Sir, as we have, indeed, no long-established system of distribution, no long-established rationing practices which can be easily controlled, we found, indeed, that even rationing did not always, in this country, cause its end, because we had not the manpower nor the situation for a tight and complete control. And, of course, Sir, even when the fact, Sir, that today there are very few commodities which are not in free supply, as I go through the list I can think of very few commodities or articles which, in this country,

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are not freely and easily obtainable. If they are imported goods, then on very rare occasions, and only for very temporary periods is there a shortage. If they are local goods, then I do not quite know where there is a shortage in this respect.

I will accept one thing, and that is the question of building. There is, indeed, a shortage of housing. That, we are aware, is one of the points at which the inflationary pressure has really been felt. We have, as a result of the Emergency, brought into our country a large number of people who have exerted a pressure upon the housing available, and indeed, they have undoubtedly filled some of the hotel space in this country, because the houses have not been available to them. We have not yet succeeded in getting private enterprise into the market in sufficient scope to fill that shortage, and that demand, but that is not peculiar, of course, to Kenya alone, although it has a very great effect. I think, upon our general situation,

But suppose, Sir, that some kind fairly said to-morrow, "Here, is five or ten million pounds available for building." Could we, in fact, use that? Have we the resources to use it? Have we the labour, the skilled men, and the material ready for production? And, I would say that the answer to that, Sir, is no. This is not only a question of money alone, it is a question of limited resources, particularly in the field of labour, and in certain aspects of material, which has to be overcome. And, Sir, if there was one point at which a control had to be imposed, it might well be in the building sphere. It might well be that one would have to reinstate some type of building control in order to direct the available resources into the channel most useful to the economy of the country, and the Government keeps that position continually under review. But it does not wish to reimpose controls unless it is absolutely necessary, and in the opinion of the Government, the point has not yet been reached, we hope that it will not be reached, where a control of that kind most necessarily be reimposed.

I think a great deal of confusion arises, Sir, I have said this before, from the fact that we have had in this country in recent years, particularly in relation to the problem which I have just advanced, an increased purchasing power, not an inflationary pressure, not a question of goods in short supply, but a question of much more money being available and much greater purchasing power therefore being present. That, I think, can be taken from an assessment of the figures which have been got out to show the effect of the military in this country from overseas, and I am not, of course, referring to those free grants from the United Kingdom, or those interest-free loans which have also poured purchasing power into the country. A great proportion of which has been spent on emoluments, personal emoluments for police, for prison wardens, for administrative officers, and the like. But, in addition to that, of course, Her Majesty's Government has covered the basic cost of the forces which they have sent to our assistance and it was estimated that the total incomes of British troops, pay and allowances, drawn in Kenya in 1954/55, were £2,895,000, and in 1955/56, approximately £3,300,000.

Now, if you place the effect of that, and the personnel involved in that, in some cases their wives and their children are out here, and put that against the background, the shortage of housing accommodation, one will see the pressure that has been exerted upon that particular sector of our economy.

ADJOURNMENT

THE SPEAKER: In accordance with the Motion which has just been passed, business is suspended at six o'clock, and I therefore adjourn Council until Two-thirty p.m. to-morrow, Wednesday, 7th March.

Council rose at Six o'clock.

Wednesday, 7th March, 1956
The Council met at thirty minutes past Two o'clock.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWER TO QUESTION QUESTION NO. 65

MR. MATHU asked the Minister for Finance and Development to state when the Government proposes to publish its report on the 'Inter-Relationship between Central and Local Government Finances?'

THE MINISTER FOR FINANCE AND DEVELOPMENT: The Government does not intend to publish this report, which was a report prepared by Government officers for submission to the Ministers concerned. This report is now under consideration, and the Government's proposals will be referred to African District Councils in due course.

MOTION

COST OF LIVING REPORT

Debate continued.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, when the Council adjourned yesterday, I had, Sir, covered, I think, the question of price control, the position of the building situation and pressure on housing. I had covered the question of some of the increases in price on imports. In addition to what I said, it might interest hon. Members to know that some 37 per cent of the cost of living index is due to imported materials. I had spoken about the expanded purchasing power and the fact that there was no general shortage of goods in the country, except in so far as the building trade was concerned, and that the Government was keeping a very close watch on that particular situation.

I had moved, Sir, to the position of the expanded purchasing power which had been created through the presence of Her Majesty's troops. I had given, Sir, the total income of British troops, pay and allowances, which had been drawn in 1954/55. I had, I hope, made it perfectly clear that I was not in these sums referring to grants, but referring

to that part of the expenditure, the basic cost which is carried by Her Majesty's Government in addition to the grants, and also to that part of the pay for which we are responsible, and it had been estimated that in 1954/55, the total incomes drawn were £2,895,000. One hon. Member afterwards said 'would I make it clear, when I spoke again to-day, that that was the annual or yearly income in so far as the British troops in Kenya were concerned, and to I repeat, to-day, the fact that that was the 1954/55 figure, and in 1955/56, it is estimated that it will be some £3,000,000.'

Now, Sir, we have gone into an investigation of the expenditure pattern of that £3,000,000 odd in so far as it has affected our economy. It is expenditure by single men in camps, married men in hotels, and by married men in furnished houses, and it is estimated that about £1,000,000 of that is spent on local foodstuffs which are, of course, in ample supply. In imported groceries—at least one-third of which comes from N.A.A.F. and which is, of course, duty free. One-half million pounds is spent on tobacco and alcohol and mostly through N.A.A.F. and therefore duty free, but where local supplies are called upon there again there has been no question of a shortage of local goods. Another half-million pounds is spent on household goods and on rents and it is in the rental factor, that the real pressure has come upon the country in the inflationary sense at all. The other £1,000,000 is of course spent on such things as transport, entertainment, etc.

Now, Sir, that I think shows that the prosperity that we see to-day in Kenya is, to a certain extent, due to (a) the intake of money from abroad, and (b) this expanded purchasing power. Several times I have tried to point out, both outside and inside this Council, that one of the great dangers is that traders and the great dangers is that traders and merchants should forget that this expanded purchasing power is only a temporary factor in our economy.

Turning from that, Sir, to the Sessional Paper, again, because, I am trying to deal with the general position, the Sessional Paper deals with the other recommendations of the Commission. I will not deal with these in detail because of

[The Minister for Finance and Development]

course most of them are responsibilities of the various Ministers of the Government who will cover those sections if any matter affecting their Ministry is raised during the debate, I would like to say, again, Sir, that Government expresses its thanks to the Chairman, and to the Committee, for what we know was a very difficult and awkward task and what must remain a difficult and awkward task in the rapidly changing circumstances of our time. I know, from having been chairman of a previous cost of living committee, how difficult it is to arrive at the point in time when you make a decided recommendation on any one factor. In my own particular case, I remember, Sir, I was down at Malindi and had written the cost of living draft report to submit to my committee when a friend of mine from the *East African Standard*, who was present, said, "I suppose you are aware that the £ was devalued this morning?" I went back into my room and literally tore the report up and started all over again. These fast-changing circumstances are something which are extremely difficult for any committee to deal with, and, indeed, I think it may be said, that the Committee, themselves, from the outset realized that they had been given an almost impossible task.

I would, of course, like to draw attention, Sir, to the fact that many of these things which have been recommended in the report are not matters for Government action. They are matters which are best left in the hands of private enterprise and of the individual firms. They are not matters, in my opinion, and I think I am right in saying in the opinion of almost all hon. Members on this side of the Council, on which, the Government should take legislative action, because we should restrict our interference to as little, and small a sphere, as possible.

I would, Sir, also like to draw attention to something that has been omitted from time to time in discussions on this Committee and this matter generally, and that is what I think is the smallest minority report of Mr. J. H. Martin. Mr. Martin, Sir, signed the report subject to certain reservations, and those

reservations are well worth noting. In paragraph 2 he set out points on the various recommendations, but he says very bluntly in paragraph 3, "while the recommendations of the Committee may lead to some adjustments in the cost of living position in the Colony, I am inclined to think that the main recommendation should have been one stating that the investigations of the committee tended to reveal that there was very little that could be done internally to alleviate the cost of living problem, and that the general essence in world conditions, both politically and economically, would, in the long run, tend to produce lower prices."

Mr. Martin's hope that that would produce lower prices through those world conditions has not been realized because indeed the tendency of world economics has been in the other direction and we have been caught in that particular vortex.

He says, also, which is very interesting, "I consider that the report is not as satisfactory as it might have been for the following reasons. (a) I am aware that the response to the committee's invitation to give evidence has not been very satisfactory, but I nevertheless feel that greater effort should have been made to obtain more information, free of a negative character from all sections of the Kenya community. The only evidence available is of the scattered, particularly from the Asian and African communities and little or nothing has been provided reflecting the opinions of the Mombasa and up-country areas." He also says, "The report remarks that the committee has devoted very little time to an investigation of the various factors of production entering into the prices of commodities supplied to local buyers. I appreciate that this is a difficult problem, but nevertheless I am inclined to think that the effort would have been worth while." He then goes on in paragraph 5 to ask for investigations of the long-term factors and states in four sub-headings those factors into which he thinks research should continue. These, of course, are matters in which the Government has taken continuous interest, and, indeed, I think I may say during the past two or three years has paid particular attention to. I

[The Minister for Finance and Development]

Sir, like to say, how much one appreciates the report, that Mr. Martin found in his Appendix D.

Now, Sir, I would turn finally to the last paragraph of the White Paper. "The Government is of the opinion that bearing in mind the nature of Kenya's economy, any further action that it might take in order to reduce the cost of living would have small effect in relation to the changes due to external forces." Any further restrictions on the operation of the economy, besides involving additional Government expenditure might merely impede the pre-expansion of the economy and thus prevent reductions in prices being brought about by normal market forces. On the other hand, any general reduction in the indirect taxation which might bring about a quick lowering in the cost of living is entirely dependent on the Colony's financial position and would, at least, for the present have to be compensated for by other measures."

That, I think, is a clear statement of the fact that the Government will watch the position. It will take action if it is desirable, and if it is in our power, such power has been granted to us by this Legislative Council. But, I believe, that the expansion of our resources is the best answer to the end that we are all seeking, even though, this may mean temporary difficulties and in certain spheres may mean a temporary inflation, but we must not, I think, be afraid of prosperity. If I am asked, Sir, what steps one would take for a greater and deeper control of this inflation, I would take a look at the measures which have, for instance, been taken by the Chancellor of the Exchequer in the United Kingdom, and I would ask hon. Members to consider how far those measures should be applied here, how desirable they would be, and what would be the effect upon our economy. An increase in the bank rate, well, that has been done for us, and we know what that means. It means, indeed, that money is more difficult to find for agricultural and general development, and that means that both business and Government have to think more seriously of money to be spent upon the expansion of our resources and the creation of our wealth. We know the position which is

being created as a result of one last loan. Now, let me say here, once and for all, Sir, that the Kenya loan was not a failure because of anything to do with Kenya. It was a failure because of the uncertainty of the market, and it could no more be attributed to Kenya than the failure of Glasgow to raise money could be attributed to Glasgow, or the Central African Federation to the conduct of Rhodesia, or any of the others that have failed during that particular period, and the sooner that that canard is killed in this country the better for our credit both here, and overseas.

Now, Sir, let us take the next step. The restriction of credit: Sir, the restriction of credit in this country could prove an extremely retarding factor in our expansion. In a young and developing country like this, there must be a great use of the credit factor in so far as industry, agriculture, commerce and general development, is concerned. I think, Sir, that, as is well known to Members of this Council, I have from time to time urged that no general policy of restriction of credit should apply, but merely the principles of sound banking finance as to whether this is a matter on which a man may be judged credit-worthy or a venture judged credit-worthy also. But, what would be the effect if this were applied generally in this country?

Now, let us have a look at the question of import control. It has been urged seriously before that the Government in this country could be helped by the restriction of all imports except those which are absolutely necessary. What would happen to our trade and our other business in general? Let us take the other measure, the restriction of wage increases. I would be interested to hear if hon. Members opposite really wish to see measures restricting the production of goods introduced into this country as a means of measure, against inflation. What is the effect again upon the result and the effect upon our trade? Amongst the other upon our trade? That have been taken in England have been the setting down of a local authority capital expenditure. We are, I think, the Minister for Lands and Forests, the Minister for Local Government, to know very definitely in your mind enough money to meet their absolutely essential needs. We must be able not do that with the resources that are at

[The Minister for Finance and Development] present: available to us, and there can, in my opinion, be very little question that only the direct necessity and the drying up of the sources of our loan funds could force us to a more drastic policy than that which we are, at present, carrying out. Now, in so far as Government capital expenditure is concerned, we have had debated in this Council the Government Development Plan. That was some—I speak from memory, Sir—some £10 or 10 million pounds less than the country really wanted to spend. We get complaints, time and again, we have not enough roads, too low a standard of schools. That is something which shows that we have already driven our capital expenditure down to the lowest possible end.

The last one is to take more money out of circulation. Now, you can take more money out of circulation by increasing taxation. That is the normal process of dealing with inflation; if inflation is, in fact, too much money chasing too few goods; and, is it really suggested as a policy from anywhere in this Council that the policy of the Minister for Finance should be not based on that money which is absolutely necessary to carry out the required services of the people, but to take a surplus out of circulation by a process of heavier taxation.

These are the measures which normally deal with inflation, and I say that I do not believe that this country is in the state where those measures are necessary at all, and that most of them, indeed, if carried into effect would do damage to our economy rather than good. What, therefore, I think must be the Government's policy is one of continuous watching, a flexibility, the willingness to step in if there appears to be in this country any great slide towards dangerous inflation. To recognise that a country as small as we are with an economy as buoyant as ours is to-day, must not be afraid of prosperity and that the Government, and the people, must be prepared to accept a small proportion of inflation as the price they pay for the rapid development which has characterized the progress of this country in the last few years.

Mr. Speaker, I beg to move.

Question proposed.

Mr. COOKE: Mr. Speaker, the Council will be aware by this time that I do not often, or perhaps I should say I do not always agree with my hon. friend, the Minister for Finance! But, on this occasion I agree with a certain remark which he made to me the other day, in fact, I agree 100 per cent when he said that he thought I would find this Paper not a very happy one. Well, of course, I entirely agree with him on that. I find this Paper the most pallid and anemic document which even the hon. gentleman himself, has ever produced in this Council. We have often heard the old saying: "The mountain being in labour, and producing a mouse". The hon. gentleman, after all these years of incubation—2½ years, 30 months—since this Report was first signed, after all those 30 months has produced, indeed, a very feeble mouse.

Now, we do not blame the hon. gentleman for not finding a solution to this intractable problem. Nobody blames him, but I think we can quite fairly blame him for having made little, if any, attempt to deal with this problem. From the start of my hon. friend migrating from this side of the Council we have had no guidance whatsoever with regard to inflation and the cost of living. In fact, he had—I do not think it would be parliamentary to use the term "imprudence"—but he said last December, he even said in this Council, that the Minister for Finance, in England, the Chancellor of the Exchequer, was not worried about the cost of living. The hon. gentleman shakes his head. I shall have to read what the hon. gentleman actually said. "Mr. Butler is not worried about the cost of living" of us, on this side of the Council, showed amazement at such a remark, and that amazement was confirmed when the Prime Minister said the other day that the cost of living was the greatest problem, before the British Government to-day, greater even than rearmament.

Now, as I said, we cannot blame the hon. gentleman for not finding a solution, but we can blame him for the defeatist attitude which from start to finish he has adopted towards this particular problem. This attitude of *laissez faire*. This attitude of leaving everything alone and hoping some solution will appear from the blue. Well, we know from the

[Mr. Cooke] unfortunate experience of *Mau Mau* that having left that unrest alone for several years, when it did appear, it appeared in a form which was not very welcome or acceptable to people in this country; and I am going to quote from a document written by an African to show that if this present state of affairs continues in this country, there may be something, if not so bad, very nearly as bad as the present *Mau Mau* rebellion.

Now, when the hon. gentleman was on this side of the Council, I can remember the hustings quivering with emotion as he talked about the submerged tenth, of the sons of the soil, and all that sort of thing! But, since he has transferred himself, as I said, to the other side of the Council, we have had nothing but discouragement from him when we have ventured to suggest that there might be a solution to this terrible problem of inflation. It is not a solution that would be spectacular, but it would be a gradual one, cutting down prices here and there, or doing his best to do so, a little bit of subsidy here and there, and as the old saying is, "Every mickle makes a muckle", he might conceivably have brought down the cost of living index instead of it going up, I think, 11 per cent the year before last, 16 per cent last year, a gradual rise, more than gradual, indeed, a 30 per cent rise, if he had, at any rate, tried, or given us any encouragement, or shown in any way that he was interested (as he had been in the old days when he depended upon the votes of the people of this country) then, I possibly, might have had more confidence in the hon. gentleman than I possess to-day.

Now, I am going through a few points. The first one is a matter that was mentioned by the Chairman in its report, and that is maize prices.

Now, the hon. gentleman in his paragraph, White Paper on the report, is, I think, very disingenuous when he deals with the matter of maize. He says that if 5 cents a pound were given as a subsidy, that it would only amount—only amount—to Sh. 2/30 a month for the average consumer—bachelor consumer—in Nairobi. Now, I say that is disingenuous, because although Sh. 2/30 in relation to the wages of that man may be a con-

temptible sum of money, assuming that his wages are as much as Sh. 100 a month. But, in relation to the amount of those wages which he spends on maize, *posho*, it is a very large sum of money, it is, in fact, 20 per cent of his expenditure per month on maize and 20 per cent may not be very much to the hon. gentleman on the other side of the Council, but it is a lot to the struggling people of this country. Again, Sir, he took only into consideration the bachelor, but the African, say, with a wife and two or three children, would eat as much as one bag—a 200-lb. bag—of maize in a month, which would mean the difference of nearly Sh. 10 by adopting the suggestion which was put up, and I think a very fair suggestion, by Mr. Leslie in his report. Now, we have, and I think the hon. Member for Nairobi North has supported me in this, urged that there should be a subsidy of Sh. 10 a bag on maize. That would amount, roughly, to £600,000 a year, subsidy on *posho*. The hon. gentleman will say, "Where is that sum of money going to come from?" Well, he is spending a very much larger sum on reconditioning certain areas of this country, reconditioning the land of people who have been rebels, spending all this money and yet what is he doing for the urban worker in Mombasa, Nairobi, Kisumu and all the other bigger towns? People, too, I very gladly say so, the urban workers who have shown a very fine example to other Africans and to other people in this country, the way they have carried on over the past 10 years since the war stopped, and there has been very little industrial unrest and these people, if any, deserve some kind of recompense for the loyalty, both civil and commercial and everything else that they have shown, and, therefore, I would urge that instead of spending £600,000 in reconditioning the country which will not be appreciated when it is spent, it will be much better spent on a subsidy on *posho*.

Now, Sir, we come to the question of gunny bags. The suggestions in the Leslie Report was that the price of gunny bags should be reduced by roughly Sh. 1. That was made 2½ years ago. After about a year or so action was taken, although the report recommends that immediate action should be taken. Now, what is the consequence of this?

[Mr. Cooke]

The Jute Fund—whatever it might be called—has built up over £150,000 by charging a big amount to gunny bags. Money which the community might have saved if the hon. gentleman had taken the advice, and the very fair advice, which was contained in the Leslie Report. Now, let me give a small example from my own personal experience. In those 24 years I have collected over 100 empty gunny bags. Therefore, I have spent Sh. 100 more on those gunny bags or £5 more than I need have spent during that period. If I wanted to sell them now, I probably would get possibly 50 cents for them, but, why should I, or anyone else, be deprived of this money because the hon. gentleman is too much of a dillier and a dallier to come to a conclusion and to follow the recommendation, the excellent recommendations, of the Leslie Report. He has, during the last few days I know, said, something will be done and something was done about a year ago, but the fact of the matter is that the Jute control had built up £150,000 at the expense of the maize consumer of this country. That is a typical example of the *laissez-faire* which the hon. gentleman always, in this particular problem of inflation, adopts.

When the time comes, as surely it will come—and I was one of the Members in this Council, on this side of the Council, who, time after time, and year after year, warned the Government that trouble was coming, as it did come. I warn them now that trouble is coming and may really come in the urban areas, if something is not done, and done at once, about the cost of living.

Now, the hon. gentleman says he always asks for constructive suggestions. Of course, as I have said before in this Council, a constructive suggestion is a suggestion which agrees with the hon. gentleman's outlook, like orthodoxy being my doxy and heterodoxy being the other man's doxy. So I cannot hope to persuade the hon. Minister that anything I say, on this side of the Council, will be regarded by him as constructive.

Now, to take the small point, and it is referred to, I think, in the Leslie Report, of parcel post. It costs three times as much to send goods by parcel post as it

does by ordinary overseas post. That adds quite a lot to the cost of living. I would, personally, suggest that we should stop all this sending of luxury goods to Kenya by parcel post, and I am going to suggest later that luxury goods should be cut down drastically. It might not amount possibly to very much, as I said before, if all adds up.

There is also the question of the quick turn round of ships. I know that is outside the power of my hon. friend to remedy, but he at least could point out from time to time, there was this necessity. Because the Chairman of a big shipping concern said in England the other day, as far as England was concerned that one of the large factors in the cost of living was the delay in the turning around of ships which, of course, added to the price of goods.

Now, I come to motor spares and garages, a matter on which I think, I probably have the sympathy of many people on the other side of the Council. I am going to give two quite startling examples of what has happened in this respect over the past few months. Now, there was a letter in to-day's paper, incidentally, which says that in South Africa certain tyres are made, manufactured, and sent up to Kenya and when they are sold in Kenya, they are 44 per cent more than the retailed price in South Africa. Can the hon. gentleman do nothing about that? That is to say nearly 50 per cent more than the retailed price in South Africa. Is 50 per cent nothing? I was going to say it is a hell of a lot, but I will not say it, because that would be out of order, but it is a very considerable sum to people struggling as some of us do on this side. Now, I believe that a good deal of these motor garage charges, a good deal is—I do not want to use a very strong term, but it is almost licensed cheating. Now, I am going to give two examples, which are incontrovertible.

One, it is quoted in the *Housewives Bulletin*, of a certain spare part—I am not going to quote the name of the firm because I believe all the firms are equally guilty and it would be unfair to quote only one firm, but the name is available for anybody who would like it. A certain spare part was sold by this firm at Sh. 26 and the Housewives inquired and they

[Mr. Cooke]

found that the price—retail price—in the other garages was only Sh. 10, so it was two and a half times as much, in this particular garage. So they wrote for an explanation and the explanation was, "Perfectly true, very sorry about it and we have put things right now, but there is something wrong in our costing system". Now, I myself, had an even more serious example in this respect only a few weeks ago and I can also quote the names. It was in early December last I left my car for ordinary overhauling and I received it back in two or three days' time. It was not until six weeks later when I received the invoice for these repairs, and the invoice, the charge came to something like £30—Sh. 600. Now I do not scrutinize my bills, being an Irishman, very strictly, but I happened to in this case and found I was debited for a spare part to the extent of Sh. 232, so I wrote to the firm and I said I was not disputing this charge, but I would like to see the spare part in question, the worn out one, and I asked why it was not left in the car when the car was returned. Well, after several weeks this spare part was found and I have the letter here from the firm in question in which they say they are very sorry that this should have happened and they found they had been able to recondition the spare part and they were passing me a credit note for Sh. 192. So, if I had not noticed this I would now be that Sh. 192 down, and they would be Sh. 192 up. Not very much to the hon. gentleman on the other side of the Council whose salary is about £10 a day; it is roughly £10 I would have been out of pocket. But, when you consider, Sir, not only myself, but there must be hundreds of other people who have precisely the same experience there must be something very seriously wrong indeed. If my hon. friend the Minister for Commerce, did not seem to think it was a great joke, I would suggest that he should put his great mind to this subject and I would suggest that so far as invoices are concerned, that no invoice should have any legal value unless it is presented, at any rate, within a week of the work having been done, because one must check up on these things. A friend of mine, actually the author of this report, told me he had to wait a year once to get his invoice. Well, it is quite impossible, Sir, to check up unless the

invoices are sent in at once, and it does lend itself to cheating, if there is not a check at once on these matters.

Now, I would suggest, number one, that invoices should be presented at once, and number two, that my hon. friend, the Minister for Commerce, should see all these garage proprietors, or write a note, send a circular around, to the effect that complaints have been universal and that he would like to meet them and find some way out of this very serious difficulty.

Now, I come to a matter of even, I think, more importance and that is the racketeering that is going on in Nairobi and elsewhere, especially where African houses are concerned. I have here a very recent article in *Baraza*, and I must say I congratulate this African, Mr. Gattigira, on the extremely good articles he writes every week in *Baraza*. Now, he has written about the racketeering that is going on and this question of "goodwill" money. It is said to have become one of the most lucrative rackets, landlords have been able to earn money in the most unlawful way and they have been able to amass considerable fortunes. "Strictly speaking", he writes, "there is no goodwill" (this goodwill money he is referring to) "towards men in the country, in this town. There is always a demand, though, for goodwill money". He says that "if this unhealthy state of affairs continues unabated in this country, the Africans will be thrown out of business", and he goes on to say, "Eventually the poor will reach the end of their tether and that will be the breaking point". Now, that will be the breaking point. Many times Government have been warned that there is a breaking point and there is a "breaking point" in these urban areas where this racketeering is going on. It is a most disgraceful thing and he accuses one particular race of it, I need not quote what the race is, I am surprised though that the hon. gentleman on the other side of the Council, who pose to be great multi-racialists, do not in practice, do not show what forms their multi-racial feelings may be by coming to the aid of these people who are suffering these criminal racketeerings.

Now, my suggestion is, we have got a very lively and intelligent Criminal Investigation Department in this country and I suggest that that Department, as

(Mr. Cooke).— seen as it has finished with other investigations, or immediately, they should direct their attention to this racketeering and even if it is necessary to go to the extreme—any extreme—to find out who are the racketeers and to get rid of this appalling state of affairs. Any inquiry of that nature cannot be but for the good. I believe it to be a very legitimate job of work for the Criminal Investigation Department to devote their time to. I read I think, yesterday, or it may have been on the wireless, that it is beginning already with regard to the houses that are being derationed or decontrolled, or whatever you call it, at the end of this year. There are already very large sums of money—thousands of pounds—are being paid by tenants in order to retain the premises that they have. Now, that seems to be about the most miserable form of exploitation possible for any people to indulge in and, I think, the Council would universally condemn such practice and I am sure will support me in the request that the Investigation Department should immediately get on to the track of these so-called gentlemen. There is an old saying, "We prosecute the man or woman who steals the goose from off the common; but let the greater felon loose who steals the common from the goose"; and that we see happening in Kenya where people quite rightly are prosecuted for this misdemeanour or that, but, there are a lot of very much more important people who are not being prosecuted, these racketeers are an example.

I come to the old Meat Commission which is a very old bone of contention. I think even you, Sir, when you were on the other side of the Council used to take part in these debates, not always on my side I may say, but you will, no doubt, be—

THE SPEAKER: Order, order.

MR. COOKE: This question of the Meat Commission has loomed up now, for several years and the immense profits that they seem to be making. I see that there are even complaints from Uganda. Now, of course, I will be accused by one or two gentlemen on this side of the Council and, no doubt, by certain writers to the newspaper, that I am attacking the farmers of this country

now. I happen to be an interested person in that I sell meat, as a matter of fact, and so I really am interested the other way round! But, I do say this that there should be, and I think we asked for it and were refused, an inquiry into the working of the whole Meat Commission which should be an impartial inquiry and it should be, if necessary, re-formed or reconstituted. I support strongly the suggestion of the Leslie Report that two Master Butchers should be put on the Board. It is, I know, said that under the constitution that cannot be done, well, let us change the constitution if that is so and have it done. There are ways of finding out the reasons for not doing things, but too few times are reasons given for doing things or do we look for reasons or ways and means.

Now, there is another question—and, I think, when an investigation was conducted by the weekly *Sunday Post*, they drew particular attention to two things—house rents and the other, I think, was the wages of servants. Now, I think as soon as the Kikuyu are allowed to return—the ones that have been screened and everything else—the better, I think that is going to lead to a levelling of wages and a greater efficiency—an increased efficiency. We know now that they are not the only trustworthy Africans in this country and there is no reason that I can see, why this returning of the Kikuyu to work should not be greatly hastened up. That would certainly level wages and increase efficiency.

There is a point about house building and that is the question of the price of cement. Now, cement is still controlled. I understand, and yet in spite of that the price of cement in Kenya is now £10 a ton, whereas it is only £4 a ton in South Africa and £6 a ton in England, roughly speaking. Now, Sir, that is the very great difference, and I wonder if my hon. friend could give any reason why the price here should be two and a half times that of South Africa. It must contribute a lot to the price of housing and building in this country.

I notice that 400 Kikuyu are being sent to help with the building of the cement factory at Athi River, they will, of course, be, I have no doubt, paid wages, but I doubt if those wages are standard wages, at any rate their

(Mr. Cooke) efficiency will be very much greater than those of hired people, and what reduction in price (I know it is capital expenditure) but what reduction in price are we going to obtain from the cement company when they make cement? There may be very good reasons for the price of cement being so high but I think we have got every reason to ask why it is so.

The hon. gentleman always says that there is no case, and asks who would advocate this, that and the other thing. Well, I am going to advocate, to begin if, I am going to advocate that luxury goods should be very much more severely controlled. When South Africa was in a position not dissimilar to that of Kenya to-day, seven or eight years ago, she practically closed down on the importation of luxury goods, and she also adopted other devices which my hon. friend does not seem to be prepared to adopt and that is restriction of credit and various other measures that have been adopted in Great Britain. I do not believe for one moment that we could not adopt some of those measures here, and I am not afraid of saying so either. I know that people will say that a developing country, this, that and the other thing cannot be done, and every possible reason will be found out for doing nothing. But, nevertheless, it is only by doing drastic things of this nature that we can remedy the position. South Africa did not hesitate to take the most drastic measures seven or eight years ago, and look at the healthy state her finance is in to-day. But, we had men of courage in South Africa, men who were prepared to get up against public opinion and to take the lines which duty, and not interest, demand.

I have already protested against the laissez-faire attitude which my hon. friend always, or nearly always adopts. He asks how it can be done, he quotes this new country, and says England is an old country and he finds, as I say, every reason for not doing things. But there is no excuse for my hon. friend not making an effort to try to do these things, that is my charge against him. It is not that he has not solved the problem, this intractable problem, but he has made practically no effort whatever

to solve it, although he is head of the finances, as it were, of this country. That is the miserable position he puts himself in to-day. There was a famous French statesman whom you, Sir, have probably often heard of and was always arguing with the Emperor of France as to what could be done, and what could not be done. The Emperor was one of those people who did not want to do things, and in expostulation the statesman said to him one day, "Sire," he said, "what is difficult has already been done. What is impossible shall be done."

With those closing words, I do not support the White Paper which is, I think, a miserable, defeatist and colourless document.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, I did not wish to interrupt the hon. gentleman in the middle of his speech. Would he be good enough to give me (a) the date of the HANSARD or (b) complete the quotation that he made?

MR. HARRIS: Mr. Speaker, Sir, I cannot agree with the last speaker entirely in that certain sharp practices among commercial concerns are necessarily anything to do with Government or even with Members on this side of the Council. I would have thought it was a matter referring rather to the public force than to the Minister for Finance.

SPEAKING OF THE MINISTER FOR FINANCE: I would like to congratulate him, sincerely this time, on his opening of this debate. I thought there was a great number of factors which he brought into it which showed that Government were looking at this matter realistically. It does not mean to say, Sir, that I agree with everything he said, but there was a great deal of merit in a number of his remarks with which I thoroughly agreed.

It seems to me, Sir, that the attack on the cost of living is so far as we are able to make any attack in this country, can probably be said to fall under four main headings. They are, housing, transport, taxation and producer prices.

Now, Sir, in a recent debate on housing, I suggested to the Minister for Finance that it might solve a great many of our problems if we could encourage private enterprise to continue with the

[Mr. Harris] idea which has been started on the Bernhard Estate in Nairobi. Under that scheme, Sir, as Members will know, private enterprise is providing the capital and Government is guaranteeing the tenancies over a period. It means that Government stands, possibly, to have to pay for voids during the period of that agreement. With the large number of civil servants it is unlikely, I would have thought, that there would have been voids. I wonder, Sir, if I might pass to the Minister the suggestion that he should get, either through the Chambers of Commerce or some other representative body, the co-operation of large employers of labour to see whether they would share the guarantee with Government to provide the rents or the hire-purchase terms only, in fact, having to pay themselves when they were voids. I think one of the large factors in cost of living in this country is the necessity for all employers of labour to have to provide European, Asian and African housing, when they employ people of those races. It is particularly to the small firm—that this is a very heavy burden and in many cases an impossible burden because of the initial capital expenditure. I believe a scheme, such as I have suggested, if the Minister for Finance could use his influence to find the initial capital, might ease the burden on the smaller firms, ease the burden on the employees of those smaller firms and, eventually, reduce costs all round.

Now, Sir, on the second item, namely transport. I believe we have got to get away from the idea which is almost universal that a motor-car is a necessity for almost every European in the country. We have got to find some means of transport, some cheap means of transport, for taking ordinary commercial and industrial employees to their work without each of them having to have a motor-car, and in many cases having to have two motor-cars in each family because both husband and wife work, or because the wife wants to shop when the husband has already taken the motor-car away. It is not only the running costs of the motor-car, it is the initial capital outlay or the constant drain on income created by the payment for a motor-car on hire-purchase terms. There is, in Nairobi, and I am thinking

particularly of Nairobi, a bus service. But, Sir, I think it would be over-polite to call the bus service an efficient one in terms of the modern transport world. It has been up against considerable difficulties in its development stages, and I believe it should receive the encouragement, both from Government and from the local authority to try to make it into a real bus service on which ordinary work people can rely. I have suggested before, Sir, that, if necessary, I believe transport in this country is one of those things which we could run on a class basis. I believe we could have buses running down the Ngong Road at Sh. 1, 1st class and another one coming a little bit later at 40 cents for the trip, because there is no doubt that the conditions on the buses in Nairobi make it almost impossible, in many cases during the rush hour, for European women to travel alone. For that reason they either insist that their husband's car should be available when they want to go shopping, or alternatively, if they can persuade their husbands, they get a second car in the family. Now, that is due, Sir, entirely to the type of bus service which we have in Nairobi, and, if necessary, I would say that a little bit of competition for the bus service might do some good. I would ask the Minister for Local Government to investigate this matter with Nairobi City Council; to see in what way the transport system of Nairobi can be made to be of real service to the towns rather than be used only where there is no other alternative as it is at the moment.

The third point I would like to make, Sir, is on taxation. During the debate on the last Budget, I produced figures to show that in certain income ranges, direct taxation was greater in this country than it was in the United Kingdom, and whilst we have a great deal of advantages in this country—that is why we are here, most of us—there can be no doubt that in those salary ranges where the direct taxation is greater than is paid in England with no compensating social services, as in England, we are keeping people away who could make a contribution to this country. I believe, it is in those very ranges that the present cost of living is hitting people the hardest. The suggestion was made then, Sir, and I commend it again

[Mr. Harris] to the Minister for Finance for consideration in the forthcoming Budget, at any rate one small step would be to make the payment of personal tax deductible on a subsequent payment of income tax. It would only be a small concession, Sir, but it is a thing which is quoted against us, time and time again, as an added aggravation in the whole question of taxation and cost of living.

Now, Sir, I come to the last of my points which is by no means the shortest, and that is producer prices. I, at any rate, Sir, have never disputed the right of Government to guarantee prices to farmers. I believe that the principle is, absolutely right. But, I do question, Sir, the basis on which those prices are fixed. We have had this argument before and I am only this afternoon going to deal with two items of produce where this matter operates.

The first is maize and the second one, Sir, you will not be surprised to hear is my old friend, the Meat Commission.

Now, when we last heard of the fixation of maize price, the yield on which the price was based was eight bags to the acre. There was ample evidence at that time to show that farmers, except those on marginal land, should, if they farm well, be able to get considerably more than eight bags to the acre. Recently, an announcement has been made that at the end of this year the price to the producer is again going to be increased. I would like the Minister for Agriculture, Sir, to tell us whether he is still basing his prices on eight bags to the acre, because, I would have thought, that with the modern advance of such things as herbicides and insecticides and those other things which assist in getting an increased yield from cereal crops, that eight bags an acre even if it were right before, which I do not admit, should now be reconsidered. In any case, Sir, if it is the Minister's policy to keep marginal cereal land in production in cereals then, I would have thought that a case could have been made for giving those with good land a guaranteed price with some form of additional inducement to the marginal farm. But, for all of us, for all of us to have to pay on the basis of only eight bags an acre overall, to my mind

means the prices guaranteed to the good farmer, the indifferent farmer and the medium farmer are all too high.

Now, Sir, on the 8th July, 1952, my hon. friend, the Member for the Coast, asked for an inquiry into the Kenya Meat Commission, and the Government refused the request for that inquiry on the ground that the Meat Commission had not, at that time, really got under way; it had not got all its machinery installed and that in a year or so everything was going to be very nice. In fact, Sir, the last remark made by the present Minister for Agriculture's predecessor in that debate was this: "I suggest, Sir, that if in two years' time, when the Commission has had a year's run with its equipment, and its factory and its cold storage, to maintain reserves of meat against seasonal shortages, if there is still dissatisfaction over the Commission I will be only too glad to support any inquiry that may be made. I believe in two years' time something else will be shot at and the Commission may well then be regarded as a very great asset to this country. Sir, I beg to oppose."

Now, Sir, that, in fact, is three-and-a-half years ago, and I would add to what the Member for the Coast has said that there is great dissatisfaction in the country with the Kenya Meat Commission, with the quality of the meat that we are getting and the price that we are paying for the apparent lack of an export market which it was supposed to find, and not only are the consumers dissatisfied, but, my information is, that so are a great number of producers. At any rate, those producers who are not members of the Commission.

The Leslie Committee, Sir, suggested that there should be better representation on the Meat Commission. By an extraordinary coincidence the Minister for Finance put a wedge into my hands this morning by not turning up to the Estimates Committee. I asked for a copy of the English Report of the Estimates Committee and the one produced was on the Ministry for Food, 1948 to 1949, and I find that the first recommendation of the British Estimates Committee was this: "When the supply of meat improves and there is a prospect of relief from the present system of rationing, a scheme should be considered, which would provide for consumer choice"—

[Mr. Harris] of which we get little in this country—"the skill of the butcher in buying and guaranteed prices for the farmer". Now, Sir, we have got the last without the first two and I would commend to the Minister for Agriculture the recommendation No. 1 of the British Estimates Committee on the Ministry of Food in 1948.

Also, Sir, I would like to thank the Minister for Finance for not attending the meeting otherwise I would not have seen that quotation.

DR. HASSAN: Sir, I was partly satisfied with what the Minister for Finance said about the report that was received from the Cost of Living Committee, of which unfortunately I was one of the signatories, but I was thoroughly satisfied when my friend, the Member for the Coast, dealt with everything so thoroughly, and I thought there was no need for anyone to stand up and say anything at all.

But, Sir, before I sit down I would like to say what are the impressions of the Muslim and non-Muslim community in this country, regarding the essential items of diet which are now dealt with by several authorities who are deliberately trying to interfere and deliberately trying to see that the Asians are not getting anything that they want. There are four important things that the Asian community cannot do without. That is meat, rice, milk and ghee, and what the Asian community feel and what they have told me, over and over again, is that there appears to be some conspiracy on the part of some authorities who are trying their level best to see that the cost of these commodities are increased higher and higher every year. The quality of these items has deteriorated to a great extent and artificial shortage is created every now and then so that the black market is always in full swing.

Now, Sir, I do not believe there is any conspiracy, but I think there is a great deal of ignorance. Take the question of rice, for instance, I will take it first. It has been known in this country, from time immemorial that ever since the Asian community settled in this country they have been getting the rice they want from overseas. There never has been in Kenya any rice produced

that was fit enough for their consumption because it was so terribly low-grade and anything produced was merely consumed by the Africans.

It was, a few months ago, that some experts dealing with this commodity found themselves landed with about 6,000 tons of mucky rice produced in Nyanza, the type of rice which may be good enough for our dogs but never good enough for human consumption. We found out that this rice could not be disposed of in Kenya and the only way to do that is to stop the import of good rice from overseas and force the Asians to consume this rice because they thought that the Asians cannot do without the rice and when they do not have any rice at all coming from Asia, they shall be forced to buy this 6,000 tons of rice.

Sir, the attempt of the Government was defeated. The Asians are quite smart enough; they did not get it legally from the sources which were open to them in the past, but, they got it from the neighbouring territories and are paying very heavy black market prices to those people.

When I found the prices of the rice had shot up a hundred per cent, I made inquiry from the Produce Control Office to find out what happened to the good rice we used to get from overseas, and he informed me that he had stopped the import of it because unless we were to do so we should not be able to dispose of the rice which was grown in Nyanza, and for which we had given guaranteed prices.

I asked him what were the guaranteed prices he paid, and he said fifty-five shillings per bag and now they were ninety shillings a bag. I told him somebody has given him entirely wrong information. The rice produced in Nyanza will never be consumed by Asians, and we will not do without the good rice. We are used to it, and it is time that the authorities must help us.

I am very glad to say that they made us available about 400 tons of rice two months ago, and promised that they would allow a small lot of rice to be made available for Asians off and on, but the result of this shortage of supplies is very evident. To-day we are paying for the same rice more than a

[Dr. Hassan] of what we used to pay before the Meat Commission took over. Sir, we used to be looked after by the health authorities in this town, and also in Mombasa, and I never remember an occasion when they were dealing with this meat there, both ante-mortem and post-mortem; we never had any cause of complaint. They never allowed any fourth-grade, emaciated meat or bad mutton to pass through the meat inspection and, now it is the order of the day that such meat is displayed in the market. I find the health authorities are shutting their eyes to it. They are more concerned to supervise the sweeper in the street and in the by-lanes than the meat which the people are eating, which does no good to them. I can safely say that the fourth-grade mutton at the price we are paying for it means that at least four times the meat in quantity is needed to get the required nourishment out of it.

The second thing is the meat, Sir. From the time that the Meat Commission was established in this country we, Sir, very loyally co-operated with the Government and wholeheartedly supported the Meat Commission, and we were given assurance that you would get regular meat supplies—the type of meat you want—better quality—and in course of time you will find it will be cheaper than what you get to-day. Well, I must say, Sir, that in the last five years we have not achieved any of this. Shortage of supplies is almost in existence throughout the year.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Steady on! Steady on!

DR. HASSAN: The quality has deteriorated to such an extent that sometimes I wonder if the authorities can point me out any corner of the world—with the exception of Russia, of course—where fourth-grade meat is considered fit for consumption. Well, Sir, fourth-grade meat is put out for sale to us, in much greater quantity than the good meat.

Asians are chiefly concerned with the mutton. I do not remember—during the last three years, at least—when I have been visiting Nairobi frequently, that I ever had the good luck to taste a piece of good mutton here, and when I made inquiry I found out that the good mutton we used to get from the African sources is non-existent, because it does not fit into the price structure fixed up by the Government or the Meat Commission or the marketing board—and the obvious result is that the bad third-grade and the fourth-grade mutton and beef is purchased from the Africans within the price structure, and given to us for our own consumption at prices much more than two hundred per cent

of what we used to pay before the Meat Commission took over.

Sir, we used to be looked after by the health authorities in this town, and also in Mombasa, and I never remember an occasion when they were dealing with this meat there, both ante-mortem and post-mortem; we never had any cause of complaint. They never allowed any fourth-grade, emaciated meat or bad mutton to pass through the meat inspection and, now it is the order of the day that such meat is displayed in the market. I find the health authorities are shutting their eyes to it. They are more concerned to supervise the sweeper in the street and in the by-lanes than the meat which the people are eating, which does no good to them. I can safely say that the fourth-grade mutton at the price we are paying for it means that at least four times the meat in quantity is needed to get the required nourishment out of it.

And what is the lot of the poor African in this country—particularly in the towns? It is very difficult to say, Sir. All attempts made in appealing to the Meat Commission and the authorities responsible to help us—that we want a spot of good meat for the good money we pay—the high authorities, the Ministers, the executive officers, are extremely sympathetic, and I have never seen them to say "No" whenever we asked them anything. They have always co-operated and helped us—assisted us—but, Sir, we cannot live here on sympathy.

The whole distribution and selling of meat is entirely in the hands of the lower staff, who do not care two hoots for our requirements. The Minister will agree to us whatever we want. He will say "Yes, you are going to have it," but then the following day, or a week after, we go along to the abattoirs or the markets and we find no improvement in the meat has been made. Why this difficulty has arisen is because we, the consumers, and the butchers have not been given any choice for the selection of meat we want. The Meat Commission has totally refused the butchers to get what they want, and the butchers unconsciously cannot meet the demands of the consumer, and the necessity to the Meat Commission that they can

[Dr. Hassan] obvious. Before the Meat Commission was established—or the marketing organization came into existence, we had a system of hundreds of traders who used to go along from *bonia* to *bonia*, pick out a good animal fit for slaughter and pay for it and bring it up. To-day the position is entirely different. All the half-dead and mucky stock are purchased by the marketing organization, and the good stock in the Reserves is left, and they will never be fit for marketing, for the Marketing Board, unless they thin down, when they are perfectly useless for consumption. That is what the position is in the Reserves to-day. Sir, in places like Masai Reserve, like Ndigo Reserve, where the people of Mombasa and Nairobi used to get good quality meat from, all these sources of supply have been deprived to them because it is good meat and the Africans want more money, and the marketing organization of the Meat Commission cannot pay for it, and they insist on bringing us the fourth-grade stuff from other sources, with the obvious result that the whole object of the marketing organization and the Meat Commission is now showing no results whatsoever. We wanted to train the Africans to produce prime animals for consumption of meat, and get the best price, but that object has not been achieved.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Order!

DR. HASSAN: We have been begging for years and years and asking the authorities for fresh meat.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: What do you mean—fresh meat?

DR. HASSAN: Yes, Sir. It has always been denied to us completely. It is always frozen before it is sent to us, and we object to it. We hate the sight of that mucky meat. We do not want it. We have been told so many times we have no taste left in our food preparations, and I have been told that the authorities are trying their level best to change our tastes which we had for generations. We are not going to change our tastes. We are giving good money, and we are demanding good meat for it. We want fresh meat, for all our dishes have no taste whatsoever. Any of us who would like to have some good meat, we have to go and pay eight or nine shillings for a chicken, and eat it, but mutton has no taste for us altogether.

When the butchers tell the Meat Commission gentleman who brings the meat that they do not want this type of meat because there is no demand for it, he says, "You have it or you will not have any supplies to-morrow". That, Sir, is the way we are treated. That is the lower staff treatment meted out to the butchers and to the consumer.

I know that the Veterinary Department have been trying their level best to help the Meat Commission, but they are not allowed to pay the price that the Africans demand. The reason for this is quite

obvious. Before the Meat Commission was established—or the marketing organization came into existence, we had a system of hundreds of traders who used to go along from *bonia* to *bonia*, pick out a good animal fit for slaughter and pay for it and bring it up. To-day the position is entirely different. All the half-dead and mucky stock are purchased by the marketing organization, and the good stock in the Reserves is left, and they will never be fit for marketing, for the Marketing Board, unless they thin down, when they are perfectly useless for consumption. That is what the position is in the Reserves to-day. Sir, in places like Masai Reserve, like Ndigo Reserve, where the people of Mombasa and Nairobi used to get good quality meat from, all these sources of supply have been deprived to them because it is good meat and the Africans want more money, and the marketing organization of the Meat Commission cannot pay for it, and they insist on bringing us the fourth-grade stuff from other sources, with the obvious result that the whole object of the marketing organization and the Meat Commission is now showing no results whatsoever. We wanted to train the Africans to produce prime animals for consumption of meat, and get the best price, but that object has not been achieved.

No doubt Africans are permitted to buy within the Reserve for themselves. I do admit, but no African from Nairobi can go to the Masai Reserve and buy a sheep and bring it here, Sir. There are no good sheep for people in the urban areas, and no good beef for the Asians. I interviewed a very fearless and bold Minister, when we had some difficulties in Mombasa—and within 24 hours I found that sheep and goats were coming from up-country—from Kamasia. I must thank him for that. But, Sir, when I went this time and examined at Mombasa, I found there were bad second-grades. Even purchasing of the stock from the sources they are coming from is not confined to the selected animals picked out for slaughter and for our consumption. We did not grouse at the price. We promised to pay more in Mombasa.

Now I come to ghee, Sir. The price of this commodity has gone up four to five hundred per cent.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, is not the hon. Member responsible for the accuracy of the statements he has made? I have just listened to a series of misstatements. Would the hon. Member state the price on which he bases this and the present price which he says has gone up four to five hundred per cent? Would the hon. Member please give us the figures?

DR. HASSAN: The price of ghee was twenty shillings approximately and to-day it is ninety shillings.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: What year?

DR. HASSAN: Well, I wonder if he was in this country then, Sir. It was twenty shillings when it was first introduced into Kenya.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: What year?

MR. HARRIS: In 1912.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Would the hon. Member give the year?

DR. HASSAN: It was 1912, Sir. Then, of course, for your information, I must bring to your notice, Sir, that when we did improve the ghee in Nyarua through the machinery of the Veterinary Department. It was then changing hands at thirty and thirty-three shillings a tin, and that was the best dairy ghee which replaced the imported ghee when the scheme was in full swing, and to-day the quality of that ghee has deteriorated to such an extent that almost every time that I get a sample tested, I find some oily substance in it, and the price is now ninety and ninety-five shillings a tin—that is at least, say, three hundred per cent more.

(THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES left the Chamber.)

MR. HARRIS: He has gone to get his calendar!

DR. HASSAN: To-day that is the price. I can assure this Council—on the authority of a ghee expert in Nyarua. I happened to be visiting that area, and I asked him what experience he had about ghee. He said, "I was working in the Police. I was discharged, and was out of a job at the time, so I applied for this one and got it." So, he was an expert on ghee. Then he wanted me to tell him how to test this ghee and find out whether it is good ghee or not.

Well, Sir, the point I wanted to make is that the ghee was purified and improved by the attempts of the Veterinary Department and to-day it is not considered a good thing to improve ghee from its source. An African feels that he can always fill a tin of whatever the quality may be, and sell it to the nearest shop, and get his price of eighty-four shillings and ninety shillings, so that the whole work done by the Veterinary Department has been wasted. Africans have never been told—or at least no attempt has been made to supervise the production of ghee from its source. If the milk is bad when it is milked from the cow, that defect goes right into the butter or ghee, and nobody can ever purify it. It does not matter how many times you boil the stuff, and that supervision at the source which was done by the Veterinary Department is now nonexistent, because it was a commodity consumed entirely by the Asians essentially, that is why no attempt has been made to improve it.

There have been petitions, requests, and there was a mass meeting three days ago on this subject, and they were getting thoroughly fed up because they could not get the supply of good ghee, and the authorities, particularly the supervisors—I do not think they ever tasted ghee in their lives and they were scared to do so—and they do not seem to take any notice of it.

Now, these few things are the essential items of diet—they are costing us a colossal amount of money, and we have no choice but to take what is given to us, and restriction is placed in obtaining meat, in obtaining rice and in obtaining ghee, and we are forced to take what is thrown at us, whether we like it or not, and the general tendency, according to what I have been informed, is that

[Dr. Hassan] The authorities are bent upon forcing us to change our tastes according to what the Meat Commission like, or what the other authorities like, and we strongly resent that. There is a strong protest against it—I have voiced it on the Floor of this Council to-day—to give the authorities a complete picture of how the Asians are feeling about these things.

I asked the grader who they are grading meat in Mombasa. I asked him what is his experience. He said, "when I was in school I once milked the cow of my father, and I know how to handle it—that is why I am appointed a grader of meat." Well, that sort of thing, Sir, is done, and I begged the authorities that the commodities that we consume, and we want it, why on earth people from our communities are not allowed to handle these things for us? Any person who happens to come from any part of Europe, and his family was of a European race, he is given the job, whether he knows anything at all about it or not. We are told when we ask the Government to help us—they say the Meat Commission is a commercial proposition. We cannot interfere in that, but that commercial body is putting a rope round our neck because of the monopoly they have in their hands. If they did not have the monopoly, and we were allowed to go and buy meat or animals from the source, we would soon solve the problem of the meat. They promised to look after our needs, and I insist upon it. They must look after our needs. We cannot live upon the sympathy of the higher authorities. We want something good for the good money we pay, Sir.

SIR CHARLES MARKHAM: Mr. Speaker, having listened yesterday to the considerable attack which this side of Council suffered from the Minister for Finance, it is with some diffidence that I get upon my feet this afternoon in discussing the Motion which he is proposing. Nevertheless, there are two subjects on which I believe a lot of people would like to hear a full explanation from Government.

The two subjects are both concerning the Minister for Agriculture. They are, of course, *posho* and meat, subjects, I believe, Sir, you were previously interested in in another capacity. To go

back to *posho* for a moment. A lot of people have said to me that they are worried about the fact that Government has agreed later on this year to increase the price of maize to the farmer, especially in view of the fact, that in the majority of cases, this year has been an exceptional year for maize producers, although the wheat producers have suffered by the abnormal weather. The very fact that maize has been extremely good this year seems no reason why you should increase the price which will, of course, be passed on to the consumer, and start off a chain of increases throughout the whole Colony. That is, I would say, Mr. Speaker, directly concerned with the cost of living, and perhaps the Minister for Agriculture would tell the Council why this necessity for increase happened to take place at the moment.

The other thing, Sir, concerns that old bogey, the Meat Commission, and of course this is another opportunity to discuss the whole ramifications of the Meat Commission under the subject of cost of living, but it is of course now recognized that meat is a staple diet of all races in this country, whereas 15 years ago the African only partook of meat if by chance the cow died. Nowadays the African buys meat, and wishes to do so. I have been questioned on that one, Sir, but I think the very fact of history will prove the truth of the remark: but the fact is, the African is now probably the largest buyer of meat in this country, and it is very desirable that he should be that. In fact, we want to encourage him to buy meat, but of course the trouble is that, with the cost of living going up and up and up, people do now have this horrible demand for cheap meat which, of course, can be the ruination of any country in Africa.

If you look at the economy of South Africa—they realized about 15 years ago that, in order to produce cheap meat, as such, the result would be that there would be no meat for anybody at all; and the Rhodesias have also considered the problem, and there is some difference of opinion in that particular territory about what the policy should be; but in Kenya I do not believe there is any policy at all, and the difference is that nobody quite knows what sort of meat they should produce.

[Sir Charles Markham]

There has been quite a lot of publicity in one of the newspapers recently about the question of prime beef, and higher prices to the producers, but of course the ordinary person who buys meat is not really interested whether there are five or six or even ten grades of beef, as long as that person can buy beef. The trouble is, of course, in all the butcher shops in Nairobi you go in and you buy a pound of beef and, unless you are extremely fortunate, you do not really know what grade you are going to buy, and, of course—somewhat naturally—it is not often you buy the best—you generally buy the worst—and, of course, the natural result is that there is this rather bogus town versus country war about the farmer getting rich out of the proceeds of the town. But I do not believe that is at all a genuine reason for any sort of difference of opinion. The trouble, I think, Sir, lies in the distribution of meat, which does affect all the races living in Kenya.

THE SPEAKER: I think this is a convenient time for the interruption of business for our usual break. Council will suspend business for fifteen minutes.

Council suspended business at fifteen minutes past Four o'clock, and resumed at thirty minutes past Four o'clock.

SIR CHARLES MARKHAM: Mr. Speaker, when Council interrupted business a moment ago, I was discussing the problem of meat as it affected the cost of living.

Now, Mr. Speaker, there are aspects of the Meat Commission which certainly do cause the public great concern. For one thing, I do perhaps suggest that the public relations side of the Meat Commission are so poor that the public—who, after all, are the consuming factor of the Meat Commission—do not know, or are given explanations as to these shortages which occur in Nairobi. An example I will give of that, Mr. Speaker, is the other day, about five weeks ago, fillet steak was being sold in Nairobi at over five shillings per pound. Now, I know it is very easy to reply, if that was the price, nobody need have bought it, but the fact remains that certain restaurants and catering establishments, such as hotels, have got to keep up their menus, etc., and the only result is, of

course, that they pass on that increased price straight to the consumer.

The same applies to this rather amazing lack of publicity—or you might call it almost false publicity—in that when the Meat Commission was first started, one of the reasons given for its formation was that the seasonal shortages experienced in Kenya for many years would then cease, owing to the fact that the cold storage would allow supplies to come forward throughout the year. Well, Sir, I do think that only perhaps a person who is a vegetarian would have noticed that the seasonal shortages have disappeared, because it seems to be an unpopular factor in Nairobi that you can buy at certain times of the year, beef, and at certain times of the year, mutton, and at certain times of the year pork. To be able to buy all three at any one time is perhaps a miracle—and perhaps more suitable elsewhere outside this world.

Now, there is obviously something wrong, Mr. Speaker, and I suggest perhaps that the Minister for Agriculture—that it is necessary for him to inaugurate an inquiry—not a large public inquiry, but an inquiry—into the ramifications of the Meat Commission. I believe the farmers themselves, who are producers of this meat, would welcome it. I believe the African producers, who were mentioned yesterday, as being unwilling to support the Commission by selling elsewhere, would also welcome the idea of an inquiry. When I read in the paper that it is more profitable to sell your cattle to Uganda rather than to the Meat Commission, there is obviously something very odd somewhere, and of course it is no good pretending any longer that meat is not an essential to all races in this country. In the old days, when I was a small boy out here, a lake fish cost fifteen cents at the maximum. If you bargained, you got it for ten cents. Now the price of course is one shilling thirty cents per fish. Therefore, fish is no longer such a cheap diet as it used to be in the olden days.

I should like to make it clear, Mr. Speaker, that I am not opposing higher prices for good quality meat. I should hate that idea to be given undue publicity anywhere in this country but, at the same time, I believe the farmer himself would welcome a complete—almost

[Sir Charles Markham] what I would call a revolutionary change in the present system since he himself is not satisfied with the grading his animals receive, and he is also not satisfied with the prices he receives, and there seems to be far too close a price between what we call the cheap meat which comes anyhow, i.e. your scrub cattle, and your prime beef—your three-year-old baby beef, as you might call it, grown in the finest pastures in East Africa; and I think perhaps the Minister might be allowed the opportunity in the course of this debate to give a full picture of the whole situation to the public.

Now finally, Mr. Speaker, there are two other subjects on which I should like to touch very briefly for a moment. The first concerns wages. Under the Carpenter Report the country is committed to an increase of approximately ten shillings a year until the minimum wage in Nairobi reaches two hundred shillings per month. That, I think, Sir, is part of Government's policy, and it would be wrong in this debate to criticize it, but the fact remains that that must well be a factor in the cost of living, especially with the other benefits required under that wage. I should like to see Government produce, and make legislation for wages to be paid weekly instead of monthly. I am certain that would help in the cost of living. I should like to see Government bring in a law to say a man's wages will be "X" shillings a week or, if you pay monthly, of course there is a different scale altogether, but of course half the trouble in Kenya is that by the middle of the month almost every African employee comes along for an advance, and it does mean that on monthly wages you do encourage people to get into debt.

I believe also that all incomes, below one thousand pounds should be on the same basis of weekly wages, as opposed to monthly cheques because although, in the old days, a cheque for eighty pounds might have been a lot of money, at the present cost of living it is very little by the time you have worked out the necessities, such as rent, etc.; and if people were paid weekly, I think it would encourage them to thrift in the future.

Finally, Mr. Speaker, there is this point of course on the subject of housing. It has been mentioned in this debate already, but I should like to see somehow the scheme which was mentioned by my hon. friend, the Member for Nairobi South, really given Government encouragement in all townships. It happened in Nairobi—in the Bernhard Estate—but I should like to see it happen in all major townships like Mombasa, Nakuru, and Kiambu, etc., because there are other people who cannot possibly afford either to rent, purchase, or to pay these large rents, and whereas, when I have talked to people in England, they said to me what is the average wage earned by young Europeans in Nairobi, and I have said probably seventy-five or eighty pounds a month, it sounds a lot of money to those people living in England—in the welfare state, where everything is subsidized. When they come out here, and if by chance they forget about the Gill Report, and do get married, then of course they soon realize, with the cost of education of children, the cost of medical expenses, etc., that eighty pounds a month—which, I believe, when I was at school worked out at twenty pounds per week—is really probably the equivalent in England of nine or ten pounds a week, and of course a very false impression is given to visitors who might well become settlers of the future but for the high cost of living; and I hope somehow we can get the rents down of housing to allow people to come in and live in this country without being crippled by paying thirty, forty or fifty pounds a month in rent, and of course the person who wants a house will pay what he can to avoid living in a hotel—a subject which we discussed in debate last week.

MR. GIKONYO: Mr. Speaker, I very well realize, Sir, that all sections of the community in this country are finding it hard to live as a result of the rising cost of living, but I submit, Sir, that the African section find it still harder to live. It appears to me that whenever there is a rise in the minimum wage, there is automatically a rise in many prices of many commodities, and to me it appears that it is a question of giving with the one hand and taking away with the other hand.

[Mr. Gikonyo]

I have a case in point, and that is in respect of African housing in Nairobi. It is my experience during the last few years that whenever the minimum wage is raised there are increases in the rentals of African houses in African locations, and it is a matter that has caused the Africans a great deal of concern. It is difficult to understand why they raise the wages and then they raise the rates of rentals, and I feel that it is a matter that the Government should consider—the question of subsidy.

In the past I knew that the Government was subsidizing, in conjunction with the City Council, African housing, but at the moment that seems to have ceased, and I would like to know because there is misunderstanding. On the one part people say the Government withdrew the subsidy, and on the other hand the people say the City Council refused the subsidy. I would like the Government to make the position clear.

At the moment, rentals in the African locations take quite a substantial part of the earnings of the Africans, and it is a matter that is very serious; and I would very much urge Government to see the way to reducing these rents.

Now, I want to touch on the question of *posho*. I should like to support my hon. friend the Member for the Coast, in all that he said about *posho* and the subsidy. The Leslie Committee found that there was a case for subsidy, and that the Government might consider—and although it is said that this matter had been carefully considered in the past, and found that a subsidy could not be given, I do still feel that there is a case to reconsider the position. It is because I think the Leslie Committee found out that *posho* formed the greater part of the African worker's diet that they thought the Government should reconsider the position. I do still feel that there is a case, and I hope that the Government will go into this again and see that a subsidy is given in respect of *posho*.

I want to turn to the question of transport. My friend, the hon. Member for Nairobi South, touched on this in respect of Nairobi. Unlike him, I would not like to support the question of classes in bus transport, but what I

would like to urge is that sufficient buses should be provided so that the supply meets the demand. At the moment, there are fewer buses than the demand, and I feel that if sufficient transport is provided, the case of class buses will not arise, but the moment you do that then you provide friction between races, which I think we should try to avoid as much as we can.

In this connexion, I would like to make one suggestion and that is at the moment no Kikuyu, Embu or Meru will give a lift to another, if he has a car—not even his family—and no Kikuyu, Embu or Meru would ride a bicycle in Nairobi. I feel that as the situation is improving, this matter should be considered. I appreciate there was a very good reason when these restrictions were imposed on these tribes, but at the moment I feel that there is a case for some relaxation so that when a man has got his bicycle, he has no need to go and pay money for buses. If a man has a car, he could give lifts either to his friends or his family. I would like to appeal to the Government to go into this matter.

One other point. I do not want to go into the same argument about the Meat Commission as my friend, the Member for Ukamba has done, but I just want to make one correction in what he said. He did say that Africans were not used to eating meat. I want to deny that. I think that history has it that there are many African tribes who used to live on meat and milk. I just want to mention the Masai and the Nandi, and for him to come and say the Africans used not to eat meat is not correct.

One other matter in that regard is the question of meat in the Kikuyuland unit. There is a very grave shortage of meat in Kikuyuland units, and I do not know what the Minister proposes to do.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Can the hon. Member say where the shortage of meat was?

MR. GIKONYO: In Kikuyu, had units—in Kikuyuland. With the restriction of movement on cattle and for bringing them together, most of the Kikuyu cattle have died, and I feel that the Minister should make such arrangements, even if with the restriction movement of

[Mr. Gikonyo]

Kibuyu, so that stock dealers could be enabled to bring the cattle from the cattle areas to the nearest spots around the Kikuyu country, and then the loyalists might be given permits to go and buy this cattle for slaughter so as to provide the people with meat. I feel that that is essential and I beg to make that suggestion for the Minister to consider.

I beg to support.

THE MINISTER FOR COMMERCE AND INDUSTRY: Mr. Speaker, I would like to deal with a few points that hon. Members have raised on my particular concerns. First of all in regard to the point about motor vehicle spares raised by the hon. Member for the Coast, I think he asked would I arrange to meet those concerned in the business and discuss the matter with them. I am quite sure that it should be quite easy to arrange a meeting with the appropriate section of the Nairobi Chamber of Commerce, which I think is the most representative body concerned with that aspect of business, and I am quite sure that an invitation will be extended to the hon. gentleman himself to come along and see—I was going to say, see fair play and put his case.

The hon. gentleman also raised a point about cement. Why does the locally manufactured cement cost more in this country than it does in the Union or it does in the United Kingdom? The hon. gentleman is of course right in saying that locally produced cement costs more here than in either of those countries. The reason is not very far to see. The cement works at Bamburi have been built in the last three or four years, when every top of steel entering into it, every piece of machinery, has cost up to four times as much as the same kind of machinery cost before the war. Most of the cement factories—although not all—in the United Kingdom, and most of them in the Union of South Africa, were built before the war when prices, in other words the capital investment, was very much lower. That is not the complete explanation. There is also a further explanation; that at Bamburi, they are using the dry method of making cement which, to a certain extent, is experimental in this part of the world, and they

have had certain difficulties, but if the hon. gentleman would like to pursue the matter further, I can give him a very complete analysis of cost, both capital and recurrent, in relation to price, and I believe that he would be satisfied that the price charged and the profit margin is not unreasonable.

Now, the hon. gentleman did, to a certain extent, reply to the points raised by my hon. friend, the Minister for Finance, who pointed out that an inflationary condition can be dealt with in a number of ways; through higher taxation, through credit restriction, import control and so on, but, I noticed that my hon. friend the Member for the Coast rather glided over the problems, using the term "a little bit of subsidy here and there". He then went on, in referring to that little bit of subsidy here and there, to deal with the sum of £600,000—just a little bit of subsidy here and there—the equivalent of about 75 cents on the income tax. I am not suggesting that the hon. Member was treating this in a frivolous way because I know his deep sincerity in this matter, but I do suggest the points raised by my hon. friend deserve slightly more serious consideration than the hon. Member for the Coast gave them.

MR. COOKE: I suggested that the money spent on rehabilitation should be devoted to that purpose and that would not put on any further increase in taxation.

THE MINISTER FOR COMMERCE AND INDUSTRY: Most of that money is a free gift from the Secretary of State and is being made use of under the Swynnerton Plan and I think my hon. friend will confirm it, that we are not at liberty to remove money from that source and make use of it in another direction. However, I am sure that the Minister for Finance will deal with that point more fully when he comes to reply.

There were a number of very practical points that I thought the hon. Member for the Coast made. One was the quicker turn round of ships in Mombasa. Now, undoubtedly there has been expense in connexion with slow turn rounds; nevertheless the turn round rate is increasing. One of the results of phasing has been a quicker turn round and less delay. The principal reason why there

[The Minister for Commerce and Industry]

has been phasing has been to avoid a surcharge which has been made on goods consigned to Mombasa by the shipping companies, unless that speedier turn round could have been achieved through the elimination of long waiting periods in the stream. However, there is an improvement in the port of Mombasa and, I understand, it is likely to be a progressive one.

The point my hon. friend raised about the parcel post, I will take up with the Post Office. I believe the hon. gentleman for many years has been on the Post Office Advisory Board and I would have thought he would have had very good opportunities for raising it there, but nevertheless, I will be very happy to raise it, again, myself.

A point made was that invoices should be delivered within a reasonable period. I think that the period suggested, and my hon. friend referred to ten days. I think it was, possibly a little short, but I think the idea is a sound one, and I will be very pleased to put it on the agenda of the next meeting of the Board of Commerce and Industry which I think is probably the expert body where it can best be discussed.

Now, the points raised by the Member for Nairobi South, I think largely concern other Ministers. I thought that his remarks on buses were possibly not quite in line with remarks that he has made previously. The bus company he did say has been working under very great difficulties. I believe, however, that the line he suggested is a sound one.

There have been one or two remarks about rent control and the cost of housing. My hon. friend, the Minister for Health and Housing, is, I believe, dealing with that in principle. However, in regard to rent control, I would just make one observation. It is no use at one moment saying we want a lot of houses from private enterprise, and then in the next minute saying that you must have rigid controls of rents so making it unprofitable to build houses. You cannot have it both ways. If it is a matter of public money, that is another thing and my hon. friend will speak on that point, as he has done before. If it is expected that private enterprise will

build houses, shops and offices, then they must have a decent return or the capital will not be forthcoming, and it is no use considering that rents should be related to 1939, or even 1945, values to-day. They have got to be related to the real cost of building, which, unfortunately, is a great deal higher than it was at either of those dates.

The hon. African Representative Member, who sat down a moment or two ago, I thought was living in a somewhat rosy dream of an ideal world where wages could go up and prices remain where they were. He was living in a somewhat ideal world where subsidies of £600,000 were just brought, like rabbits out of a hat, and where social services could increase indefinitely. I thought that the hon. Member might at least have considered some of the implications of his remarks.

Mr. Speaker, I beg to support.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Mr. Speaker, I was a little bit doubtful at one stage in this debate as to whether it was a debate on the cost of living or on the Kenya Meat Commission.

Mr. Speaker, I would like to make one or two general remarks if I might on the cost of living problem, and then go from those to the specific points that the hon. Members have raised in regard to the matters with which I deal in the Ministry of Agriculture.

The Minister for Finance, when moving this Motion, did point out that in a strongly developing country such as this where the geographical base income, in terms of percentages, is literally leaping up, we must have a cost of living problem, due, of course, to a form of inflation. We could, Sir, deal with that, as a Government, by certain very drastic methods. They would be methods such as these: complete resistance to all demands for further services, with the object of achieving a reduction in taxation, the complete cessation or cutting of the development programmes which would have the immediate effect, of course, of slowing down much of the pressure on the shilling in this country, but it would also have the effect of preventing us carrying services in the future

[The Minister for Agriculture, Animal Husbandry and Water Resources] and by a very drastic overhaul of the agriculture price structure. Now I do not think that any of those three measures, Sir, would be advisable in a young and developing country of this sort and, indeed, the results would be far worse than the actual pressure of the rise in the cost of living.

Now, in so far as the points have been raised that affect my own Ministry, Sir, I would like to deal with one or two points individual Members have given. I do not think hon. Members will probably want me to answer in detail the criticisms. What I think they would like to have from me, is a review of the policy which can be achieved in our Ministry, I think, to meet the problems which hon. Members have raised. That I propose to do.

Now, the question, Sir, has really ranged round the maize prices, and the possibility of subsidy on maize, and matters arising out of the activities of the Kenya Meat Commission. I would like to say now, right away, that I would like to dispose of the speech of the hon. Muslim Member for the East Area, Now, Sir, I do congratulate him on getting ready for the General Election in September, but I must also confess that I have rarely listened to a longer series of remarkable misstatements in my life. I am not going to deal with many of his points in detail, because I think hon. Members would really like the policy, Sir. The hon. Member did make a tremendous fuss about the quality of fourth-grade mutton which he was forced to buy in Mombasa. Well I would like the hon. Member to know that no fourth-grade mutton is sold in Mombasa, and there is no such grade. Secondly, Sir, he pointed out that he did not like to be forced into consuming frozen mutton. The actual facts are, Sir, that because of the distaste of his community for frozen mutton we do not send it to Mombasa, and the only method by which Mombasa can get frozen mutton, is by special indent by butchers on the Meat Commission at Ash River.

DR. HARRIS: When I said frozen and chilled mutton, it is Nairobi, Sir. I did not mean Mombasa at all.

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: Well I accept that I mistook the hon. Member, Sir. Generally speaking, the only grades frozen are the first and second grades.

Now, Sir, he also raised the question of the price of ghee and, in order to bemuse us, he said it had risen by 400 per cent or 500 per cent since 1912. Well in 1912 he could buy a chicken for fifty cents and he admitted in his speech that he now pays eight shillings, so chickens have risen by 1,600 per cent. The only deduction I can make from that, Sir, is that the hon. gentleman is extremely lucky that ghee has not risen more than 400 per cent or 500 per cent. His figure is not accurate, Sir, and he said that the price for a tin of ghee was eighty to ninety shillings, but the actual price for super-fine quality ghee—which I do not think the hon. Member has obviously come into contact with, judging from the remarks he made about the quality of ghee—is Sh. 133/20 cents. I deduce from that, Sir, that the hon. Member is not giving himself the luxury of the best quality ghee which is available to him. But, in general, Sir, I would say he made a fine case for an exasperated public; possibly, but I do not think it was entirely accurate.

Now, to go back to maize prices, the actual facts are these. We calculate the price of maize—in answer to the hon. Member for Nairobi South—at eight bags an acre, and that is something over one bag an acre, something above one bag an acre, of the average yield. In other words, Sir, anybody who is at the average yield—below eight bags an acre—has got a penal sanction on him because the devisor is not worked on the average, it is worked on a premium of the average of over one bag an acre, and that rather meets I think the point the hon. Member made, which was that by having a fixed price at eight bags an acre, we are protecting the bad farmer. The effects are, Sir, that by raising it above the average, we are putting more pressure on the bad farmer than we would by taking the average yield. I do not think it is correct to say that the farms being supported by maize are marginal farms. An average of eight bags an acre is a good sample of these areas on which we calculate, and it is only in exceptional districts in this

[The Minister for Agriculture, Animal Husbandry and Water Resources] country where average yields over a number of years will rise above that figure. As I said, the average for the whole Colony is around six point something or other, and we have put that element of pressure on bad farmers by raising the devisor above the average by over 15 per cent.

In so far as, Sir, the question of a subsidy on maize prices is concerned, I thought hon. Members would like to know that there has been no rise at all in the cost of *posho* since the 1st of August, 1952. Now, that has been achieved despite rises in the price of maize by two methods, one is by an increasing efficiency in the operations of maize control, and a reduction in the overhead per bag, and, secondly, by a contribution from the Emergency Fund which is in the nature of a subsidy, which the hon. Minister for Finance agreed to in order to keep the cost of living down, so that the Minister for Finance has, to a degree, met the point of the hon. Member for the Coast. That subsidy has cost Emergency expenditure something in the nature of £102,000 in a year.

MR. HARRIS: Where has that money come from? England?

THE MINISTER FOR AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES: The money, Sir, has come out of the Emergency Fund which is mainly financed by Her Majesty's Government. So, Sir, there is an element of subsidy in the maize price, and we have been able to keep it at its present figure largely by efficiency in the operations of maize control.

Now, hon. Members did not mention maize control. I thought they would at least like to know, that we have given a directive in the Ministry for legislation to be prepared to submit to Government with a view to freeing the operations of maize control and making it rather more flexible, rather than the lines of the Ibbotson Report, through the formation of a marketing board which would have the ability, if it so wished, to use agents. Whether the Government will accept something of that nature, is a matter for consideration by the Government, but

at any rate, Sir, I do not think hon. Members would expect one to produce a panacea out of one's pocket at once, and, in dealing with this matter, I think every line wants to be followed with a view to seeing if we cannot get a reduction in the on-costs from the producer to the public.

Now, the hon. Member for Nairobi South, asked me—and I believe the hon. Member for Ukamba touched on it too—why it was necessary this year to have an increase in the cost of production of maize. I would just like to point out one small error which the hon. Member fell into. There is no increase whatsoever in the cost of maize harvested this year, which will, or will not, be reflected as an exceptionally good year. I think in general it will not be because there was a very bad spell of dry weather from June to late July when the maize really needs rain. The increases in cost will be reflected in the crop being planted now which will be harvested next year.

Now, Sir, I did discuss with the producers at very great length whether we should accept these prices or not. Let me assure hon. Members, that they were accurate and proper prices based on the formula which Government agreed with the producers two years ago. That agreement was run over three years with a subsequent year in which the Minister for Agriculture has a certain flexibility of negotiations over present prices. The fact remains that at the moment, by an agreement with the producers, I have no flexibility of price, or price movement, whatsoever, unless I am to break the solemn undertaking of the Government. The producers were not willing to do that without going back to the producers themselves, at a series of organized meetings, and putting the cases to them. I did not do that, Mr. Speaker, for the following reasons. In coming to this agreement, apart from many other things, the producers gave up an amount of £450,000 which had accrued to them from profits from the sale of maize and maize control, they gave that up to Government in exchange for a long-term agreement over three years based on the existing formula.

Now, Mr. Speaker, I promised to tell hon. Members the sort of policy that I

[The Minister for Agriculture, Animal Husbandry and Water Resources] would like to follow and it must be based, in my opinion, on the good faith of the producer in Government's word. I, therefore, thought that as we had made this agreement with producers, I am wise to honour it, as I was bound to do, without going back to the producers and inducing them otherwise because I felt that in the policy that I wished to pursue later, I shall need the confidence of the producers in the good faith and integrity of Government when once this comes to an agreement.

Now, Sir, the present formula is in the simplest possible language—a cost plus formula—and I believe that a cost plus formula is a dangerous formula for the industry, because it does not place upon the industry the pincers of necessity when dealing with price rises. They can be passed immediately through the formula on to the consumer. And, indeed, if we were to follow a cost plus formula for many years, we would undoubtedly develop a maize industry which was completely out of tune with overseas prices and allow inefficient practices to step in because it had not got a competitive element as reflected by overseas prices.

Let me say just one thing to hon. Members. If I were to import maize to-day, the import price at Mombasa would be very close indeed, either a few cents above or below, the present producer price in this country, so that the industry is still either at, or within, import parity.

Now, Sir, it does seem to me that the problem before us is how to provide an alternative income for those farmers at the lowest end of the production scale so that they are not bankrupted. Now hon. Members may not realize the great extent of the maize industry; not only is a large proportion of the European farming industry based on it, but a very much larger portion of the income of Nyanza, where there are something like two-and-a-half million Africans whom we have to consider. I, therefore, could, in no circumstances, make arbitrary changes in the maize price structure because if I were to do so, I should either force many farmers out of business, or seriously damage their purchas-

ing power which would be reflected at once in the general economy of the country. I, therefore, think, Sir, that the problem must be solved by attempting to treat the agricultural industry, subject to the intricacies of this country, and the difficulties of movement of stock, as an entity in one and slant the guaranteed prices towards those elements in the industry which we want to produce against those elements which are over-produced. In other words, Sir, I want to produce a price structure which encourages the production of animal products, such as beef, and will discourage the production of maize. If I start on that arbitrarily at once, as I said, I shall damage the industry beyond repair, but I am hopeful that with the latitude I have from now onwards under the agreement, that I shall come to an understanding with the industry for a control of maize prices designed to put pressure on the inefficient producer, or, shall I say, not the inefficient producer, but the producer at the lower end of the maize scale into an alternative form of economic return such as beef production. Now, Sir, that must take me, or must take the Government, four to five years, for the simple reason that even if we agree now to double, treble or quadruple the production of beef, it is difficult for us to get it on to the market under three or four years, and, therefore, we have to consider that as the income of the maize farmer falls, so his income from other products must rise and the lowest part of the fall in maize must be reflected at a time when he is able to cash in on the four years' development of his beef production. That, briefly, Sir, would be the sort of lines on which I would hope to be able to get the maize industry; one, for increasing competition for efficiency and a change over of the poorer producers at the lower end of the scale into an alternative form of husbandry.

Now, Sir, if I may then go on to this question of meat. Again, Sir, I do not want to deal with the detailed criticisms of the Meat Commission which have been made. Again I think hon. Members would rather prefer, I think, to hear what I have in mind, or what Government has in mind, in regard to solving this meat problem. Now, Sir, it is best brought out around the speech of

[The Minister for Agriculture, Animal Husbandry and Water Resources] the hon. Member for UKamba. Let me say, first of all, Sir, that there is no question about it, but whatever may be the faults of the Kenya Meat Commission, many of its difficulties do not arise from its own troubles, they arise from the policies which have been imposed upon it by Government in the interests of the consumer. The first of those policies is the control of meat prices. There is no question about it whatsoever, that if the Government removed the Kenya Meat Commission to-morrow, and the price control on meat, it would rise by thirty cents to forty cents a pound right through the Colony. Indeed, we can prove that because we already have got a two-price structure in the meat industry. The prices which we control in the towns for the benefit of the urban consumer and the free market as established in the African areas by traders. Many of these difficulties, Sir, are entirely due to hon. Members opposite. They are due to remarks made in debate, when the Kenya Meat Commission Ordinance was introduced, when I, myself, had not, as the hon. Member for the Coast said, migrated to this side. I did not make the remarks though. The first remark, Sir, was made by the African Members who especially, I remember, the hon. Member, Mr. arap Chemlan, now my Parliamentary Secretary, by happy chance, he insisted at that time that there must be freedom of trade within the African areas. Now, the moment you have freedom of trade within the African areas, the Meat Commission, which it controlled in price, and has a monopoly, has its hands tied in many respects because it cannot bid and find the meat against outside competition based on demands from Uganda. Secondly, Sir, Members of this Council insisted that existing channels of trade should not be interfered with and it is impossible for the Kenya Meat Commission itself to indulge in the retail business. Now, I am quite certain in my own mind, and it is a major issue of policy which I have no intention of examining at the moment, I have no doubt in my own mind that if the Kenya Meat Commission could operate even one retail shop in the town of

Nairobi, the people of Nairobi would see a very considerably different attitude in the outlook of the butcher. There is an astonishing difference between the price at which the Meat Commission passes meat to the butcher, and the price at which the butcher sells it to the public.

Secondly, Sir, there is a most intricate and difficult trade in carcasses as between butcher and butcher which very often borders on a black market.

Lastly, Sir, there is no single complaint made by anybody about beef which is the fault of the butcher; it is always the fault of the Kenya Meat Commission. I do want to emphasize these things in fairness to the Commission itself. That does not mean, Sir, that the Kenya Meat Commission itself is not, in some respects, at fault, and the difficulties of meat production really centre round a variety of things which I think are best, as I said earlier, dealt with in the speech of the hon. Member for Ukamba. I propose, if I may, Sir, to deal with them.

The first one is price. Make no mistake about it, hon. Members—the public of this country are getting meat at a cheaper rate than almost anywhere in the world. I am prepared to admit that there could be an improvement in the quality, but nevertheless, the best cuts are very substantially below similar cuts in the United Kingdom or other parts of Africa.

In regard to quality, Sir, it seems to me that we need to examine—and I am causing to be examined—the whole of the grading, especially in these regards. Can we provide a quick measuring base in under three years which will set at a prime price in the markets? Now these we have had considerable co-operation from butchers and I hope that shortly we will be inaugurating the first of those grades to see whether there is a demand by the public for a prime quality beef at around an initial producer price of Sh. 1/30 per pound. That will mean a substantial increase to the housewife, but it will be very good stuff.

Secondly, Sir, I think it is necessary for us to consider whether we should not raise the grading on an age basis and not as at present. At the present time, the majority of the beef coming into Nairobi is a five- to six-year-old beef. That beef is

[The Minister for Agriculture, Animal Husbandry and Water Resources] the easiest beef to produce because it comes from the ranching areas. It is not quite true, Sir, to say it is the majority, because 60 per cent to-day is coming from mixed farming areas. But, we could by reducing the age, improve the quality and we would then begin to slant our production towards the type of beef we want which is the beef bull on to the dairy-bred cow, and not the zebu ranching animal which at five to six years old is a very heavily fattened animal and not very suitable to the public taste, though now always in first grade.

Thirdly, Sir, we need an examination of the whole of the amount of beef animals available to us for production. That is not a figure that we have and we are now getting it. Again, we need an examination of the methods of producing good quality beef by the farming industry and, in the last three or four months, the Agricultural Department, is beginning a series of experiments to find out what crosses and what management will produce a suitable beef for the public of this country.

The only other thing, Sir, I would like to say on the beef industry is this. I entirely agree with the hon. Member for Ukamba, that the public relations of the beef industry might be improved and I have already had discussions with the Kenya Meat Commission on the subject and I am hopeful that we shall find a solution. It is not true to say, as the hon. Member for the Coast said, that the Kenya Meat Commission makes great profits. It does not. Those were the hon. Member's words, Sir, and I would like to correct him because it is a popular belief that they do. They do not. They pay the producers the same price as the price paid by butchers. That is really a preliminary payment by the Kenya Meat Commission who then sell the beef, the offals, guts and the innermost parts, and the result of that sale is taken against the running costs of the Kenya Meat Commission and any balance is passed as a final payment to the producer. The only reason there is a difference, is simply because the initial payment to the producer is lower than it might be. If the Kenya Meat Commission liked to calculate the end products a little bit closer, but that is no real profit on the business.

Lastly, Sir, several hon. Members have raised the question of an inquiry into the Kenya Meat Commission. Well, Sir, the Government is not prepared to accept that, nor would I, as Minister for Agriculture, recommend it to them. What I am prepared to tell hon. Members is this that I think the whole meat industry of this country needs a very close examination. I think it needs a close examination in regard to markets, production, price structure and movement and handling. For instance, the hon. Member for African Interests, Mr. Gikonyo, mentioned that he was concerned about the supply of meat in the Central Province. Well I must warn hon. Members that if the demand in the Central Province rises very considerably as the Emergency goes farther into the background, we shall undoubtedly be faced with a beef shortage. There is already an indication that in March we shall have a serious shortage of third-grade meat in Nairobi. It is not the Kenya Meat Commission's fault. We cannot get the beef. It does not exist, or it has been bought by the individual trader outside and goes on the whole to Uganda, Nyanza and places like Kericho.

The difficulties in Central Province arise, Sir, partly from lack of beef, but mainly from the incidence of diseases such as foot-and-mouth. The hon. Member may like to know that there has been a recent outbreak of foot-and-mouth in the Central Province and we have ruled that animals will continue to go into Central Province in lorries rather than stop the movement because of the outbreak of the disease. In other words, Sir, we are determined, if we can, to overcome the problem of foot-and-mouth and other diseases in stopping the movement of animals and we are, at this very moment, making a very comprehensive survey of all the apparatus such as quarantines, holding grounds, inoculation centres and supervising staff necessary to stimulate the flow of cattle from the African areas, so that these shortages can, as far as possible, be avoided.

Sir, I really began this rather long period by saying that I was not prepared to have an inquiry into the Kenya Meat Commission. What I am prepared to do, Sir,—which I have already begun—is to have discussions with the Kenya Meat Commission with a view to seeing whether we should not examine, not as a

[The Minister for Agriculture, Animal Husbandry and Water Resources] public inquiry, a witch hunt, or anything of that sort, whether we should not examine, as a matter of prudence, the whole of the development of the beef industry, especially in regard to marketing, movement, price structure and handling. I am hopeful that, as a result of those discussions, we shall be in a better position in the future to meet this very intricate problem.

Finally, Sir, I must say this—no amount of speaking, and no amount of criticism, can alter the fact that to alleviate the beef shortage in effect, if there is a shortage of the actual type of animals, must take a number of years, and I would say to get the beef industry in this country lined up on to a proper basis will take anything from two to three years. The assurance I am prepared to give to hon. Members is that provided I am able to do that, I hope that at the end of that time, we shall have a very much more efficient industry, right through from the production end, to the marketing end.

MR. SLADE: Mr. Speaker, Sir, the hon. Mover was, in my opinion, on very firm ground in the main points that he made when moving this Motion. In particular, Sir, I agree with him that our cost of living here is related very largely to world conditions which are beyond our control. Again, Sir, I agree with him that whatever measures we take here to reduce our cost of living, must not be at the expense of the development of this country. Again, Sir, I agree with the hon. Mover that with expansion of a young country like this, some measure of inflation is bound to follow. I agree, Sir, entirely with all those points. Nevertheless, I join the hon. Member for the Coast in questioning whether Government has made a big enough effort to see whether anything can be done to relieve the present increase in the cost of living. I think there is some substance, Sir, in the hon. Member for the Coast suggesting that there is an atmosphere of *laissez-faire*. It is a very difficult problem I know, but it is hard to believe that nothing can be done.

In particular, Mr. Speaker, it did seem to me that the hon. Mover brushed aside rather too lightly the suggestion that we might, in some respects, follow

the example of measures recently introduced in the United Kingdom—measures such as restriction of credit, restriction of imports, restriction of hire-purchase.

Mr. Speaker, it appears to me that the cost of living must be very closely related to standard of living; and I am sure that there are many, in the European community anyhow, who have too high a standard of living. By that I mean that they are not only living beyond their means, but they are living beyond their means unnecessarily. They could live quite decently within their means. That is not only a feature of to-day, Mr. Speaker; it has been a feature of this Colony ever since I have known it. I think one of the reasons has been that in the past, anyhow, there has been very little in the way of social scales in the European community, with the result that those who are on lower salaries are expected to live at the same rate as those on higher salaries.

However that may be, Mr. Speaker, I am sure that we can and should do something about the standard of living. The first answer to increased cost of living should, as regards the individual, be the question of himself. "How can I cut out the unnecessary expenditure which I incur now?" The first answer as regards Government to increased cost of living, must surely be, "How can we help or induce the individual to cut out unnecessary expenditure in his standard of living?"

I am not suggesting, Mr. Speaker, that we try to reduce the standards of anyone to a nasty, brutish existence. I am only suggesting that we try to induce people to cut out any expenditures that they really do not need, and cannot afford. It is not a question, Mr. Speaker, of requiring people to go without the things they need for their health or respectable living; it is only a question of going without the luxuries which they should not have if they cannot afford them. It is there, Mr. Speaker, it seems to us there might be some scope left for restriction of credit; restriction of imports, restriction of hire-purchase.

I agree wholeheartedly with the hon. Mover, that we do not want to introduce any of those things in such a way as to prevent the development of this Colony. Indeed, credit hire-purchase, imports, are all needed for that purpose.

[Mr. Slade] But it should be possible to distinguish between credit facilities granted for proper development and credit facilities granted for unnecessary expenditure, or expenditure beyond a man's means. It should be possible to distinguish between hire-purchase, likewise, and between imports, likewise.

Mr. Speaker, I speak on this subject with some diffidence, not being an expert in the field of economics. I also speak with some trepidation not being, myself, a shining example in the field of ascetic living. Nevertheless, Sir, I would ask the hon. Member to consider, once again, whether it is not possible to do something by way of restriction of credit; hire-purchase or imports, to moderate standards of living without interfering with essential development.

Subject to those comments, I beg to support the Motion.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Hon. Members have touched on housing especially, which is of interest to me in my Portfolio, and I would like to answer one or two of their points.

The hon. Member for the Coast, I think his only remark with regard to housing was when he described this disgraceful state of affairs in racketeering in rents, especially for the African. Well, Sir, I would like to put it to him, if there is any criminal matter, or any criminal intent in any of the racketeering, if any person is actually breaking the law, I would ask that it should be brought to the notice of the Government immediately and I can assure him, having consulted with my hon. friend the Minister for Legal Affairs, that, of course, it would be inquired into by the Criminal Investigation Department.

Mr. Cooke: I quoted from the African paper *Baraza*.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: The hon. Member has brought it to the notice of Council. The hon. Member, I understand, considers himself the protector of the interest of the people, I would therefore feel that it would be as much his duty as that of anybody else to bring

it to the notice of Government. And when I say that, Sir, I mean specific cases, because it is quite impossible for the Criminal Investigation Department to investigate, unless there is some information—definite information to go on, and, secondly, a very important point, it is also necessary for the public to cooperate with the Criminal Investigation Department in such investigations, that is something which has sometimes found to be lacking.

Mr. COOKE: I quoted from an article in the responsible paper *Baraza*, written by a responsible African who signs his name, and, surely, it is Government's duty to consult that African and ask him any specific points.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: I would not say it is Government's duty to consult that African, or any other writer of an article, but I personally will try to investigate it and the main point is that specific knowledge, specific information must be given. But I do not want to give the impression that Government will not go into these things—they certainly will, and I hope the hon. Member recognizes the difficulties and I want to stress again, and re-emphasize it, the public must cooperate. In so many cases they do not seem to wish to do so.

Now, Sir, I think that is the only point which was touched on by the hon. Member for the Coast, but the hon. Member for Nairobi South had a number of suggestions to make, and very constructive ones I thought, with regard to housing.

I do not want to take the credit away from him, Sir, for the suggestion which he put forward, which was that private enterprise should be attracted to development of housing, and although he said African, I presume he meant for all races, and that it should be made attractive to private enterprise to so develop it by a guarantee of sorts, of a rent to the developer, with the Government cooperating in that guarantee. I think the hon. Member suggested that employers might be the other party to the guarantee. That is a suggestion which I will most certainly go into. On the other hand, I would like him to consider and the Council to consider that it might be possible for local authorities to be a party to such a guarantee and this matter has been

[The Minister for Local Government, Health and Housing] under consideration in my Ministry lately, and it is being actively pursued, and will continue to be.

Now, Sir, there is one thing that one has got to recognize, especially with regard to African housing. That is, that capital these days is becoming more and more expensive. As is recognized, I am sure, by hon. Members, even a shilling on a rent is significant in African housing; and when capital goes up by one per cent, and possibly more, that has a very immediate effect on the actual rent which will have to be paid by the person occupying the house. So, therefore, the activities of the Chancellor in the United Kingdom in that regard has made my particular problem and that of the Minister for Finance very much more difficult in this sphere. Even so, I hope that we will be able to devise some scheme to attract capital to this type of project, and we will go ahead with it.

Again, with regard to smaller firms, Sir, it is not quite so easy, even for them, to be associated with a guarantee. A small firm in itself does not provide a very great security in such a guarantee for rentals, and, really, if it is possible to do it, I would say it is a local government authority's responsibility to provide the housing for the employees of smaller firms. I hope hon. Members will agree with me on that, that it is asking a lot for—especially those small firms who have not been operating very long, and those which we wish to attract to this country, asking quite a lot for them to tie up capital. Although I know the hon. Member for Nairobi South did not suggest that in African housing, I hope the local authorities will be able to provide the capital and provide the housing for those firms. On the other hand, I would say that the larger firms—established firms, in my mind, have a certain responsibility in this matter, and especially those which rely considerably on a large number of labourers or workers. We, the Government, have tried to help them in that considerable sums of money have been made available through the City Council of Nairobi for re-lending to employers with which they can put up housing for their employees, and only just—and I am now considering, in fact I think it is almost finalized, another

£100,000 will be made available in the next few days to the City Council of Nairobi for this purpose, re-lending to employers.

The hon. African Representative Member, Mr. Gikonyo, brought up the point which he has brought up very often in this Council, Sir, that is the matter of subsidies. Let me say straight away, that the subsidies in the City Council housing of Nairobi were withdrawn, because the City Council itself considered that they did not want them to continue. However, I would like to say that I, personally, consider that if we can keep away from subsidies, we should do so, and it has been the policy of my Ministry, and myself, to try to devise all sorts of methods of providing cheaper housing for Africans so that there is no need for subsidies. Once you start subsidy, a recurrent subsidy, one really does not know where one is going to end, and it is, to my mind, an extremely dangerous thing to start. There is still a considerable element of subsidy provided in the capital expenditure on African housing. On all services for African housing estates built by local authorities, 30 per cent of the cost of those services is provided by Government, providing the other 30 per cent is provided by the local authority, and the cost of those services are not included in the rent, so considering that services are very expensive items indeed in African housing estates, I think hon. Members will recognize that that is a considerable form of capital subsidy which, of course, lasts right through the life of the house.

The hon. Member also mentioned, Sir, that when minimum wages were raised, it seemed immediately house rents were raised. Well, it has been really functioning in the opposite direction. When there is an economic case for house rents to be raised, and they are raised, the minimum wage is also raised to meet that extra expenditure in rent, that is the method by which it is done. And, also, the hon. Member does not seem to give credit to the Government, which, I think, he might have done, in that after all, only just lately we have increased the minimum wage, the housing element of rent, in one step towards the married house rent element. I think the hon. Member recognizes, I will remember that the whole minimum wage, the house rent element in that will be more than the

[The Minister for Local Government, Health and Housing].
single bed space which the bachelor pays. It is only going a small way, and it is only one step, but it is going on—the whole policy is directed towards helping the married man in the urban areas which, of course, is in conformity with the overall policy of Government for a stable urban population. And it is the intention, as hon. Members know, to move towards a married rent element in the minimum wage as soon as it is possible with the economic situation of the country.

Now, Sir, the hon. Member for whom I have just referred, and the hon. Member for Aberdare seem to underline that they consider that Government has been *laissez-faire* in the matter of the cost of living and, presumably, they must then include also the factor of housing, within the cost of living. Well, I refute that. I certainly consider that considerable activity has been going on with regard to housing anyway, and there has certainly been no *laissez-faire* policy there. As hon. Members know, and I can repeat again, new techniques have been devised, tenders for the new Nairobi African housing project will go out this month, and I remind hon. Members that these houses, we hope and we consider, we feel, will be built in a very much cheaper way than any of the houses of this type which have previously been built, and will provide considerably improved accommodation and they will house something in the region of 25,000 persons.

That comes back really to this matter of goodwill money and the peculiar rackets that go on with rent. It does seem to me that the real answer to high rent asked by landlords—that is, private landlords—is to make available more housing, and that is the whole object that we have been driving at in my Ministry. I was talking, of course, especially about African housing just now, but similar action has been taken in regard to European housing. The difficulties have been a matter of capital and the attraction of capital. But coming back to a point made by the hon. Member for Aberdare on the standard of living, that also has been recognised and I have in my Ministry a lay-out for a certain area of the city where the standard of housing to be

provided will be lower than that which is normally provided for Europeans; I am not convinced that Europeans do require a smaller or rather lower standard of house than they have to-day, though I am told on all sides that it is the case. I am told that there are many families who do not wish to have a servant. The housewife will do all her housekeeping herself. I am told there are numbers of families who do not wish to have a garage. If all these things are considered and accepted, then of course cheaper houses can be built, and I can assure you this is being taken very much into consideration. All the amenities we will try to centre in "neighbourhood units", as they are called by the town planners, so that the housewife does not have to come right into town to do her shopping. She will have her shops nearby, and so on and so forth. That attitude is being developed in my Ministry and I only wish that I could interest private enterprise in developing such an estate, which is ready to be developed in every way, even to the point of survey. Now exactly the same thing applies to other areas of the city for other communities.

I suggest therefore, Sir, that as far as the housing is concerned, we have not just sat back idly, and even in the White Paper it will be seen—a small thing, I know—that the Government is investigating the reduction of architects' and quantity surveyors' fees. It has gone very much farther than that. I hope that the Small House Bureau will actually be launched very soon. I have already received in my Ministry a number of type plans from different architects and the whole thing, I hope, will be launched in the very near future. The reason it has been held up is that I have approached another body of professional men—those learned gentlemen—to see whether they also would be prepared to reduce their fees in regard to house building and transfer of property and so on. I hope and I think that I will be able to get a reduction there as well and then we will launch the Small House Bureau which I have described previously to hon. Members of this Council, but which I think, for the cheaper type of house, will show quite a considerable saving to the man who wishes to build his own.

[The Minister for Local Government, Health and Housing].

I think, Sir, that I have covered most of the points in regard to housing. There was only one other, that is, the hon. Member for Nairobi South asked me whether I could interest the local authorities—the Nairobi City Council—with regard to transport and see if they would get together with the bus company to work out a better system of transport. I would be very happy to bring this remark of his to the notice of the City Council and would sponsor such a meeting.

Sir, I beg to support.

MR. MATHU: Mr. Speaker, Sir, I have very few points I should like to make in this debate, in fact I only have two. One I do not think has been raised by previous speakers and I do not think the Government has referred to any of the points that I am going to raise in their Paper.

It refers, Sir, to an element in the cost of living of the African parent in regard to school uniform, in primary schools in particular—African primary schools. There seems to be a very queer idea about principals in these schools—that they say at the beginning of the year, in January of the year, that the girls who attend these schools shall come with a particular uniform. They buy the uniform, the parents do, and then during the following year, that is the second January, if the uniform was a white blouse with a green something and so on, they say "No, we are now going to change the colour; we will have a blue this year, not a green", and so it goes on. In other words, you have to discard the uniform that the parent bought in the first year to go for a new uniform, whether the uniform is faded or not, and I do suggest, Sir, that that is a point that the African parent is feeling very hard indeed when sending children to school, and I suggest, Sir, that Government should go into this. The school should choose its colour from the beginning and stick to it. That is the usual thing all over the world. Schools do not change their colours every year and force the parents to buy new uniforms of different colours every year. It is quite a big problem in the element of the cost of living of the African parent.

The second point, Sir, is on meat, and I know my hon. friend, the Minister for Agriculture, has emphasized that. Not so much the Meat Commission, and I agree with him except to say that the set-up and the dispute in 1950 has given an entirely new set of circumstances which have raised the cost of meat in the African areas; I am not talking about the urban areas now because that, I think, has been covered very well.

Now when the Government introduced the Kenya Meat Commission in the Legislative Council in January, 1950, the intention of the Government was, if I may quote, Sir, from the HANDBOOK at that time: "As regards the African areas, in this country, I do not suppose that consumers anywhere in the world have been so exploited as the African consumer of meat is to-day in the African reserves, and I believe that this Commission, when it gets going, can provide meat for the African in the reserves at about a fifth, at least, of what the unfortunate African is having to pay for it to-day".

Now that was Government's policy in 1950, and now this Sessional Paper on the subject of meat—paragraph 5, sub-paragraph (ii) "The Committee's recommendation at paragraph 24 of their report, that a permit should be issued freely for the passing of stock from sources other than the Meat Commission so as to ensure supply of cheap meat in the African reserves" and then he says it appears to be based on incorrect information, and then goes on to say: "It is clear therefore that the African reserves can supply their entire requirements of meat from sources other than the Meat Commission, which does not in fact normally sell any meat for consumption in the reserves".

There seems to be entire conflict of policy between that time and the present one and the only point of raising this, Sir, is that if the Government wishes—and I do know from the speech of my hon. friend the Minister for Agriculture, they intend to reduce the cost of meat in the African areas—I do suggest, Sir, that they should give greater encouragement to traders to buy stock outside their districts if there is not sufficient stock in their own, provided, of course, that the authorities are satisfied that there is no disease transported from one area

[Mr. Mathu] to another. That I am not disputing with the Minister. But I do suggest, Sir, that the African Livestock Marketing Organization—I think it has gone out of existence now—I do not know what they do—in fact I understand they buy stock from Africans and sell them to Uganda and Karamoja. That was not the intention. The intention was that the Organization should help the African to buy stock cheaply and to be able to sell his stock to the butcher cheaply.

I would like to suggest, for the consideration of the Minister, that as far as the Central Province is concerned; in the first instance, he could consider arrangements between the Masai district, or rather the Southern Province and the Central Province for holding grounds in Thika, that is the Kitui and Muchokos cattle could be held at Thika for the traders in the Central Province—the northern part of Kiambu and the southern part of Fort Hall—to come and buy, say, at a place like Thika, or the northern part of Fort Hall and the southern part of Embu—holding grounds could be arranged at Sagana and the Kitui cattle to come for the butchers at Sagana.

As far as the other part of Southern Province is concerned, the Masai, Ngong of course is the best place, but at the moment only very limited traders are allowed to go there and buy cattle and the Masai are starving for money, absolutely, because they cannot get the money which they require because the traders are not allowed to go there.

As far as the Samburu and the Elgeyo, the Marakwet/Tugen bloc of country is concerned, I suggest, as far as Samburu is concerned, Rumuruti would be quite a suitable place, provided all the health arrangements are met, for the north of Nyeri Africans to come and buy cattle from those areas.

The principal point I want to make—which the Minister did make in his speech, that he had the matter in hand—is holding grounds—this is repeating his point—which would supply stock to areas which are at the present moment starved. The head of cow—Government cow—that comes into the hands of the butcher in the Central Province—the cut is up to Sh. 3 a pound, and you do not know what grade you are buying, and

they charge you Sh. 3 a pound. So we heard in 1950 that the price would be a fifth of what we were paying at the time. I think it is six or seven times as much now and it is a very serious matter and particularly, as my hon. friend the Member for Ukamba knows now, that the African eats meat more than at any time, although I do not agree with him that he did not eat it before until the beast was about to die. That is not quite correct.

I beg to support the Motion, Sir.

MR. ARAP MOI: Mr. Speaker, Sir, I would like to make a few comments on this Motion and I have got very few indeed.

The first thing, Sir, I would like to ask the Minister for Commerce and Industry, whether he is proposing to give assistance to Africans by way of buying goods on a wholesale basis. At the moment Africans buy things at a very small, marginal profit from the Indian trader, who gives him a very high price and at the same time he sells those goods at a very high price which the ordinary African cannot afford.

To-day, Sir, the housewife is very eager indeed to know what is the reaction of the Government with its Motion on the cost of living, which is rising every now and then, and whether Government is considering whether it is going to take effective measures on the rising of the cost of living. For many years the cost of living has been rising every year and Government has been appointing commissions or committees to inquire into the cost of living, but nothing so far has been done satisfactorily to satisfy the housewife of all races.

You find many Africans to-day living, particularly in towns, unable to get their lunch because of the rising of the cost of food in hotels and all that, because the wages which they are receiving are very small indeed. There are so many things which a family has to meet to educate their children, and the rising cost of education in this Colony demands money, and therefore they are not able to meet their daily budget.

With regard to meat, Sir, I would not like to make any comments on that, because previous Members have made sufficient comments on it but I would further like the Minister for Agriculture to allow Africans living in areas where cattle

[Mr. Arap Moi] sheep and goats are found abundantly—should be given facilities to sell goats or sheep to other people living in Mombasa, Nakuru or Nairobi, because there are so many thousands of goats in the Rift Valley Province. Government is interested to reduce the number of sheep and goats in those areas which have got such beasts.

I would further, Sir, like to see the Minister for Finance reducing most of the commodities such as sugar or tea and some other things which affect most Africans who earn very little pay at the moment, because you cannot afford to pay Sh. 5 for tea leaves or be able to buy one bag of posho which costs now Sh. 50 or over. I do not think the Minister for Finance is aware that most parts of Kenya buy maize for posho meal at such price.

And so I would appreciate it very much and I would say that the Minister for Finance has done very well in trying to move such a Motion, because I know he has been doing a lot for the betterment of this country.

Sir, I beg to support the Motion.

MR. RIDDOCH: While I appreciate very much the efforts made by the hon. Member for the Coast to combat the evils of cost of living, and while I admire his zeal in returning to the attack from time to time, I must take strong exception to the remark he made in his speech to-day to the effect that all garage owners were cheats. Well, as I am a garage owner myself, I think that remark of his must apply to myself. However, I do understand his irritation that he had been overcharged in two instances, apparently by the same firm, but the circumstances that he described did not warrant, to my mind, nor do I think, to anyone else's mind, that he had been cheated. An overcharge can be made by any of us, but if it continues it does look very strongly as if he should try someone else.

It may be that he used this expression "cheating" in a lighthearted way, but if he did not, I must ask that he substantiate that accusation or else withdraw it.

THE MINISTER FOR EDUCATION, LABOUR AND LANDS: Mr. Speaker, Sir,

there are one or two points I wish to comment on as regards wages and wage structure, which have been brought up by hon. Members on the other side of Council.

The first point is that I think the hon. Member for Ukamba stated that Government was committed each year progressively over a period of ten years to increase the minimum wage by Sh. 10 until we reach a wage of Sh. 200. In the White Paper, which was Sessional Paper No. 21 of 1954, Government in fact did not accept this recommendation, but said that in the light of current economic and other circumstances, they would examine it from year to year and what, in fact, we are committed to is consulting the Wages Advisory Board as often as possible, but not less than once a year, in order to find out what the particular state of wages are at that particular time and that actually has been done.

The second point that I want to deal with is the question which I think the same hon. Member raised, that of weekly wages. This, all hon. Members will remember, was a point which was definitely dealt with by the Carpenter Committee, and they made a very strong recommendation on it. Government actually accepted that recommendation and supported it, but there was an important proviso which I would like to read from the same Sessional Paper. The proviso read as follows: "The acceptance of this principle by Government is, however, subject to reservations with regard to the extent to which employees themselves wish it and Government will be able to apply it in the near future."

I think the first of these points is most important, because you cannot, in my opinion, in what in fact is a free country—and I am sure that all hon. Members on both sides of the Council would maintain that it is a free country—provide by legislation that any particular person must accept his wage in a particular way or at a particular time, and therefore it is going to depend—in fact, it does depend—to a very large extent on what the employees themselves feel about this matter; Government has already tried it. They have tried it on one or two occasions, and

[The Minister for Education, Labour and Lands] this experiment has broken down very largely on this particular point. I know from my own experience that certain people—in the past anyway, I do not know whether the custom still goes on—certain people amongst Africans very often like to club together with two or three others of their own particular set and perhaps receive the wages for all of them in one particular month. They then, presumably, either spend that money on stock or something else which they particularly want, and they then live, I assume, on hot air and garbage for the next three months. That, I know, goes on or has gone on; whether it goes on now I am not certain, but it used to. It is for that sort of reason that employees will not, in fact, agree to a weekly wage.

Let me say, however, that from the Government side we still feel that a weekly wage would be in the interests of probably everyone in this Colony and I strongly agree with the remarks of the hon. Member for Aberdare who says that probably a lot more should be done to achieve a more ascetic way of living, and I only hope that by gradual propaganda, if one can make people understand—all the employees understand—that it is in their interests to accept a weekly wage because by that very means they will be able to avoid the natural binges which come when a large amount of money is paid out at any particular time, and by avoiding them will be able to accept the ascetic way of life which my hon. friend suggested.

The third point I wanted to deal with is the question of *posho*. Quite a lot of mention has been made of maize prices and of *posho*. I should like to remind hon. Members that the Carpenter Committee, when they made their original structure, allowed for a cent more on the *posho* price than was the actual controlled price at the time. The figure actually, reading from page 67 of the Carpenter Report, says: "Nairobi, December, 1953—maize meal 29 cents; controlled price 28 cents".

Now my hon. friend, the Minister for Agriculture, told the Council a few moments ago that *posho* prices had not

gone up since 1952, therefore in the wage structure there has been an extra element for malice throughout the whole of that period.

Also I would like to mention the question of wages as allied to adult wages—a matter which was touched on by the hon. Minister for Local Government, Health and Housing. Wages have, in fact, been increased—the statutory minimum wage, I should say, has been increased—twice during the last year, and they have been increased in direct relation to cost of living. There has been no other reason for increasing the minimum wage but for that, and secondly, since January, 1955, the first move towards making the statutory minimum wage the full adult wage as recommended by the Carpenter Report, was begun. In other words, that move was made this year, and quite recently.

The other thing I would like to say in so far as this adult wage is concerned—this Council knows very well that there is an undertaking that we would not move away from the adult wage, which is the standard for a man and a wife, to a wage which includes children, without consulting this Council.

I should like also to mention that the supply and demand for labour has in fact put the average wage for unskilled labourers above the statutory minimum wage in most cases. I have not got up-to-date figures, but for December last year—that was including housing—the average wage was about Sh. 92/50 a month. It has, I believe, gone above that, and, as everyone knows, the minimum wage is about Sh. 83.

There is one further point which was raised by my hon. friend the African Representative Member about school clothing. Mr. Speaker, Sir, I am afraid I have not got specific information about this point which my hon. friend has raised, but if it is true, then I agree with him that it obviously does add considerably to the cost of living. I can only assume that it happens because of a healthy rivalry between schools where head teachers wish to have a better dressed school than another one, but that is no good reason for making parents buy additional clothing every year and he has my assurance that I will inquire into it.

[The Minister for Education, Labour and Lands]
Mr. Speaker, Sir, I beg to support the Motion.

ADJOURNMENT

THE SPEAKER: The time has now arrived for suspension of business. Council will stand adjourned until tomorrow at 2.30, Thursday, the 8th of March.

Council rose at fifteen minutes past six o'clock.

Thursday, 8th March, 1956

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

[Mr. Speaker in the Chair]

PRAYERS

MOTION

COST OF LIVING REPORT

Debate resumed.

MR. TYSON: Mr. Speaker, Sir, several hon. Members have already referred to the importance of (a) the housing factor, and (b) the matter of transport in this question of cost of living. But I must say I was rather disappointed at what I regarded as the rather casual attitude which was adopted by the Minister for Local Government and Housing yesterday, over this question of European housing. What he failed, I think, to realize, is that there is a very urgent, desperate demand for cheaper housing in Nairobi, particularly for the European community—I am speaking of those for the moment—a cheaper form of housing than we are at present providing. I do not altogether blame the Minister for this because he, in turn, must be dependent upon the support that he gets from the local authorities. I suggest that what we have got to concentrate more upon is the erection of semi-detached and terraced housing of the type which is quite common in most towns in Great Britain, at about half the cost of the housing, the bungalow type housing, which is being put up here today. No progress is being made on these lines, and a good deal of this fact of progress is due, in my opinion, to, so far as Nairobi is concerned, obstruction by the local authorities. What we have got to face up to here is the need for European housing without garages and without boys' quarters and if the local authorities are going to insist on boys' quarters being provided, then I think we are going to make no progress at all.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: May I remind the hon. Member, Sir, that I said yesterday that there are two neighbourhood units already planned with the type of house that he is now describing.

MR. TYSON: I appreciate that, Mr. Speaker, but when he talks of neighbourhood units, he is referring to areas which are rather on the edges of the township.

[Mr. Tyson]

Schemes were put forward two or three years ago for the erection of a block of semi-detached, and terraced houses on the Ngong Road where all the normal facilities were available, on a bus route, on several bus routes, with electricity, water, sewerage and so on.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: These particular areas are within the city boundaries and have exactly the same facilities.

MR. TYSON: I admit that, Sir, but, at the same time, he will bear in mind that the scheme which was in an inner area was turned down merely because the developer refused to go on with the provision of boys' quarters.

The biggest factor, one of the biggest factors, certainly, in any family budget in Nairobi is this question of housing, and if it should be possible, I think, to provide semi-detached or terraced houses giving the accommodation that any normal family would require, avoiding the need for either garage or boys' quarters and on a site where there was no need to employ *shamba* boys to attend to the garden. But, unless the Minister can persuade the local authorities to co-operate with him in a little closer fashion than they have done in the past, we are not going to make any progress, and I do not think he can claim that housing along these lines has made any progress whatsoever over the last few years. This type of housing we want is the type of housing that will sell for something like £2,500 and, what I am hoping is that if the Minister can persuade the local authorities to join with him in a scheme by which people can buy these houses by a deposit of only 10 per cent, and leaving the local authority, Government and the building societies to join in the provision of the 90 per cent, I believe it is along those lines where we are going to make some progress. I would like some assurance from the Minister because there always seems to be some excuse for putting it off. I think the hon. Member for Aberdare said yesterday we are getting nowhere, we are making no progress at all, and I would like some assurance from the Minister that this scheme for the 90 per cent advance is really going to be tackled seriously.

Now, again keeping to the question of the European side, the hon. Member for Nairobi South criticized the present bus service. But it must be borne in mind that as a result of considerable negotiation, the City Council gave an exclusive licence to the Kenya Bus Services for, I think, a period of 21 years on what I think some of us thought were somewhat onerous terms; but, anyway, it was an exclusive licence which was mutually agreed to. But the success of a bus service as far as the European side of the town is concerned, must depend upon the support which the European community give it, and I sometimes think that very few people who run a car realize what the actual cost of running that car is. If we could eliminate that necessity for people having a motor-car and depend upon an efficient—I think the hon. Member used those words—an efficient bus service, a good many people, I think, would be quite ready to give up the use of a car and resort to a regular reliable bus service; but it does depend on the support of the European community as to whether such a bus service can be justified.

Now, so far as African housing is concerned, I would like the Minister for Lands to give us some information as to the attitude of his department in regard to providing land for better class African housing. We are told there is no land available. I say that is nonsense. We must find the land. When I say better class African housing, I am not prepared to agree that areas like Eastleigh are areas for this better type of housing to which I have referred. I think when Professor Thornton White prepared his plans for the layout of Nairobi, he visualized something in the way of an African location area—I am speaking from memory. In the Dagoretti area was one place I think and another place was, I think, in the Kabete area. Now there is Crown land there and there are a number of industrial companies here that would like to provide housing for the better class African employees that they have got, well-educated fellows who want to live in a better class area, and I would like the Minister for Lands to tell us whether his department can and will provide land to these industrial concerns to enable them to put up

[Mr. Tyson]

the type of housing for the better class African employee.

Subject to that, I support the Motion.

MR. MATHU: Mr. Speaker, on a point of explanation, I think that my hon. friend referred to the Dagoretti area when he meant Langata.

THE SPEAKER: I am afraid you can only explain what you, yourself, said.

MR. CHANAN SINGH: Mr. Speaker, Sir, I wish to support the demand made by the hon. Member for Mombasa yesterday that the Government should look into the complaints made by Africans—I am sorry the Member for the Coast, Sir—made as regards racketeering in respect of housing. But, Sir, no one says that there is not a landlord who does not take key money. There may be some landlords who do, but there is one thing which people who make complaints forget; if there are some people belonging to a community who do illegal things, it is not proper to blame the whole community. That was the burden of the complaint which the hon. Member read out to the Council yesterday. One unnamed community was mentioned. So far as our community is concerned, I wish to say that the Government will have our full support in any action that it intends to take to cut out racketeering or to punish those who indulge in illegal practices.

I do feel, Sir, that sometimes people do not understand the other person's point of view. In regard to maize, Sir, certain facts were brought to my notice last year when I visited Embu (that was in the middle of July, 1955, and the figures that I quote relate to that date). I was told, Sir, that traders there buy maize from African growers at Sh. 28/45 for 200 lb. but when Africans themselves want to buy maize from the traders, they pay considerably more. The maize that traders buy, they pass on to the control. When they want to sell maize to the Africans in that area again, they have to buy maize from the control, and the price paid to the control then is Sh. 47/40. The sale price is Sh. 50, so the profit would not appear to be unreasonable, but, of course, the illiterate African would not understand the reason for the difference. He gets Sh. 28/45 for his maize, but when he needs the commodity

himself, he has to pay Sh. 50. Naturally in circumstances like these, traders are likely to be blamed. They say the Indian trader fleeces the customer! But, Sir, the average consumer does not know the true facts.

Then, Sir, when considering the general problem of the cost of living, we have to look at the rise of incomes in relation to the rise in the cost of living. So far as higher income groups are concerned, higher income groups in all the communities, I think the rise in their incomes has been at least as much as the rise in the cost of living. In fact, in many cases, the rise in incomes has been much greater. But, the position of the lower income groups is rather difficult. I know the position with regard to members of my own community, a large number of whom serve as clerks and artisans. Well, Sir, if we go by standards set by Government rates of salary, we know that compared to pre-war years, the minimum salary has gone up from £90 to £198—that represents an increase of 120 per cent. The maximum salary of the ordinary clerk has gone up from £240 to £528. That again represents an increase of 120 per cent, but, Sir, when we look at the increases in costs, we find that they are much greater. Take milk to commence with. Before the war, Sir, Indian dealers were selling milk at Sh. 1 a gallon. The price today is Sh. 4/40 a gallon plus Sh. 2 per month delivery charges. That is nearly four and a half times the pre-war price.

Then, Sir, take ghee which was mentioned in the debate yesterday. The price of "superfine" ghee put out by the Kenya Co-operative Creameries is Sh. 160/20 per tin wholesale. This is the price charged by the agents of the Creameries. The permitted retail price, I am told, is Sh. 178 per tin, but because of the competition, and because of satisfactory supplies, ghee is being sold at Sh. 165 a tin, so that the retailer does not make any unreasonable profit. That also shows, Sir, that the position of supply of these essential commodities is improving and the profit margins are coming down; but, Sir, the fact remains that before the war one could get first-class ghee at between Sh. 30 and Sh. 35 a tin. The price today is between four and five times the pre-war price. There is, of course, cheaper

[Mr. Chanan Singh]—The ghee available. I made inquiries this morning. Homa Bay No. 1 is available at Sh. 125 and lower qualities are available at Sh. 115. Well, Sir, when we compare even these prices with the pre-war prices, the rise again is the same. It is four to five times.

Taking another essential commodity—flour. Before the war, the price of flour per bag was Sh. 26 or Sh. 27. To-day it is Sh. 82. A suit of woollen clothes before the war cost about £4; to-day it is between £15 and £20. The rise is the greatest, of course, in the matter of housing. That is a matter that has been mentioned by other speakers also. I am not suggesting that we can do miracles in the matter of housing, that we can bring the cost of housing down overnight. But this is a matter that needs to be watched. Two-room flats in Asian areas to-day are commonly costing Sh. 350 to Sh. 375 per month. The only reason is, Sir, that there are not sufficient flats available. I think that is a matter that needs the urgent attention of the Lands Department. More land in residential areas should be made available. That, I feel, is the only remedy for the rising cost of living—that is, improving the supply position.

Well, Sir, I must make it clear that I am not putting forward these facts before the Council as a matter of criticism; but I am placing them before the Government so that they can have them in mind and see what, if anything, they can do in these matters.

There is one other matter, Sir, which I wish to mention. That is the question of the cost of living allowances to civil servants. I believe since the cost of living allowance was fixed at 10 per cent, the index has gone up very considerably and I am told that according to the arrangement that was agreed to, an increase in the cost of living allowance is due. Well, Sir, I am not sure whether or not that is so, but that is one of the matters which I want the Government to look into.

Sir, I support the Motion.

LT.-COL. GHERSIE: Mr. Speaker, Sir, there are just one or two very brief observations that I would like to make on matters which have arisen in the course of this debate.

Sir, we are continually informed that one of the major factors in the increase in the cost of living is the increase in the price of the imported article. In fact, I think the Minister in the course of his opening remarks, referred to this particular subject, and I think he mentioned the figure of something like 37 per cent in this respect.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Yes, Sir, the figure was 37 per cent in so far as the figures of the European cost of living index is concerned, but not in so far as the producer materials—machinery, etc., required for agriculture production are concerned—to which I referred separately.

LT.-COL. GHERSIE: Mr. Speaker, I thank the hon. Minister for his explanation. The fact remains that we are continually confronted with this problem and I believe—I am just wondering really whether it is strictly correct, that is, as far as the average individual is concerned. I believe, Sir, quite frankly, that the factors that go up to make the cost of living—the ordinary family budget—are food, housing, transport and, say, clothing. I will agree, Sir, that clothing might be put into the category of the imported article, but even so, Sir, I think if we examine the position, it boils down to the locally produced food, the locally manufactured article and the expenditure on transport and housing. These are the main factors in my opinion.

Now, Sir, I am going to raise a rather contentious point here. Now, what is the main factor in the production of these particular articles? I suggest, Sir, it is the cost of labour, more particularly, perhaps in the production of food and the locally manufactured article. Sir, we are confronted continually with an increase in the cost of labour. What is the factor that increases the cost of labour? It is in fact, the continual increase in the cost of living and what, in fact, increases the cost of living? Again, the increase of labour. So Sir, we have this vicious circle.

Now, I would like at the outset, Sir, to inform the Council that I do not subscribe to the general principle of subsidies, but, although it was outside the

[Lt.-Col. Gherisie]

terms of reference of the Leslie Committee, it did, Sir, comment on this subject, and, with your permission, Sir, I would like to read the reply from Government to their particular recommendation. It was hardly a recommendation; it was more a reference. "Although the committee recognized that the question of subsidy on maize is outside their terms of reference, they suggest there might be a case for such a subsidy in paragraph 29 of their report. They appreciate, however, that this matter has received careful consideration in the past, and make no specific recommendation. The estimated internal consumption of maize which is handled by the Maize Control is approximately 1,600,000 bags per annum of which it is estimated that approximately 80 per cent is converted into maize meal. A subsidy of 1 cent per pound on this maize meal would therefore cost approximately £125,000 per annum; but clearly if the subsidy were to have any appreciable effect, it would have to be in excess of 1 cent per pound. It is estimated that if the subsidy was 5 cents per pound, then the average African living in the town concerning the whole of his food would save at the most Sh. 2/30 per month, and the total cost of the subsidy would be approximately £625,000 per annum."

Now, Sir, Sh. 2/30 per month. My hon. friend is not present to-day, Sir, but my hon. friend, the Member for the Coast, pointed out that the Sh. 2/30 may not sound an awful lot as far as the average individual is concerned, Sir, but when you associate that with a family, then the thing multiplies and it is rather significant, Sir, that when the Minister for Health and Local Government was speaking yesterday, he was referring to housing and the cost of rent, and he tried to point out to us that even Sh. 1 a month—I think his words were—most significant as far as the African is concerned. Well, Sir, I submit that to be consistent Sh. 2/30 per month where food is concerned, is more than significant, more particularly when you are dealing with a family.

Now, Sir, when one realizes that maize or *posho*, as the case may be, is the basic food of the majority in this Colony where the African represents the largest

section of the community. Any increase in the cost of the price of *posho*, if passed on directly to the consumer affects every employer of labour, no matter whether it is the housewife, the manufacturer of the local articles or the producer of food, and in this respect, Sir, I refer particularly to the farmer, and the farmer who is producing, for instance, the pig farmer, cattle farmer and the dairy farmer, Sir, it also has this effect that any increase in the cost of labour affects garage costs, costs of rail freights, and repairs to implements, and before the farmer—and I am now speaking in his interests at the moment—realizes where he is, the increased price of maize which he has now received and which the hon. Minister for Agriculture—I am sorry he is not here—formed us of yesterday, before he realizes he finds that increase in the sale price of maize is now absorbed into his costs and he immediately, and quite rightly, demands a further increase in the selling price. So you have another vicious spiral.

Now, Sir, I wish the Minister were here, but perhaps somebody can answer for him. He did state yesterday, Sir, and I am very glad to hear him say so, that this cost plus formula which has existed in the past is entirely wrong and he now proposes introducing some other formula but he did not give us any details, but I understand that that cannot become operative for a period of something like four years when this change over from maize to mixed farming, presumably takes place. I will not ask the Minister to pay attention as he did to me yesterday.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I was endeavouring to obtain from the hon. Member the information he was asking for.

LT.-COL. GHERSIE: So was my colleague yesterday.

Now, Sir, what takes place during that period of four years; let us assume for the sake of argument that the import price of maize is considerably lower than the economic price of growing maize in this country. The overseas price imported into this country, becomes infinitely lower than the cost of production in the Colony.

Now Sir, far be it from me—you see you were not listening, Mr. Minister, I

[Lt.-Col. Gheris]

said, let us assume that that may take place during the next four years. Now, Sir, far be it from me to destroy the economy of this Colony and if we injure the farmer in any way we shall certainly achieve that. But what I am trying to suggest is this, what, in fact, takes place during that interim period during which this changeover is taking place and let us assume that the price of maize in the overseas markets fell and, therefore, it was cheaper to import into this Colony. To maintain the present price, we in turn would find it necessary to subsidize the maize farmer, and I have no objection, but it is strictly a question of economics. In other words, you will be accepting the principle on subsidization on the reverse side.

Now, Sir, I do believe that had we pegged maize or *posho* in the past, the price of maize, we would automatically have pegged the price of many commodities which are essential in the make-up of the cost of living. The Minister for Health and Local Government says, "Question"; to me, Sir, it is perfectly obvious that if you had held down the price of maize which is such an important factor in your labour cost and every cost that you can think of whether it is farming, whether it is industrial production, you must have held down the other commodities which are associated with it, whether it is the cost of butter, milk, pigs. I am sure the hon. Member appreciates that that is so.

Now, the Minister for Finance will say, "That is all very well, where does the money come from?" I would like to ask the Minister for Finance if you do not peg these items, what happens? You are confronted with continual demands for an increase in the cost of living allowance, and where does that come from, Sir? It comes from the general revenue which is the only source of supply for anything of this nature, and, Sir, I have before me, and I do not propose to quote it, Legislative Council Debates in 1951: When in December that year I put forward more or less the same arguments, also supported by my hon. friend who is not present, the Member for the Coast. It is also significant, Sir, that only a year before that the Minister for Finance performed a very good public duty as chairman of the then Cost of Living Com-

mission of which he was then chairman. If I read this correctly, Sir, that committee advocated subsidies, with one possible exception, I refer to the hon. Minister for Health and Local Government, he did not associate himself with the question of subsidies. But, Sir, it is in that report in 1950. Now, Sir, since 1950, some years have elapsed, and there have been demands on the exchequer for increased cost of living allowance which has run into millions of pounds, Sir. We also have had the Lidbury Report which has cost the Colony a lot of money. Now, those millions of pounds, Sir, were never provided for in the Budget of that particular year, but they were found when there was a claim for an increase in the cost of living allowance. I submit, Sir, it is a question of, where there is a will there is a way, and I do believe, most sincerely, that if we had made this provision seven years ago, I am not suggesting that all those millions would have been saved, it would not have made all that difference, but it would have made a considerable difference, Sir, to the question of the cost of living in this country.

Again, I only want to mention this because I want to have it on record. I think in the report the chairman of that Cost of Living Commission in 1950 suggested it might cost the country £500,000 at that stage. When I spoke in 1951, I visualized £600,000, to-day it is £620,000. That is not a considerable difference, in any case the principle still remains and what is more, Sir, we heard from the Minister when he was speaking during the opening of this debate that he, in fact, had accepted the principle of subsidization of maize. The Minister shakes his head. May I remind him, Sir, that he said they were now subsidizing *posho* to the extent of either £100,000 or £150,000 per annum, but the funds were being obtained from the Emergency contribution.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I am sorry, Sir, to correct the hon. gentleman but he has made a little mistake. It was not the Minister for Finance in his opening speech, it was the Minister for Agriculture, the figure was £102,000 and it was accepted as an Emergency principle only. I just wanted him to get his facts correct.

LT.-COL. GHERIS: Thank you very much, Sir. I am sorry, Sir, for accusing, not exactly accusing, the hon. Minister, but I always regard this as collective responsibility. Sir, I have no doubt the Minister for Finance subscribed to this.

THE MINISTER FOR FINANCE AND DEVELOPMENT: That I would say is quite right, Sir, but I just wanted the facts.

LT.-COL. GHERIS: I withdraw the accusations so far as the Minister is concerned, but I still emphasize it is collective responsibility which we are being continually reminded of.

Well, Sir, again I am not being critical, but I would urge Government to reconsider this matter. It is all very well to be wise after the event, but we attempted to be wise long before the event, and I do hope this matter will receive very serious consideration from the Government.

There are only two other small matters, and one is a question of elucidating a little information again from the Minister for Finance. I am sure he will correct me if I am wrong, but I thought I understood him to say that in relation to the spending power of the armed services in this Colony, that in the years 1954/55 it was something over £2,000,000 and in 1955/56 it was estimated to be something over £3,000,000.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Yes, Sir, the figures are over £2,000,000 is not quite accurate—the figures were, Sir, £2,895,000 in 1954/55 and £3,300,000 in 1955/56.

LT.-COL. GHERIS: Thank you very much. That assists me in my argument, Sir. The point I was rather puzzled about was that we understood, Sir, that the Emergency was running down and that certain of the Imperial Forces were leaving this country. In fact, if my memory serves me correctly, a brigade has, in fact, left this Colony. How, then, is it, Sir—I am only seeking information—that the spending power of the armed services will be greater if it is a fact that the number operating in the Colony will, in fact, be reduced.

The last point, Sir, and with your permission, I am merely making this remark on behalf of my hon. friend and colleague, the Member for Nairobi South. During the course of his speech, Sir, he did refer to the Meat Commission and he asked that there should be an exami-

nation of that particular enterprise. The Minister for Agriculture, I think misunderstood what he was driving at and, in fact, what he said, and he said that there was no question of any public inquiry; but he would agree, or undertake, that there would an examination. Well, that was all that my hon. friend had asked for, Sir. He merely felt that there should be an examination as to whether the present methods and policy could not be improved upon, and it was the examination, not the inquiry, that my hon. friend sought in that particular instance.

Sir, I beg to support.

THE EUROPEAN MINISTER WITHOUT PORTFOLIO (Mr. Mänonchic-Welwood): Mr. Speaker, debates of this sort always seem to me as though they might be described as "Operation King Canute", being an endeavour to keep the tide out when the tide is already in. Every country since the war, has struggled with this particular problem and every country since the war, that I know of, has completely failed to keep down the cost of living. Certainly they have failed in the United Kingdom. The reason really, as I see it, is that we have had rising wages and rising standards of living, and no where more so than in this country, and, if you are to have rising standards of living and wages, inevitably the token in which people are paid, money itself, loses its value. I would like to quote here, in support of this, something was said by the Chancellor of the Exchequer in England recently, in which he quoted this fact: "In the period 1946 to 1954, Britain produced 26 per cent more goods and they paid themselves 80 per cent more money for doing so", and that I would suggest that this is the problem that we are confronting, not so much a problem of a cost of living as the fact of a rise in wages, and a rise in standards for everybody who is producing either the food we eat, or the things that we have to import in order to produce that food.

Now, in the course of this debate it seems to me that various speakers have confused two issues. It was suggested by the hon. Member for the Coast, earlier on, that some of the measures introduced in the United Kingdom in the last Budget should be introduced here and would have effect on the cost of living, and I

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think the hon. Member—I am sorry he is not here—is a little confused in his thinking, because the problem that confronted the Chancellor of the Exchequer in England was not alone the problem—or not even mainly—the problem of the cost of living, it was the problem of the balance of payments and dollar shortage; and the panacea that he has introduced such as credit limitation, purchase tax on luxury goods and other measures of that sort, work very well for that purpose, in a manufacturing country which lives entirely on its capacity to export cheap goods abroad—dear goods abroad, I should say, from their point of view—to import raw materials cheaply. That method can be used there but in this country, where we are an agricultural community and where the whole of this debate centres mainly round the cost of food, any of those measures would be worse than useless.

These are one or two points that have been raised in this debate that I would like to mention.

The hon. African Representative, Mr. Gikonyo, endeavoured to shoot down one of the few constructive suggestions that I have heard in this debate, which I think, my hon. friend, the Member for Nairobi South made when he said that you might have two-class buses running in greater numbers. The hon. African Member said that that would exacerbate racial feeling. Now, we hear a great deal nowadays about racial feeling and we have tried in all sincerity to introduce a system whereby people are judged on their culture and their civilization and not on their colour. But, if when a suggestion like this is made, we now have a class system of buses being shot down as producing racial difficulties, then, indeed, we are attempting something which is quite impossible.

There is one other thing that I would mention myself, I do not think it has been mentioned before in this debate, which I believe would have the greatest effect of all on the cost of living, but it does not lie within the power of Government to do, but it does lie within the power of the traders of this country. That is, if they did not give credit in any of the shops where the necessities of life are bought, because at the present

time unlimited credit brings about an enormous price increase, for the individual who pays slowly is paid for, as it were, by the individual who pays cash on the nail; and all prices are inflated in consequence to meet the long carry-over of debts that the trader has to meet. In America I believe apart from the hire-purchase system (which is a different matter), credit is, in general, not given for the very long periods that they are in Kenya.

The Meat Commission, as I anticipated, came in for the usual abuse that it always does. I would, therefore, like to give a few facts about the Meat Commission and about its effect on the price of meat in the country. The problem of meat is this, there is a shortage in the country and there is an immense difficulty in buying surplus stock because the price that the Meat Commission can pay for meat is too low for the pastoral African tribes to accept. The African Livestock Marketing Organization does its best and bought some 37,000 head of cattle last year, in 1955, including about 8,000 head of immature stock. But, they are always in difficulties because there is free trading in the African areas and of my own knowledge I can say that the prices paid by the Meat Commission cannot by the terms of price control be anywhere near equal to the prices that are paid for meat as between Africans themselves. The prices fetched in Kapsabet for African-owned stock (which goes to Nyanza) are 50 per cent, 60 per cent, 80 per cent, 100 per cent more than the prices that the Meat Commission can pay, or than African Livestock Marketing Organization can pay, on behalf of the Meat Commission.

I mention this because whatever may be said about the Meat Commission, and various things have been said about it, it has been accused of not producing enough meat which may be true and one of the reasons is the reason that I have given you. But you cannot at the same time accuse it of having put up the prices when, in fact, the shortage of meat is caused by the fact that it cannot pay the prices that the African breeder of cattle is demanding.

Another Member raised the point that meat was being exported to Uganda. In point of fact a small quantity is exported by the Meat Commission, but a vastly

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greater quantity is exported illegally on the hoof by Africans in the adjacent areas. Because it is as well for this Council to realize that the price that Uganda will pay for meat is vastly greater than the Meat Commission. The retail price of meat is controlled by the butcher. For some reason, that I have never been able to understand, the butcher is always looked upon as the special friend of the housewife. Well, that may be so, I know very little about it. But what I do know is this, that the price the Meat Commission pays to the producer is the same price at which he sells the meat to the butcher. The profit after that is entirely in the hands of the butcher. The price of meat paid to the producer in this country is considerably less than half what is paid in the United Kingdom, and the retail price of meat in the United Kingdom is in the region of Sh. 5 which contrasts very unfavourably to the consumer with the price here.

Another hon. Member asked whether meat from African areas went into the Central Province. In fact, an increasing number of cattle are being brought in from Ukambani and sold in the Central Province at the present time.

One word on subsidization. The hon. Member, who last spoke, suggested that it would be wise, or would have been wise, if we had subsidized the price of maize rather than allowed it to be controlled on a cost plus basis. He also asked when that agreement would come to an end, and the answer is, that after 1956/57 prices can be reviewed, so I am offering on another basis, but if you were to subsidize maize, it should be remembered you would be taking from the taxpayer the figure given in this report of £625,000 and you would be helping, possibly the people who most need it, in places like Nairobi and Mombasa, but you would also be subsidizing a very large number of areas where maize is not of primary importance to the African or to his employer, and in that way you would in fact, be wasting public money, in subsidizing something which it was not, in all areas, necessary to subsidize. There is another

LT. COL. GIBBERN: Will the hon. Minister give way? Mr. Speaker, I thank the hon. Minister for giving way, as I understand the position the subsidy will be based on the actual consumption—

THE SPEAKER: Order, order. The hon. Member has had his opportunity and has made his speech. He cannot at this stage interrupt a speaker in order to bring fresh arguments before Council.

THE EUROPEAN MINISTER WITHOUT PORTFOLIO: I understood the hon. Member, and I must apologize if I misheard him, to have suggested a subsidy on maize itself. That being so I think my argument applies that a large proportion of that subsidy would not be required and would be a waste of public funds.

I have another objection to food subsidies, and it is an objection that people have seen in England recently and, again, I would quote the action of the Chancellor of the Exchequer who has removed a large proportion of food subsidies. Subsidies have this grave objection, and have always had it, that if we subsidize the basic food of the people, they increasingly regard the wages that they earn as being for luxuries and not for the necessities of life. That, I believe, has done an enormous amount of harm in giving the idea to the worker that he does not work, as he does in France and in countries like that—for the basic things of life, but works for his luxuries.

The hon. Member for Aberdare suggested you could lower the cost of living by austerity. I do not believe, again, in this country that that could apply. If you were going to export your luxury articles it might, but as you are not going to do that, a purely austere way of living is unlikely to help you.

Maize prices were mentioned by the last speaker, and he said that we should have to subsidize the price of maize if the export price fell below the local price. I think here, I would like to reiterate certain points that people have forgotten. One of the reasons why we are paying the present price for maize is that during the war the price of maize was enormously higher than that paid to the producer. For reasons, and good reasons, he was not allowed to cash in on those high prices and there was an agreement that when world prices fell

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below the cost of production as a corollary to that wartime control, they would put on an import duty or prevent in some other way the maize grower being reduced to the position he was in in the 30's of this century.

Perhaps I might end up by quoting a discussion on this very subject, but rather differently in 1930 by a group of maize growers in the maize-growing district of the country which was very hard hit. The story perhaps illustrates, or is meant to, the futility of this endless battle to ask the Government to reduce the cost of living which is, in fact, impossible, and the debate went as follows: Various people got up and asked that Government should do something about the price of maize which, at that time, was Sh. 4 a bag and one gentleman got up and said, "Take my friend Mr. Jones, who came out here lured by the Government to grow maize and it has gone down, down and down and now he is a ruined man and Government is doing nothing about it." Finally, another gentleman got up, tired of the argument, and feeling that little could be done in the matter said, "Let us take another case. My poor friend Mrs. Jones, not the Mrs. Jones of the meeting, another Mrs. Jones, and she put all that she had into a firm, popular in those days, 'Camelknickers Consolidated' and they came down, down, down and now she is a ruined woman and what will the Government do about it?"

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I just want to say a few words with regards to housing, especially African housing. The Minister for Local Government is very much aware of the problem of shortage of houses in Nairobi, and a plan is being prepared and already a private scheme is under way in the King George VI Hospital area where African Government quarters are being built to house the staff of the new hospital. The materials which are being used are, I should say, all most new and they are not very much used as yet in this country, so we are building that place as a pilot scheme where we expect that we shall learn more about the best methods of using this material.

The plan about the African housing has already been produced and if any hon. Members of this Council wish to see what is being done, the Minister will be only too pleased to show them round and supply them with any information which is necessary.

MR. GKONYO: We want houses, not plans.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: I am coming to that. Now, the hon. Nominated Member, Mr. Tyson's, remarks about the high-class of some quarters. Now, the difficulty of finding areas for high-class African housing outside the Eastleigh and Racecourse area is a lack of sewers, and of finding the capital to construct new sewers. But I hope that the hon. Member, Mr. Tyson, will be pleased to see that in spite of this difficulty we believe we have found a suitable site on a sewer for a pilot scheme for 50 to 100 houses for high-class Africans.

MR. MATHU: Where?

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Wait and see.

MR. HARRIS: On a sewer.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: That has been the Nairobi main project for this pilot scheme. Now, the pilot scheme is next to an area which, when it is sewered, will provide room for considerable expansion of low and high density African housing.

MR. SPEAKER, SIR, I support the Motion.

MR. J. S. PATEL: Sir, I rise to congratulate the Minister for Finance on the very able way in which he introduced the Government Motion. Everyone on this side of Council appreciates that he is indeed very capable of putting across his point of view, but I am perfectly certain in my mind that if he were to retire to-morrow and represent the old pensioner in this country and the lower income group people who are struggling to exist to-day and who have done some very good work in building up this country, I am pretty sure that he would be painting the other side of the shield perhaps more beautifully.

[Mr. J. S. Patel]

It is believed, and by some people it is followed very diligently, that the higher cost of living produces higher standards. I am quite conscious that higher standards cannot yet be lived without any cost but I think it is a false belief that the present-day high cost of living actually produces a higher standard of life in this country. On the contrary, it is driving people to desperation. All the groups on this side of the Council have made statements about the various things and have unanimously said this: that the time has now come when we should say this cost of living should not go any farther in its index rises, which we are having at present, and the Government should do everything possible to find ways and means to reverse the clock of the rising cost of living in this country.

Mr. Speaker, various Ministers on the other side of the Council have tried to explain and say that it is not the goods chasing the income, but it is the income which has been made higher in order to chase the goods. We do not mind on this side which chases which, but we press the Government that this mad chase should stop for ever.

I support the Motion.

MR. USHER: Mr. Speaker, I think I ought to say at the beginning that little, if anything, that I can say will enhance my prospects at the next election.

I thought the report, which is the foundation of all this, was extremely dull and unimaginative and it produced an extremely dull and unimaginative Sectional Paper. It is therefore all the more surprising to me to find the hon. Mover's speech extremely stimulating, and indeed I caught the headlines, particularly what he had to say about prosperity—that we should not be afraid of it—and it also got on the wireless, and very naturally, too, but I hope sincerely that this will not be misunderstood in the country, because—and I think it is necessary to say this—I am sure the Minister does not mean that prosperity consists of getting and spending. It is by those things that we have been told we lay waste our powers.

I am sure that in his reply he will address his mind to the appeal made by

two hon. Members for a curb upon extravagant spending. Two hon. Members mentioned, among other things, restriction upon hire purchase, a matter which I find it very hard to understand. Of course, if the restriction of hire purchase means a curtailing of expenditure beyond the means of the individual to spend; then, in that sense, it is of itself good. Likewise, if it means a curb upon the manufacture of unnecessary articles which are made of imported materials, then it is again good, because those things can be of no earthly economic use to the country that manufactures them if not for export—it is merely producing a society of people who are living, as they say, by taking in each other's washing. A very pleasant state of affairs in a country which is self-contained; otherwise, not.

I think there is similarly some misunderstanding about the curtailment of the import of luxury articles, and I think it is necessary to point out that, at least we derive a good revenue from these luxury articles, and in the second place, it is a very poor advertisement to the country to have a row of dull shops without these things. They appeal to visitors and tourists and to the more affluent members of our own society. In fact, I do not really understand why that restriction should have been suggested.

I shall speak later about the appeal for austerity, which is rather a different matter. I see that the Minister for Agriculture is not here. In any case, as he has sat down I do not wish to produce arguments in regard—I will not say to the Meat Commission—but to the meat supply in the country. I am not going to throw any bricks at the Meat Commission. Sir, it is also quite needless to tell hon. Members of the Government that so far as the town dweller is concerned, the position is about as agreeable as a wet Monday. And it is just as well, also, that those who live with the fat of the land, as it were, upon their doorsteps, I should understand those sentiments. I would, however, add that I have had practically no complaints in regard to the price of meat, but merely that it is not value for money, and I should like to add to that again that it is a very bad advertisement for a country which seeks to attract visitors and settlers. And

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wherever the fault may lie, I hope that such examination as has been asked for, will reveal it and will produce a better situation.

I found there was very much that was most admirably constructive in the speech of my hon. friend, the Member for Nairobi South. I do not say that just because he has said "Hear, hear", but in fact I want to refer to one portion of that speech: That is what I might call "the Bernhard Estate technique", the extension of which he advocated and with that advocacy I should like to associate myself. He has, by the way, asked me to explain that in mentioning that sort of housing scheme, he was thinking in terms of all races, but particularly of Europeans.

Now, Sir, I want to extend what he said slightly. I hope and believe that the Minister for Finance will give it his most earnest consideration, and I know he will agree, at least I believe he will agree, that if he were able to help it along, the contingent liability to Government would be likely to be negligible. I see in it, Sir, just a possibility of a considerable curtailment of our capital budget, that is to say, that portion of it which relates to staff housing. It is a thing of which I have always complained and I am sure that we should all, including the Minister for Finance, prefer that money to go to something more productive, and here I think we have a great opening. Also, so far as the civil servant is concerned—and here I think perhaps I am addressing myself rather to the hon. Chief Secretary—it should prove attractive. As it is, what happens? He either pays a rent to the Government for Government quarters or he takes his house allowance and pays it to the landlord. All quite unproductive and unsatisfactory, and at the end of his service or in the middle of his service he finds that he has no tangible asset at all, and he might be very much attracted, I suggest, by the opportunity for coming in on this form of hire purchase. I hope, therefore, that that will be very much encouraged.

Finally, Sir, two Members have spoken of the necessity for a more austere way of life. I find it a most attractive subject for a sermon and I find it a very difficult

matter to achieve, and I think that applies probably to all or most of us. Nevertheless, I think it must be ensued in greater measure, both publicly and privately. I think that the Government might be well advised to consider whether it should do so much in the way of entertainment. I have already, in a previous speech, appealed to the business world to do less in that direction. It is really becoming a serious matter. I know it is a form of advertising which, if some adopt it, all must adopt it, but I wonder what our hosts would think if we were to say, when we left their delightful parties, really what is in our minds. I can say quite frankly that what is frequently in my mind is this: "Good night and thank you for a delightful party. You have wasted my time, you have ruined my dinner and you have put up the cost of what I am going to buy from you". And this is reflected throughout society, and what I am saying is this: that while hospitality and entertainment are themselves good things in moderation; in excess of this they are not, and when they become competitive they are vicious.

Nevertheless, Sir, and in spite of what I said in this Council on a previous occasion, I believe there are hopeful signs. I see young people in my own constituency, and I see a few in Nairobi as well, who are beginning to realize that it is a good thing to look after their homes, to push their prams—God bless them!—and to stay at home and live reasonable and sensible lives.

Sir, I beg to support.

THE SPEAKER: No other hon. Member wishing to speak, I will call upon the hon. Mover to reply.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, before I address myself to the main run of the debate—if I may so call it—I would like to deal with one or two questions that have been asked.

My hon. friend, the Member for Nairobi North asked a point about the figures I have given with regard to the troop expenditure. I think, in the first place, Sir, I should say that the financial year quoted is the United Kingdom financial year, which is March to April, so that March to April 1954/55 and March to

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April 1955/56 would not be greatly affected in any way by a run-down of troops over that period. The figure was approximate. It was worked out on the basis of nine months, with an estimated figure of what the last three months of 1955/56 would take, and he will, I think, realize this when I gave him the dates of the movement of troops from Kenya, because he seems to think there have been some big withdrawals during this period. The two large movements of troops from Kenya were the 7th November and the 24th December, 1955, so that indeed the peak period of the presence of troops was the end of the 1954/55 period and the beginning of the 1955/56 period. I hope that that explains to him the position.

LT-COL. GHERSIE: Has it gone up?

THE MINISTER FOR FINANCE AND DEVELOPMENT: Shall I repeat it, Sir? The peak period was 1954/55 and 1955/56. In other words, there have been a larger number of troops operating in the country during the peak of that period and the slide has not yet had time to take effect, since the troops did not leave until the 7th November in the first place and the 24th December in 1955. Therefore, for the greater part of the 1955/56 financial year, as far as the United Kingdom is concerned, the whole weight of the troops was here. I hope he has now got that one, Sir.

LT-COL. GHERSIE: Not quite.

THE MINISTER FOR FINANCE AND DEVELOPMENT: May I again, perhaps, Sir, the only way I can explain it would be to take the hon. gentleman in detail through the arrival of the various troops. He will, for instance, realize that with the arrival of the King's Shropshire Light Infantry there was an overlap period in the change-over of troops, and this peak occurred in this period.

LT-COL. GHERSIE: The detail is not necessary.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Sorry, Sir, but the hon. gentleman asked for information and I am trying to give it to him. However, perhaps rather than delay the Council, I

will go into the arithmetical details outside with the hon. gentleman.

Well, Sir, my hon. friend, too, raised a point about the Cost of Living Commission, of which I was chairman, and the question of maize. I will deal with that in a later part of the speech.

First of all, Sir, I would like very much to deal with the hon. Member for the Western Electoral Area who, in one of those glorious sweeping phrases, said: "Let this chase continue no longer". Do I understand the hon. gentleman—and I would just like to be perfectly clear—that he is himself supporting a reimposition of price control?

MR. J. S. PATEL: No.

THE MINISTER FOR FINANCE AND DEVELOPMENT: I see. The hon. gentleman is not supporting a reimposition of the main weapon which could be used to do what the hon. gentleman wants to do—in so far as we would be prepared in order to achieve what he wants, mercilessly to cut the profits of the trading communities. I just want the hon. Member to make perfectly certain where he stands in this regard, because I shall have the pleasure of reminding him of that at some time in the future when, I am perfectly sure, if I reimpose it he—like a number of hon. Members opposite, on the other side—would be amongst the first people to say, "Take away those controls". "Reduce the expenditure upon them".

Now, Sir, I have unfortunately to convey to this Council the apologies for the absence of the hon. Member for the Coast. He spoke to me yesterday, and said that he could no longer delay his going down to the Coast, and that therefore he would not be here to hear the reply. I am not quite certain, Sir, what business took him to the Coast. I seemed in some faint manner, Sir, to hear the rumblings—not of those beautiful surf-breaking waves at Malindi—but rather the rumbling of the "hustings" underneath.

However, Sir, I thought it was very appropriate that my hon. friend's speech occurred in March—March—the month that comes in like a lion and goes like a lamb. As I listened to my hon. friend's speech, I thought, "Dear, dear! The Member for the Coast is beginning just

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to increase the country's production, and see that the Government's policy is being pursued with energy and with purpose and; instead of subsidies from the taxpayer, wage levels have increased. We believe, as a Government, that that is a better policy in this stage of development of the country, and that it gives a truer economic picture, and does not hide it, as it would easily be hidden in the taxpayer's budget.

The hon. Member for the Coast spoke, too, Sir, about why did they not spend £600,000 on the subsidy instead of spending it on reconditioning the land—I think he said land for rebels, or something, as well.

AN HON. MEMBER: He is an Irishman!

THE MINISTER FOR FINANCE AND DEVELOPMENT: With all due respect, Sir, I could not agree with that narrow, short-term view because money spent on the improvement of the land, as it is being spent through the Swynnerton Plan—money is of value to the country, and does produce wealth, whereas what would be produced by this temporary expedient of a subsidy? And, in any case, Sir, the money was given by Her Majesty's Government for that particular purpose inside the Swynnerton Plan, and to attempt to use it for any other purpose would be equivalent to the misappropriation of funds. I am reminded of that sweet little poem: "I'm what takes what isn't 'issen, when he's copped he goes to prison". The Government does not propose to put—I hope—its Minister for Finance in that position.

Now, Sir, the hon. Member, too, spoke about the prices of cement. Of course, the Bamburi Cement Company is in the hon. gentleman's constituency, and I have no doubt that they will be able to ask him questions when he gets down to the Coast as to the facts. I am sorry he is not here to have some advance information, but the fact remains that when the Bamburi Cement Factory was being built they had to import cement to build it, and they paid between £14 and £20 a ton; to import cement to build that factory at an average price of £16 to £17 per ton. When they opened to sell their cement to the country, they sold it at between £10 and £11 per ton, so that I

suggest that they have not done too badly, and that to start restricting them more than we do already—and we have price control on this—would be unwise.

The hon. gentleman spoke about profits on tyres, and said that they were 44 per cent higher than in South Africa. Well, I am not quite certain again, but presumably the hon. gentleman wants price control reimposed on goods, even though they are not in short supply. The answer, as far as the Government is concerned, is that it would not accept that as a policy. There has to be some absolutely overriding necessity before the manpower of the country and the funds of the Government can be directed towards a policy of that kind.

The hon. Member also said something about the courage of South Africa in the imposition of import restrictions some years ago. Well, there again, Sir, the position and the problem of South Africa was an entirely different one. They were not dealing at that time with the cost of living problem. They were dealing with a very serious problem of adverse balance of trade—a very serious one—and if this country, and this currency, were as developed and advanced as South Africa, we would indeed have to look far more seriously to that particular aspect of our problem.

There was one thing I was a little puzzled about. I understood him to suggest invoices "should be presented", and I presume that he meant that they should become legal enforcements, and that presumably if the invoices were not presented within a certain time the trader could not claim his money. Well, that obviously, Sir, is an impracticable suggestion, and I can hardly believe that that is what the hon. Member meant.

Now, Sir, we have had a number of hon. Members speaking about rent racketeering, particularly in the lower African housing. Now, Sir, which is the best way to break rent racketeering? We have had rent control in this country for a number of years, Sir. Is that the best way to break rent racketeering? The rent control which we have had proved in this country that the tenants—European, Asian and African—who were desperate for accommodation have helped the landlord to avoid, or is the answer the provision of sufficient houses and a better

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standard; therefore, of morality becoming possible. There can, I think, be no question in anybody's mind as to what the true answer should be. After all, Sir, the Government borrowed £2,000,000 from the Colonial Development Corporation specifically for African housing, in addition to the development plan's provision, in order to carry into effect that policy, and they are still trying to make more money available to the Minister for Housing, but it is no easy task.

The point I think I should revert to here, Sir, is one which I have omitted, and it was made by my hon. friend, the Member for Nairobi North, in dealing with subsidies—or perhaps I may be able to leave it for a moment or two—but he referred, I think, to my position as chairman of the Cost of Living Commission, and to the subsidy on maize which we then suggested. I think if he reads that particular paragraph, he will admit that the Cost of Living Commission said that this should be, at best, no more than a temporary expedient. There was never any suggestion in that paper—and I am speaking from memory after all these years—I think I am right in saying that it was recognized it should be a temporary expedient only. It was not suggested that it should be permanent. He says that I have accepted the point of a subsidy because last year the Government made available some £102,000 from Emergency funds to subsidize maize and keep it at its present level, but we did that, Sir, deliberately. It was a temporary expedient, and we are prepared to do it when the occasion arises, but it was a very temporary expedient indeed, and was only done because of the urban situation and the Emergency position arising; so that I think, Sir, that—with all due respect to him—he cannot say that I have been inconsistent in this matter. I stated at the time when I was chairman of the Cost of Living Commission that it was a temporary expedient which could be used, and we have done it this year, but we have not put it into the recurrent budget to be accepted as a recurrent principle. And suppose we had accepted—through all these years—the principle of a *posho* subsidy of £500,000 or

£600,000 a year, we should already have spent some £4,200,000 or so on it, and I suggest that we should not have had one whit less request or demand for an advance in African wages, because there are the other things that the African is desiring to move forward and possess.

And so, Sir, the Government rebutes completely the suggestion of the hon. Member for the Coast that nothing is being done, and says quite bluntly it is tackling the problem on the basis of construction and expansion, and not on the basis of restriction and contraction.

Now, the hon. Member for Nairobi South, Sir, and the hon. Member for Mombasa, both referred, Sir, to the Bernhard housing scheme. The hon. Member for Nairobi South will remember that, in the early stages, when Government brought this idea forward, it came in for criticism—criticism in which I know he did not join—and the Government is very glad indeed now to see this idea developing and gaining ground. It will, in fact, provide 100 houses for European civil servants on a tenant-purchase basis, if they so wish to move, and I think the risk involved to Government—the liability—is little compared with the fact that they have been able to house people for whom otherwise the capital necessary for housing would not have been available. A quick calculation will show that this particular scheme alone has made available for capital development in this country some £350,000 to £450,000—I do not know the exact cost. I only know the approximate figures—which would otherwise not have been available for European housing. I did say, Sir, in a speech recently that, whilst in London, I had discussed with private finance institutions all possible extension of this scheme for all races. The figures mentioned were some-thing about 600 houses; which included European, Asian and better-class African housing; and the possibility of bringing in local authorities to a capital scheme, and it would involve a possibly investment in the country of £1,500,000, something like £1,000,000 or £1,200,000. There is, Sir, however—I must make it perfectly clear—is no certainty that this suggestion will succeed. These discussions are exploratory only, but, Sir, before we break, I would leave in the minds of hon. Members what were the

[The Minister for Finance and Development] first three questions the finance house asked me:—

- (1) What controls shall we be subject to?
- (2) What is the availability of labour and local materials?
- (3) What profit—and this is probably the most horrible of all, Sir, in the minds of some hon. Members—what return shall we make on our money?

THE SPEAKER: The time has come for us to take our usual break of fifteen minutes.

Council suspended business at fifteen minutes past Four o'clock, and resumed at thirty minutes past Four o'clock.

THE MINISTER FOR FINANCE AND DEVELOPMENT: Mr. Speaker, during the interval one of the hon. Members opposite has asked me to make it perfectly clear—what I certainly intended to make clear—that if an extension of the type of the Bernhard scheme could be achieved as a result of these financial discussions, then of course bringing in local authorities and people of that kind would mean that it would not only apply to civil servants—as did the first Bernhard estate scheme.

I did yalc, Sir, just before we left, what were the three questions that these people asked. One—what controls? Let me make it perfectly clear that there is a wide field throughout the world where capital is welcomed, and investment is sought; and if they are to be hampered by controls—if things are to be made difficult for them—then they will seek fields where such controls and difficulties do not exist.

The availability of labour and local materials: that, Sir, I referred to in the opening section of my speech, when I pointed out that the Government would keep under review this question of whether there was need for direction in so far as the building industry is concerned, and we did not wish so to do.

The third point, Sir, is the obvious one—what return on our money? Time and again, Sir, in this Government we hear people criticized—the profit which trade and business—be it agriculture or anything else—seems to draw as a result of

its investment and, unless there is a recognition that capital investing in a country of this kind, under present circumstances, will want a very adequate return, and will want to see its capital made good within a certain period of time, then indeed, we shall not be able to attract that capital.

Sir, my hon. friend, the Member for Nairobi South, raised this question of personal tax, and the set-off against income tax. I thought it was extremely nice of the hon. Member for Nairobi South not to dive into the HANSARDS of the past and quote against me the number of times when, as the Member for Nairobi North on the other side, I pleaded for that very thing to happen. Having pleaded for it, Sir, I would say that I still am of the same view, and he may be sure I have noted this for action when better times arrive—but it must be when better times arrive.

My hon. friend, the Member for Ukamba, Sir—the Minister for Labour dealt with the question of weekly wages. I, like my hon. friend, would very much like to see business firms moving in that direction, but I am sure that we should not attempt to enforce this by legislation. I think it would be wrong to bring in restrictions of that kind—bring in legislation of that kind—which would impose perhaps a great strain, and which might well be in advance, judging by Government experience, of the African's desire to receive his wages on a weekly basis, but I join with both hon. Members in hoping that the business world will move towards that right up to the higher income groups, as my hon. friend mentioned—as soon as possible, and I believe it would be of value to the country if they did.

Now, my hon. friend, the African Representative Member, Mr. Gikonyo, Sir—one would have thought, Sir, that it was not really necessary to remind him that the figures show that the increase in urban wages—African urban wages—has more than kept pace with the increase in commodities—that wages are not, in fact, lagging, according to my information, to any great extent behind prices.

And I would also say, Sir, the hon. Member spoke about rents going up. Now, if you are going to build houses,

[The Minister for Finance and Development]

Sir, you have to have capital, and if you expend capital, you have to pay interest on it, and—as my hon. friend, the Minister for Housing, explained—the recent move on the bank rate in Great Britain means indeed that we are going to pay one per cent more at least—if not more—in the future for the money we use. That interest must be reflected in the rents; but, not only that—and my hon. friend knows this, because my hon. friend worked by his side on the City Council in the old days—he knows that the rents do not only include the interest and an amortization of capital which can be static, but that those rents include rates. Rates are for services—for continually expanding services, and unless the local authority gets—as in the case of the Government—an expanding revenue to meet the cost of those services, which it must obtain through rates, then, indeed, it would be left with no alternative but to cut down the services available for the population. Sir, I have no doubt, in due course, as the services expand, the increase will take place, and, if it is not taking place, then it means, indeed, that the general ratepayer is bearing an even greater share of African services than before.

Now, Sir, my hon. friend, the Member for Aberdare—he dealt, Sir, with the restriction of credit. Now, Sir, I have outlined the reasons for the United Kingdom measure of restriction of credit, but I think that the hon. Member meant in his country and, in the text of his speech, he meant credit extended to individuals, as distinct from development and production credit; I do not think, as might have been implied from his speech, that he really meant to refer to credit for the development and production side.

And here, Sir, I should interject, the hon. Member for Aberdare also apologized for his inability to be present this afternoon.

Now, Sir, I would indeed like to see business firms and traders get their transactions much more on to a cash basis. It would be a much healthier state for the economist, and the Government would welcome moves by business and

commercial firms in that direction, but, again, I think it undesirable, Sir, to impose restrictions of that kind by legislation in general, although we should keep a close watch on the hire-purchase system—as mentioned—by my hon. friend, the Member for Mombasa. But I would repeat that hire purchase within reasonable limits is a very useful way of stimulating business, and enabling people, particularly young married people, to get desirable things, and to get their schemes started. The danger is, when they become overladen with debt on that basis, I am a little appalled sometimes by the readiness with which restrictive legislation is suggested, and I cannot believe that that is the correct way in which to deal with problems of this kind. I think we must encourage business—the trading communities—and the individuals and the consumer—in a sense of their responsibilities; not only to themselves, but to others as well.

Now, Sir, I would say that the policy of the Government is not a policy of *laissez-faire*. The Government keeps a continuous close and a watchful eye on all economic factors—economic movements—external and internal—but the Government believes in a developing economy like ours we should allow the greatest possible play to ordinary economic forces, and will impose controls and restrictions only where necessary to prevent gross harm being done to the general economic structure of the country. Perhaps, I agree, in the years to come, when the economic pattern of the country takes permanent shape, more direction and more control may become necessary and desirable—perhaps—but in Kenya's present state, the Government is convinced—and I am sure that every hon. Member in this Council will be so convinced, if they regard the matter with fresh minds—that the present policy is the wisest, allowing the greatest possible play to ordinary economic forces, and refusing to impose controls and restrictions unless they are absolutely necessary—in the wisest possible policy, and the policy that will continue to pay better dividends to the country as a whole.

Sir, I beg to move. (Applause.)
The question was put and carried.

MOTION

THE TRANSFER OF POWERS (MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING) (NOS. 1 AND 2) ORDERS, 1956

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING: Mr. Speaker, I beg to move—

BE IT RESOLVED that the orders cited as the Transfer of Powers (Minister for Local Government, Health and Housing) (No. 1) Order, 1956, and the Transfer of Powers (Minister for Local Government, Health and Housing) (No. 2) Order, 1956, be approved.

Sir, the Council has had before it on previous occasions delegation of powers within the Portfolio of other Ministers and this is in accordance with the policy which has been followed in those previous Motions. These particular powers, Sir, are to do with the Dangerous Drugs Ordinance, the Public Health Ordinance, Hospital Treatment Relief European Ordinance, Food and Drugs Adulteration Ordinance and that is all, Sir.

I have no doubt that hon. Members have studied this with care and I have no doubt that they take very great interest in this particular resolution and I will be very glad to answer any questions, if they wish to raise them, Sir.

I beg to move.

THE PARLIAMENTARY SECRETARY TO THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

The question was put and carried.

BILL

SECOND READING

The Liquor Bill

Order for Second Reading read.

THE ASIAN MINISTER WITHOUT PORTFOLIO: Mr. Speaker, I beg to move that the Liquor Bill, 1956, be now read a Second Time.

Sir, the present Liquor Ordinance was enacted some 20 years ago and was amended in certain respects about four or five times thereafter. One of the important features of the present law is

that it prohibits the sale, purchase, possession and consumption of spirituous liquors by Africans. It has long been the expressed wish of Africans, who have made strong representations from time to time, that this discrimination against them should be removed as early as possible. The Government has given long and anxious thought to these representations by Africans and has finally come to the conclusion that these discriminatory provisions were not now suitable or practicable because during the last 20 years circumstances have radically altered in this respect. I would like to inform the hon. Members, that last year, the Governments of Uganda, Tanganyika and the Belgian Congo changed laws in their respective territories and have removed such discriminations in regard to the use of spirituous liquors by the Africans. Therefore, the Government decided a few months back to amend the present law with a view to removing this discrimination.

It was at that time felt, that it would be more appropriate and advisable to repeal the present Ordinance and to enact a new Ordinance in its place, at the same time taking full opportunity to improve the existing licensing practice and improve also the provisions for the administration of law in the light of experience which has been gained so far.

The present Ordinance contains sections which deal with the manufacture and distillation of certain types of liquor. It was considered more convenient that such provisions should be enacted both for potable spirits and industrial alcohol in a separate Ordinance, and a Bill is to be published shortly for that purpose. These sections of the present Ordinance, dealing with the manufacture and distillation of such liquor have therefore been omitted from the present Bill. On this account, the repeal of the present Ordinance and the bringing into operation of the new law, will have to be delayed for a certain time and that is provided by clause 1.

Now, Mr. Speaker, the present Bill differs from the present Ordinance in four important respects. Firstly this Bill omits sections of the existing Ordinance, relating to manufacture and distillation of certain liquor, and it also revises the penalties and changes are made, designed, to effect improvement in certain minor

[The Asian Minister without Portfolio]

respects in regard to licensing practice and the administration of the law. Above all, the most important matter is that it removes the discrimination in regard to the use of spirituous liquor by Africans.

Now, Sir, I would like to refer to some of the provisions of this Bill. I am quite certain that some Members may have criticism in regard to the Bill and, therefore I would like to refer to some of the important matters.

Section 2 of the Bill enumerates matters which are not affected by its provisions. Section 3 defines terms used in the Bill. Here, I would like to refer to section 2 (g), where I believe an amendment will be necessary at the Committee stage to provide that the exemption granted by this sub-section will not apply to contractors running Service canteens for private profit.

Part II of the Bill provides for the appointment and procedure of licensing courts, disqualifications for membership of such courts, and the procedure in the case of proceedings against licensing court members. In this case, also, section 4 (2) (a) will require a slight amendment in order to allow the Officer-in-Charge, Nairobi Extra-Provincial District, to become the president of the Nairobi Licensing Court.

Part III of the Bill lays down procedure for obtaining licences and for the hearing of applications and objections thereto, and also the grounds on which the granting, renewal or transfer of licences are to be made or refused.

There are two matters in this Bill to which I think I should draw the attention of hon. Members. An appeal to the Supreme Court against a refusal to renew or transfer a licence is provided by section 17 of this Bill. In the existing law, there is no right of such appeal, but it is considered that where the livelihood of a person is affected by the refusal of a licensing court to renew or transfer a licence, an appeal against such decision should be permitted. No such appeal has, however, been provided for where the refusal is to the grant of a new licence, as an applicant in such a case is not dependent for his living on the grant of such licence.

The second matter to which I should draw attention of the Council is that in the present Ordinance the various kinds of licences are specified in sections 9 and 10 of the Ordinance but in this Bill it is listed in the Schedule, which, in my opinion, simplifies the Bill.

I would also like to refer to clause 15 of the Bill which, I think, will need an additional sub-clause in order to provide that a licensee who has been evicted from his premises by his landlord may be refused a renewal of his licence. Perhaps it would be necessary to provide that where a licensee is evicted from his premises by the landlord, the president of the licensing court will have to have discretion to cancel the licence because a case has come to notice that where a licensee was evicted from his premises by landlord, he still held the licence without having any premises at his disposal.

I would now like to draw the attention of the Council to the proviso to section 16 (1). A suggestion had been made at one time for the inclusion of a proviso of this nature in the Bill, but on careful consideration the Government felt that a proviso of that type was not appropriate. As licensing courts will function as courts with power to take evidence on oath and with rights to the applicants and objectors to be present at the hearing of the applications, this proviso was considered to be out of place and inappropriate and it was therefore cut out from the final draft of the Bill. I am sorry to state, however, that through a clerical oversight, it has been printed in the Bill and I shall crave the indulgence of the Council for its deletion at the Committee stage, and, consequently, there will have to be a slight amendment even in the Objects and Reasons of the Bill.

Part IV provides for temporary licence on sale and destruction of premises and also power to carry on business on the death or the bankruptcy of the licensee. Section 22 will require, I think, an amendment at the Committee stage to permit the transfer of a licence from one person to another; for instance, where the licensee has sold his business as a going concern there will have to be provision to allow the transfer of the licence if the district commissioner, or the licensing court, thought fit to do so.

[The Asian Minister without Portfolio]

Part V provides for the temporary extension of licences, the renewal of which has been refused, the display of licences, the penalty for holding out as a licensee, the prohibition of the employment of or the sale of liquor to a person under the age of 18 years and certain other obligations to be observed by the holder of a licence.

Part VI of the Bill makes provisions in connexion with the powers and duties of certain public officers, and Part VII provides for offences, penalties and proceedings relating thereto.

Part VIII empowers the Governor in Council of Ministers to make rules in matters set out therein, suitably amends section 72 of the Employment Ordinance and the Second and Third Schedules to the Shop Hours Ordinance and repeals the present Liquor Ordinance in all its provisions.

The Schedule to the Bill provides for the variety of licences which can be granted, renewed or transferred and follows the pattern which was provided in sections 9 and 10 of the present Ordinance.

The Bill under consideration is a great improvement on the present Ordinance and I feel confident that it will command support on all sides. However, I shall welcome any suggestions which will help in improving the provisions still further in regard to licensing practice and the administration of the law.

Before I close I shall take the liberty of referring to the duties which this Bill imposes on the African population of Kenya. By this Bill, the Africans of Kenya secure for the first time a right to sell, purchase, possess and consume spirituous liquors in the manner provided in the Bill and I hope and trust that they will fulfil the corresponding obligation and duty of maintaining adequate self-restraint and dignity in the exercise of this right.

Mr. Speaker, I beg to move.

THE MINISTER FOR LOCAL GOVERNMENT, HEALTH AND HOUSING seconded.

Question proposed.

LT.-COL. GHERSIE: Mr. Speaker, I have only one or two small points I would like to raise for further clarifica-

tion. I still feel, Sir, that this Bill is being rather rushed, and I wonder if Government have had sufficient time to obtain information and advice from people who are particularly interested in this Bill, for instance, people who will have to administer it. I am thinking of licensing officers, administrative officers, local government authorities, and I do believe, Sir, that the Bill will require much more amending than the Mover has suggested.

Now, Sir, he has just dealt with section 16, and how conflicting it was with section 4, so that disposes of that. I do suggest, though, there may be other sections to be disposed of before the Bill becomes law.

Sir, this Bill, of course, does not provide for the control of methylated spirits. I appreciate that. Now, Sir, a growing menace in this Colony to-day, and more particularly in this city, is the consumption of methylated spirits, and we are informed of course that an Industrial Alcohol Bill is to be introduced shortly. We were promised that some considerable time ago and I am glad to have heard again from the Mover, that that should be introduced in the near future. But it is a matter of extreme importance. The Minister for Commerce and Industry is shaking his head—oh, I beg your pardon. We may be satisfied if this new Bill is introduced in the near future.

Section 40 is one I would like to comment on and I would like the Minister to reconsider this and it is section 40, sub-section (2). "Any person convicted of being drunk and incapable, or drunk and disorderly, in a place referred to in sub-section (1), should be liable to a fine not exceeding Sh. 300 or to imprisonment for a term not exceeding one month or to both such fine and imprisonment." Now, Sir, when a person is drunk and incapable, he is, in fact, incapable. Being incapable, it is a perfectly simple matter for the police to take possession of that body and lodge it for a night in the cells. But, Sir, when a person is drunk and disorderly, it is a very different matter. It may take half-a-dozen police to arrest the individual, and I have known of cases where the person concerned has even attempted to bite the policeman. And when lodged in the shell—in the cell—

AN HON. MEMBER: Very appropriate!

LT.-COL. GHERSIE: When lodged in the cell, has been known to attempt to break up the prison or, for instance, break the windows. I suggest, Sir, that these two individuals should not be placed in the same category as far as the punishment is concerned. I think there is a big distinction between drunk and incapable and drunk and disorderly, and the penalty should be different.

Now, Sir, I believe one of the objects of this Bill is not only to permit the African community to consume spirits, but I think it is also to assist the African to become a licence holder. I would suggest, Sir, for the consideration again of the Minister, that if this Bill becomes law, there should be a period whereby anybody is enabled to make application for a new licence or the renewal of a licence. I suggest, Sir, there should be a certain date when all licences are cancelled. What I have in mind is this, Sir. There may be certain areas where there are a sufficient number of licence holders at the moment and, for various reasons—perhaps objections by the police, it will be agreed, no more licences to be issued in this area. I suggest, Sir, that the licence holder who is seeking a renewal is in a much stronger position to obtain that renewal than a new applicant and I suggest, Sir, there may be new applicants who may be much more desirable licence holders than those who are existing licence holders. I believe, Sir, the way to overcome that difficulty would be to cancel the licences, make them all apply again at a specific date, three months ahead when applications are published in the *Gazette*, and let them start from zero, otherwise I think you are likely to deprive quite a number of desirable people of the opportunity of obtaining licences as they will be debarred.

SIR CHARLES MARRHAM: Mr. Speaker, this Bill I think perhaps has come at a most unfortunate time, because in the Memorandum of Objects and Reasons it is stated that a further Bill is going to be introduced shortly concerning the dealing with the manufacture and distillation of liquor. Now, until we know what is in that Bill, it is very hard to support this one, because a lot of us are worried that once this new liquor Bill becomes law, a great deal of cheap, unpleasant, brandy, or inferior liquor, will come into this

country, specially for sale to the Africans, and it would be an absolute tragedy if really bad liquor which would still qualify to be imported, would be allowed to come in. Sir, I do hope that when we do see this new Bill, that that particular aspect will be borne in mind.

Now, Mr. Speaker, I regret to say there is a lot in this Bill which will require considerable amendment in the Committee stage. A lot of it I think is ambiguous and, of course, as there is now a new clause which permits appeal to the Supreme Court, it is essential that any ambiguity should be rectified before it becomes an Ordinance.

Now, under clause 3, under descriptions, a meal is given as a lunch, dinner or supper actually supplied and I will come back to that when I go on to the Schedule. I think that is an example straight away where you may get some ambiguity because some people have a late breakfast at 11 o'clock and might quite like a glass of beer with it—according to this they have to have lunch, dinner or supper. Also, the other point is that a sandwich taken say at 11 o'clock at night is a perfectly respectable meal, but, under this, it does not qualify unless it was a lunch, dinner or supper.

Now, Sir, under Part II of the licensing court, it gives the qualification or the disqualification of membership under clause 5. I think quite a lot of amendments will be necessary on this again to avoid somebody deliberately having to break the law.

Clause 5 (1) (b) is a person interested or concerned in a partnership, company or society, with a holder of such licence, or with a brewer. In other words, Sir, from the sublime to the ridiculous, if a person has one share in one of the brewery companies, he will be disqualified under that particular clause, and I do suggest that that is not meant to be that at all. What it means is directly concerned in the brewing or in the holding of a liquor licence. There, again, I think it is ambiguous.

Turning now, Sir, to clause 11, procedure at the hearing, this, I think, Sir, is the real importance—the really important part of this Bill—and where the trouble seems to have started in the past. Clauses 11, 12 and 13 are all concerning the applications for licences and I

[Sir Charles Markham] believe it is a fact that Nairobi has more licensed premises than anywhere else in the world, or anywhere else in the British Empire, simply because almost every grocer shop sells liquor and almost every grocer shop in this country seems to obtain a licence without any difficulty whatsoever. Therefore, under clause 13 (c), it says that the number of licences in respect of which licences have already been granted is sufficient for the requirements of the neighbourhood. Well if that is so, Sir, I would suggest that there will be no more licences issued in Nairobi, because there are plenty of licences issued—the general wine, merchants' and grocers' licences, and I can see nothing in this Bill anywhere which stops a person buying a bottle of beer from a *duka*, going outside, sitting on the pavement and drinking it. That is the one thing we are trying to stop especially in the County Council areas where it seems to be all wrong. It is against the principle; it is not a retail liquor licence, but an ordinary grocers' licence. But I hoped this Bill would have produced something to prevent the abuse that is going on all over the country at the moment. It is one way of getting a cheaper licence than getting a general liquor licence.

Sir, I hope that when the Minister replies, he might agree to an additional clause somewhere in there to prevent the holder of an ordinary licence, and grocer's licence, from becoming a really bogus retail liquor licence.

Under clause 13 as well, Sir, there is this question of a number of premises already licensed. I think most people will admit now that Nairobi has got itself into a fairly considerable mess over licensing, simply because under the old Ordinance, there were so many different types of licences premises could hold. At the moment, it is very hard to see who or which authority is going to work out the needs of an area in so far as we now have general liquor licences and I presume in the future the African pub idea will come. It would be very hard, Sir, especially in view of the fact that the Minister has given notice that under clause 16 that the proviso is going to be removed—which is very serious I think—that the local authority must be concerned in this directly. If they are not

directly concerned, it is quite impossible for them to carry out their functions as a local authority, and therefore, I liked clause 16, the second part—the proviso. It did give that local authority some strength in dealing with the flood of applications that would come in in the near future as soon as this Bill becomes law. I am sorry to hear the Minister say that a typographical error, or a printer's error, brought that in—I hope perhaps that a printer's error can leave it in when it becomes law, otherwise I am afraid I must oppose this Bill, because I believe clause 16 proviso is the most important proviso in the whole of this Bill. I give notice now, Sir, that I must oppose the Bill if that proviso is removed.

Clause 31, is, I think, again a master of ambiguity. I know what it means. It means that if somebody buys a drink over a bar, and does not pay for his drink, no legal action can result, but if you read this clause in another way, it does mean that if a wholesaler supplies 100 cases of beer to a bar in Nairobi, where it was sold or supplied, and the person is not living on the premises of his bar, no legal action could be taken for the recovery of his money. I did ask somebody in the legal fraternity about that, and he said that that interpretation might well be given by one of the judiciary in Kenya.

Turning now, Sir, to the Schedule, there are one or two items which do require considerable amendment. Under No. 3 of the Schedule—the first part—"provided that no liquor shall be sold" etc. "except for consumption with a meal to be consumed on the premises", it does mean that anybody in future who goes to the cinema and after the cinema decides to go to the nearest hotel for a glass of beer and a sandwich would be unable to do so, because you have described a meal, in the descriptive part, as being a luncheon, dinner or supper, and a sandwich apparently does not qualify for a supper. Or, you have got to pay Sh. 2 for it, which will increase the cost of living once again.

There is also, Sir, we have missed out under 2 (b)—somehow the Government do not seem to consider anybody who drinks pints; it is always quarts or half-pints. There should be, in the Committee stage, a mention of pints.

[Sir Charles Markham]

Under 5 in the Schedule, it does mean, if this is passed, that it will no longer be legal to sell miniature bottles—those little miniatures you can buy all over Nairobi—because they are actually two ounces, not a quarter of a pint.

Under 7, Sir, again I think this is another example of where the law, as Jorrock's said, is an ass, because it says a restaurant or café liquor licence—it gives the hours and it says to be consumed at such meals. Well, Sir, really, if people go into a hotel or restaurant, you do not start your meal straight away; you have a drink, and then I suppose legally you could be caught by a police officer and an offence would have been committed.

Finally, Sir, one final ridiculous thing in the Bill is that now anybody going to the coast, if this becomes law, will not be able to have a drink in their compartment on the train; they will have to go and sit in the restaurant car, that is under clause 11, which says: "for consumption in the car".

Well, Sir, provided clause 16 remains as it does in this Bill, I support, Sir.

MR. MATHU: Mr. Speaker, Sir, I should like to congratulate the Minister who moved the Second Reading of this Bill, not only on, I think, the excellent and clear manner in which he moved the Second Reading, but also because I know that he has, in his political career, been opposed to discriminatory legislation, and I think it is fitting that he was, this time, the man to move the Second Reading of this Bill, at any rate from the African point of view, and I should like to congratulate him in doing so.

To come to the Bill, Sir, the African Members have based their main comment on this Bill in the opposition to the principle—the new principle, in fact—which is included in the proviso to clause 16, and I now feel, Sir, very happy indeed that the Minister and the Government feel that the parties who wanted to be consulted under the proviso to clause 16 are given facilities before the licensing court to put their case as either for or against any application that comes before it. That, I think, is the proper way of doing it and I personally, like my hon. friend the Member for Ukamba,

would oppose this Bill, Sir, if that clause stayed in. He would oppose it if it is removed; I would support it because it is to be removed, because I think it is an unnecessary provision and therefore I support the Minister in what he has done.

The other clause, Sir, that I would like the Minister to make clear in his reply is clause 52, because we do not quite understand whether, in the Schedule, the two licences which an African trader can now apply for, namely the non-spirituous liquor off-licence and the non-spirituous liquor on-licence are covered by that clause. If they come to apply for renewal of these licences, what will be their position under clause 52? If he would be kind enough, in his reply, to explain whether the fears I have are unfounded or not, I shall be most grateful.

I would like, Sir, to agree with him in his last remarks that when the restriction on Africans is removed—to have the right to sell, to consume and to possess spirituous liquor—that they will at the same time feel that they have an obligation on society to restrain themselves and really to carry themselves with dignity like any other person and not to think that because the restriction has been removed then they can assume that they can take licence. I entirely agree with him on that one, Sir, but I can personally say that it is quite safe that the African will play fair in this matter.

Now, finally, Sir, I am a bit worried with regard to the provision of clause 1. The Minister did say, Sir, that there are other pieces of legislation which will come shortly before this Council and when I read clause 1, Sir, it seems to me to suggest, forcibly, that if these other pieces of legislation do not come in time, we may be given another twenty years, as we have taken since the first enactment of the present law, before this Ordinance is put into operation, and I think, if my suspicions are not allayed, then I would oppose clause 1 in Committee stage and propose an amendment to include only the ordinary provisions which come under various Bills in this clause, because I do think, Sir, that if we mean to remove the restrictions on Africans, as it has been done in the Belgian Congo, Tanganyika and Uganda, I

[Mr. Mathu] think we should do it and do it quickly. We should not keep the people in suspense, waiting for the implementation of what is the Government's policy now in regard to this matter, and I would like, Sir, an assurance from the Minister in his reply, whether clause 1 is really intended to delay matters until doomsday. That, I think, is saying a lot on this matter and I wanted to be very clear on this so that he can have an opportunity to reply.

Again, I would like, Sir, to thank the Government very sincerely indeed for having taken the action that they have taken this time. It is one of those things that improve relations between the governed and those who govern.

Mr. Speaker, I beg to support.

THE SPEAKER: No other hon. Member wishing to speak, I will call on the hon. Member to reply.

THE ASIAN MINISTER WITHOUT PORTFOLIO: Mr. Speaker, I should like to deal first with the proviso to clause 16 (1). As the hon. Member for Ukamba has stated that he will oppose the Bill if it was intended to delete it, I would like to draw his attention to the constitution of the licensing court, which says "Every licensing court shall consist of the district commissioner of the licensing area, who shall be president; one nominee of each local authority having jurisdiction in the licensing area; not less than three nor more than seven residents of the licensing area".

Now you see, Mr. Speaker, under the constitution of the district commissioner will be three and one nominee of each local authority will be there on the court. Moreover we have to take into consideration that when we constituted a court with right to take evidence on oath and to hear the parties—the applicants and objectors—and if there is power of veto with somebody or some authority, which had not the advantage of hearing evidence and hearing parties, it will be, in my submission, not a right procedure. Therefore I think it is an erroneous view if anybody says that any outside authorities, like the local authority or the district commissioner, should have the right to say that even though the licensing court may consider a fit case

for issue of a licence; it should not be granted. It will not be a proper procedure if all facts are taken into consideration. But the district commissioner and the local authority are safeguarded by having representation on the licensing court. In fact, the district commissioner will be president of this licensing court, except in Nairobi, where the officer here will be the president and therefore I hope that the hon. Member for Ukamba will take this fact into consideration and withdraw his opposition to the deletion of the proviso, which has been included through clerical oversight.

Now, Sir, the other point which I would like to refer to as being very important, is what the hon. Member for Nairobi North referred to, and that is where he suggested that perhaps all licences held now be cancelled and all the parties should be asked to apply again. Now, as in the present Bill it is provided that there will be an appeal to the Supreme Court in cases where a renewal or a transfer of an existing licence is refused by a licensing court, it will be, I think, taking away that right of the existing licence holders if all licences are cancelled in that arbitrary manner. But the licensing court will be free to take decisions on the facts before them whenever any application for renewal or transfer is made. But to go beyond that and to say that all the licence holders should be treated as if new applications were made now, will not be the correct thing, because the whole principle of appeal included in this Bill for those who are already licence holders, will be nullified.

Now, Sir, when moving the Bill I invited suggestions for improvement of the licensing practice or the facts which may be found to improve administration of the law, and I welcome the various suggestions made. But I do not think I should, at this stage, reply to these various suggestions which have been made, as the Bill will be considered in detail in April, either in the Committee of the whole Council or, if the Council orders otherwise, any other procedure may be adopted for the consideration of the provisions of this Bill. Therefore I do not desire to go into details, but I would like to mention one thing—to show how difficult it is sometimes to reconcile conflicting views on the various

[The Asian Minister without Portfolio] provisions. There was evidence before me that the person should be allowed to consume liquor provided he took meals worth Sh. 5. There was another suggestion of Sh. 3 and the present Ordinance provides Sh. 1. I thought that Sh. 1 is equal to Sh. 2 at least to-day, and therefore I took Sh. 2 in order to reconcile all the conflicting evidence that was given.

Another thing which should be borne in mind, is that a person is required to take his meal, provided he wants to consume liquor in a restaurant or café, but if he goes to the place where the liquor is sold in retail in the bar, then he is not required to take any meals.

With these remarks, Mr. Speaker, I beg to move.

LT-COL. GHERSIE: What about drunk and disorderly?

THE ASIAN MINISTER WITHOUT PORTFOLIO: I think the hon. Member for

Nairobi North is not satisfied with my observation that we will give full consideration to all these suggestions which have been made at the Committee stage, but he wants to know about the punishment of "drunk and incapable" and "drunk and disorderly". Now he should know that the punishment which is provided there is the maximum punishment which could be awarded. I am quite certain that the courts in this country will not treat both the classes equally when awarding punishment.

The question was put and carried.

The Bill was read a Second Time and committed to a Committee of the whole Council to-morrow, unless the Council otherwise directs.

ADJOURNMENT

THE SPEAKER: That concludes the business on the Order Paper. Council will stand adjourned *sine die*.

Council rose at thirty-five minutes past five o'clock.

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Second and Third Meetings

VOLUME LXVIII

10th January, 1956

14th February, 1956 to 8th March, 1956

Explanation of Abbreviations

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