

1935.

Kenya.

No. 38041.

SUBJECT

C 0533/456

Assistance to European Agricultural Settlers.

Previous

Subsequent

1936.

C.I.

Agriculture

Assistance to

Europeans. 2.

-
General

Copy of letter from Mr. Wade to his brother in England.

To Sir J. Barton (S.O.)

1st Jan. 35

Gives details of assistance which has been given to European settlers since 1930.

3. To C. J. S. Barton (S.O) — cons —

1/6

1st Feb. 35

4. To Sir J. Barton (S.O)

26th February 35

DEstroyed under S.P. Note that a memo on aspects of public assistance is being submitted to the Governor.

5. A/Governor Wade 11/9 (A.M. Mail)

21st March 35

Summarizes details of statement by Lord F. Scott relative to the absence of Govt. assistance to farmers in Kenya & trans. a memo showing assistance which has been rendered to the European farming community.

6. A/Governor Wade 39/69 (A.M. Mail)

21st March 35

Trans. a statement of various forms of assistance afforded by the Govt. other than assistance to the farming community.

These two memoranda are not quite what was hoped for. The essential facts are overloaded with a mass of irrelevant detail, and the data, while including much relating to 1930 and earlier years, are not always brought up to date, i.e. to the end of 1934.

If it is desired to rebutt Lord Francis Scott's charge (quoted by the Governor in No.5) the following particulars are pertinent:-

Government Assistance to European Agriculture
1931-1934.

A. Direct Financial Assistance (Irrecoverable.)

Refund

C.S.

Agriculture

Assistance to

European

Farmers

Copy of letter from Mr. Wade to his brother in England.

1. To Gen. Barton (s.o) — Jan. 35

Gives details of assistance which has been given to European settlers since 1930.

2. To C. J. A. Barton (s.o) — cons — 1st Feb. 35

D.M.

3. To Gen. Barton (s.o) — 26th February 35

DEstroyed under S. 10(1) that a memo. on aspects of public assistance is being submitted to the Governor.

4. A/Governor Wade 149 (An. Mail) — 21st March 35.

Summarizes details of statement by Lord F. Scott relative to the absence of Govt. assistance to farmers in Kenya & gives a memo. showing assistance which has been rendered to the European farming community.

5. A/Governor Wade 39 (An. Mail) — 21st March 35.

Trans. a statement of various forms of assistance afforded by the Govt. other than assistance to the farming community.

These two memoranda are not quite what was hoped for. The essential facts are overloaded with a mass of irrelevant detail, and the data, while including much relating to 1930 and earlier years, are not always brought up to date, i.e. to the end of 1934.

If it is desired to rebutt Lord Francis Scott's charge (quoted by the Governor in No.5) the following particulars are pertinent:-

Government Assistance to European Agriculture 1931-1934.

A. Direct Financial Assistance (Irrecoverable.)

Refund

Refund of maize conditioning fees 1932/1933...	1,110.
Refund of duty on imported wheat 1932/1933...	47,268
Rebate on agricultural paraffin 1931/1932...	256
	13,000
	646
	£61,662
	=====

*p. at any rate in Kenya;
not much of the £1,110.
will have to be written off
as bad debts*

B. Direct Financial Assistance (recoverable i.e.
Leans on lower than commercial terms.)

Land Bank.....	500,000
Agricultural Advances.....	113,000
	£613,000
	=====

C. Indirect Financial Assistance.

(a) Railways freights:- low rates are charged on produce for export, compensated by high rates on imports which amount to protective rates on imported commodities competing with local produce.

(b) Customs concessions:-(i) free importation of practically all requirements (agricultural machinery, fertilizers, etc. etc.) (ii) Protective duties (over and above the 20% ad valorem revenue duties) amounting to 42% and 64% ad valorem in the case of wheat-flour and sugar respectively.

*(ii) diversion of
low rate of excise
on various commodities.
Tea, sugar, tobacco, beer.*

D. Diversion of burden from local producer to local Consumer.

Under certain arrangements endorsed by legislation, the producers of wheat and butter are enabled to charge an artificially high price to the local consumer which amounts to a subsidy on their export trade.

E. Other Assistance.

It can be deduced from the memorandum in No. 6 that State education of European children in the years 1932/1934 has cost about £13,000 in excess of the revenue earmarked to meet it.

(This subsidy benefits all sections of the European

farmers;
European community, not only the ~~Europeans~~; and children of Indians are similarly assisted, though not to the same extent.)

The cash value of the assistance under C, D and E above cannot, of course, be estimated with any approach to exactness. From A and B, however, it will be seen that the 2,364 Europeans employed on agricultural holdings have received, during the past four years, approximately £26 per head in grants and rebates and £260 per head in cheap loans. There are, according to Whitaker, nearly 500,000 farmers in the United Kingdom; if one estimates one farmer to each farm, the corresponding totals for this country would be £13,000,000 and £130,000,000 respectively.

Such justification as exists for this subsidising of European agriculture rests on the fact that Kenya's economic stability depends almost entirely at present upon the volume and value of European agricultural exports. Moreover, if public attention is focussed on the facts and figures given in the memoranda, the question will almost inevitably be asked, "What is being done for native agriculturists?" If, however, the Secretary of State wishes to arrange for a question and answer in the House, something on the lines of the attached draft might meet the case.

*[Brenta
3/4/35]*

*The Economic Dept. have recently expressed
their views on the business of Kenya
on another p.*

*Opposition
4-35*

Such without cost. We shall no doubt be able to take the facts given here into account in considering the Economic Commission's Report.

To regard the particular question of tactics, if there is an ardent question, the figures look much more impressive if you give totals not per head figures. I did have bought it at the better to say "The facts are the following. Out of the total population of Kenya over 3 million there are approximately 2000 European farmers. ~~who~~ between them employ another ~~2000~~ Europeans on their estates. During the last four years these 2000 farmers have received over £60,000 in recoverable grants & have been lent over £600,000 on easy terms. In addition with the assistance of a high protective customs tariff & a railway rates tariff which greatly assists exports & hinders imports they have been enabled to sell their produce in the domestic market at prices greatly in excess of world prices & to place their export goods on the world market on very advantageous terms considering their geographical position. The ~~European~~ European farmers, together with the rest of the European community in Kenya also receive a number of other indirect benefits, for instance subsidized education for ~~their~~ children.

G. L. Clauson
4/4/35

I agree with Mr. Freeson that the memorandum is not in the least what was expected and that it should have been made much shorter, much clearer and a great deal more useful with, at the same time, the avoidance of a lot of trouble to those in Kenya who drew it up. At the same time I suggest with some diffidence, that it might provoke awkward repercussions in Kenya

Kenya were a reply to be given on the lines suggested by Mr. Clauson. The facts are beyond dispute, and lead one to the conclusion that the entire white community of Kenya is a parasitic growth which is quite unable to stand by itself and has succeeded in sucking far too much nourishment out of the body politic. But is it advisable to say so, or to say anything in that direction? Mr. McGregor Ross and his friends have said it frequently and the Kenya settlers, who call themselves, quite wrongly, "the people of Kenya", are tending more and more to adopt the attitude of a Dominion, in that anything tending to the glory of the Dominion or of the people therein, collectively or individually, should receive the greatest possible publicity, while anything which tends to shew either that the country is not prosperous or that the individual people are incompetent, or worse, must be buried. At the present time, as we know, they are off once more on the cry of "Closer Union", and talking about setting up a white Dominion in East Africa, with, of course, themselves in control of it. If it is stated in Parliament that the Europeans get money on easy terms and that the railway rates tariff greatly assists exports and hinders imports, there will be nothing short of a squeal, and an organised campaign in the press and in Parliament to the effect that these statements are untrue. Once such a campaign is started, the statements that will be made are so varied and so wildly inaccurate, that it will be quite impossible to catch them up or keep them contradicted.

In my opinion, for what it is worth, what Kenya wants is less publicity in every direction, especially in the House of Commons, where little is

is to be gained in stirring up the continually smouldering embers of controversy.

So I venture to suggest that the information be kept in reserve and used as necessary. There may be questions and then we can answer them, but I would not go so far as to arrange a question because any publicity the answer gets will be the wrong sort, in either direction

J.S.W. Head

64:

Mth
8/4

S. J. S. agreed with me.

Howard's opinion, Eddoyd
6/4/35
advice

✓ Major A.G. Wade 25 Sept 35

Draws attention to the article in the Times entitled "Guarantees in Kenya" & enclosed letters from his brother Mr A de V. Wade.

Major Wade is concerned by the "Times" article of the 24th & 25th 2 September, but the contents of letters which he encloses were written by Mr A de V. Wade 5 or 6 months ago. A copy of one of them is already on the files.
(See No 1)

In view of the earlier minutes on this file? the letters may be returned to Major Wade in a brief letter & thanks from

No copy kept

from the P. S.

(A copy of the letter marked "Received by Air Mail 29/4/35" might be retained on the file).

C. F. Grossmith
20 9-35

(Appendix
30)

(The recent "Times" article, on which the Delt. is now preparing a note, can be added to this file when action on it is complete.)

PPB

The difficulty about things of this nature is that the press is, either by accident or design, always ignorant and always at the mercy of the loudest voiced and most ignorant correspondent. If any assertion is made in the press against the Govt. it is almost impossible to contradict it and, in any case, the lie gets a good start. We fully share Major Wade's feelings, especially as it is his brother who comes in for some of the abuse, but what can we do about it? If Major Wade wrote a letter to the "Times" saying what he thinks the "Times" would probably not publish it, or, if it did, would publish a garbled version. Then, even supposing it were published it would give a handle for the anti-settler and extreme pro-native body to abuse the settlers - with probably some measure of truth, ~~but~~ then they would go too far in the other direction and the settlers would come on the warpath on the ground that they were being misrepresented in turn. And so the shuttlecock would go on. Draft herewith.

J. S. W. Head

1/10.

W.C.B. 1.10.35

25.9.35

To Major Wade (Yankee) of
25.9.35

AIR MAIL
16/9/36

To Kenya - 519 (P.O. Q.A) ^{16/9/36} ~~No. 1~~ ^{16 JUL 1936}

on P.Q. file

Copy reqd on

1936 file

Room 297

4/10/36

No reply yet received to No. 9; ? wait another month, please.

Sgt.

Room 297.
16.9.36.

G. Evans
16.9.36

Still no reply to No. 9; ? now remind

L.F.

Sgt.
Room 297.
16.10.36.

Major Miller may return to the charge shortly, ? Remind

C. G. Evans with
307036.

NOW SEE 1936 FILE

C. O.

Mr. Flood. 1-10

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

X Sir C. Bottomley. 1-10

Sir J. Shackleton 2/10/35

Am. U.S. of S.

Parly. U.S. of S.

Secretary of State.

For Mr. Boyd's sig.

Downing Street,

27 October, 1935.

DRAFT.

MAJOR A.G. WADE, M.C., F.S.A.

Dear Sir,

Mr. Malcolm MacDonald

thank you very warmly for
desires me to acknowledge receipt of

your letter of the 25th of September

forwarding extracts from letters.

which you have received from your

brother in Kenya. Mr. Macdonald

fully appreciates that articles

which appear in the Press have a

tendency to misrepresent the actions

and motives of the Govt. of Kenya, but

he fears that no action which can be

taken by him could result in similar

publicity being given to opposite

views.

I return the extracts from your brother's

I am, etc.

letters as no doubt you will wish to
keep them.Yours truly
(Signed) E. B. BOYD

FURTHER ACTION.

1 7

25 Sept. 1935

RECEIVED

Sir

With reference to the articles
in "The Times" of today and yesterday
entitled "Grievances in Kenya" I hope
you will not think it impertinent
on my part if I forward to you
information the attached from my
brother, your colonial Secretary for Kenya.

The important paragraphs are
the Treasurer's report on page 6 of
my brother's letter, and his para 4
on page 2 of his answer to my
questions put at the request of a
member of the Lodon Chamber of Commerce.
An important Banker in Kenya
has just said - the settlers have

done more harm to Kenya than all the locusts and droughts. why "The Times" supports this defeatist policy I do not know, nor do I know why the writer of the articles in question repeats the lie "Government have done nothing", when the facts are as my brother says "It is questionable whether Government has done too much".

I shall this morning

hopeing you will be able to use it against that noisy minority who are doing so much harm to Kenya, aided by an unscrupulous Press.

I have the honour to be Sir
your obedient servant

A. C. Wade

msj

P.S. you, I'm probably here all this information. If so please accept my apology for troubling you even if useless, do not trouble to reply to this

afy

AIR MAIL

KENYA
No. 39

CONFIDENTIAL.



RECEIVED

29 MAR 1935

Sir,

C. O. F.T.G.Y

GOVERNMENT HOUSE
NAIROBI
KENYA

21st March, 1935.

No. 5

With reference to my open despatch No. 149 of the 21 March, I have the honour to transmit a statement of the Miscellaneous Forms of Assistance afforded by this Government during recent years, distinct from the assistance afforded to the farming community to which the memorandum enclosed in my despatch under reference relates.

This memorandum was reviewed by Sir Joseph Byrne before his departure on leave; and is transmitted under Confidential cover in that it does not relate to any public reference to the absence of assistance in respect of Education, etc. etc.

I have the honour to be,

Sir,

Your most obedient, humble servant

A. M. Wade
ACTING GOVERNOR.

MAJOR THE RIGHT HONOURABLE

SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W. 1

VII. MISCELLANEOUS FORMS OF PUBLIC ASSISTANCE.

(1) Education:

In 1927 the Memorandum on the Estimates, page 2, stated that a temporary head of Revenue had been inserted entitled "New Revenue" and that the amount was £51,200. Later in the Memorandum it was stated that the figure represented the estimated net cost of European and Indian education in 1927; less deductions for school fees and for boarding, but exclusive of all overhead expenditure included in the Administrative division of the Education Department, see page 25 of that Memorandum.

A Select Committee was appointed to advise how this new revenue should be obtained and the majority recommended -

	£
Consumption Tax on Wines and Spirits	32,500
Domestic Servants Tax	7,000
Poll Tax to Indians	<u>12,000</u>
	<u>£51,500</u>

The Select Committee also recommended that the £52,500 from the proposed Consumption Tax should be divided as follows -

	£
European	24,500
Indians	8,000
	<u>£52,500</u>

The Report was adopted in November, 1927, and in December, 1927, the Domestic Servants Tax was withdrawn. The final result was the Wines and Spirits Consumption Tax Ordinance, the European Education Tax Ordinance and a similar Asiatic Ordinance. This was the beginning of financing education

from

12

from special revenue; and it is open to the objection that the main sources of revenue in Kenya are indirect and are therefore liable to fluctuations which obviously makes the framing of departmental Estimates difficult.

Other objections are:-

- (a) The more successful education becomes in training boys and girls into temperate men and women the less money would be spent on education.
- (b) The method of allocation which is:-

Europeans	69
Indians	19
Goans	12
	<u>100</u>

is always open to dispute.

- (c) The Wines and Spirits Consumption Tax Ordinance was repealed in 1931 and the tax has been merged in the general revenues of the Colony leaving the two Education Poll Taxes alone allocated. Both the allocation and the taxes are condemned as unscientific in Lord Moyne's Report, paragraph 53.

Assuming that the repealed Wines and Spirits Consumption Tax should still be regarded as allocated to education, as it is still so regarded by the Education Department, the following is the result for the last 5 years:-

EUROPEAN.

EUROPEAN

Expenditure.	Consum-	Educa-	Fees	Total	Excess	Excess
	Tax.	Tax.		Revenue	of Rev-	Expen-
	R e v e n u e				enue	diture
	£	£	£	£	£	£
1929	49,992	25,850	10,971	14,126	50,947	955
1930	50,171	24,965	11,330	14,684	50,977	806
1931	49,600	21,997	11,399	16,548	49,944	544
1932	48,176	16,580	10,314	15,278	42,152	-
1933	42,400	17,305	10,309	17,077	44,691	2,291

INDIAN

	£	£	£	£	£	£	£
1929	26,241	7,118	15,188	3,878	26,184	-	57
1930	31,006	6,874	15,302	4,551	26,727	-	4,379
1931	34,339	6,057	14,481	6,194	26,732	-	7,607
1932	32,121	4,560	11,179	6,482	22,221	-	9,900
1933	31,281	4,765	9,677	6,481	20,923	-	10,358

The foregoing figures are, however, not exact because they do not include extraordinary expenditure on buildings, or expenditure on pensions, headquarters administration, housing charges, rents.

The following figures give the approximate position for 1933:-

	European	Indian
	£	£
Recurrent Expenditure	42,400	31,281
Special equipment and materials	84	-
Housing charges, say	4,454	5,079
Loan and Sinking Fund charges, say	13,440	3,206
Rents, say	44	767
	£60,402	£38,333

Revenue from Consumption Tax (now in the Customs Tariff), Education Poll Tax and Fees.

44,691 20,925

Apparent Deficiency

£15,711 £17,410

To which

HATTONS

Year	Actual	Estimated		Actual		Estimated	
		Boarding	Tuition	Boarding	Tuition	Boarding	Tuition
1950	£19,05	281.41	119.81	108.52	100.31	188.1	100.31
1951	710.03	146.41	100.00	188.10	111.80	126.1	111.80
1952	110.01	65.41	92.11	109.10	108.52	111.81	108.52
1953	118.48	110.41	110.41	108.52	111.80	111.81	111.80
1954	118.48	110.41	110.41	108.52	111.80	111.81	111.80

HATTONS

Year	Actual	Estimated	Actual	Estimated
1950	£19.05	281.41	119.81	108.52
1951	710.03	146.41	100.00	188.10
1952	110.01	65.41	92.11	109.10
1953	118.48	110.41	110.41	108.52
1954	118.48	110.41	110.41	108.52

Jointly advised that being M.U. informed that
unremitted remittances sufficient for all their unmet fees
are remitted, explained no arrangements to remit fees
either regular or arrears, remaining
arrears only being brought forward until

- £320 for remittance

Year	Actual	Estimated
1952	COA, 11	unremitted remittances from former Indian citizens
1953	COA, 11	112, remitted but remitted has been used, remitted
1954	COA, 11	112, remitted
1955	COA, 11	112, remitted

Jointly advised that
arrears due at end of year as
follows:-

1952

1953

1954, 1955

In view of

4.

	European	Indian
B/Forward	£15,711	£17,410

To which must be added
an estimate of the
annual commitments in
respect of pension
liabilities, say

6,000 3,000

and a proportion of the
cost of headquarters
Administration expenses,
which, if divided pro
rata to recurrent
Expenditure would amount
to, say

4,258 3,141

Total Apparent
Deficiency £25,969 £25,551

The position is further illustrated by the
remission of fees in European Schools.

Figures of remission are not available for
the years 1929, 1930 and 1951; for the remaining years
they are:-

	European Boarding £	European Tuition £	Indian Boarding £	Indian Tuition £
1952	7,171	1,115	-	466
1953	6,580	1,045	-	500
1954	8,144	1,414	4	677
	<u>£21,695</u>	<u>£5,670</u>	<u>£4</u>	<u>£1,645</u>

In addition the arrears of unremitted fees actually written
off in European schools are:-

European Boarding and Tuition £
1952
561
1953
535
1954
525 (approximate)
<u>£1,221</u>

(Note m. In 1955 an accumulation of arrears on
account of pupils from Uganda and the
Tanganyika Territory amounting to £244
was written off).

In

15

In December, 1954, the following were the relative numbers of pupils:-

	<u>Boys</u>	<u>Girls</u>	<u>Boys & Girls</u>
European Government Schools	685	473	-
European Assisted Schools	-	-	58
Indian Government Schools	2,476	499	-
Indian Assisted Schools	1,196	2,438	-

(2) East African European Widows and Orphans Pension Scheme:

Contribution by male European Civil Servant has been compulsory since 1921. The money paid in is shown as Revenue in the Colony's Annual Estimates. The Scheme is State guaranteed. The amounts paid in and out of the Scheme during the last five years are:-

	<u>In</u> £	<u>Out</u> £
1929	25,359	1,708
1930	25,029	1,801
1931	25,268	1,931
1932	24,412	2,022
1933	24,376	2,957

(3) Kenya and Uganda Railways and Harbours:

Mention has been made of the various import, export and country produce rates.

The Transport Administration is a separate administration and has the use of land adjoining the line and at the Ports of considerable value. It enjoys the position of a Government Department and it is statutorily stated to be conducted on business lines. It pays no Customs dues or other taxes to Government. The Governments of Kenya and Uganda are given substantial rebates on railway charges for Government traffic.

Although

16

Although the Governments of Kenya or of Uganda may have been advised by the Transport Administrat to build a branch railway, the Order in Council of 1925, Article 22, lays down that the Government concerned must undertake to pay the loss on such branches as are built against the advice of the High Commissioner for Transport.

In the case of three branch lines:-

Narro-Moru - Nanyuki

Thomson's Falls

Kisumu - Butere

an agreement was come to that they would be built provided the Government of Kenya undertook to bear an agreed share of the losses. The other branch lines were constructed before the system of guarantees, and the loss therefore falls on the Transport Administration.

The losses on the various branches in Kenya to date have been:-

	Total Loss £	Amount reimbursed by Govt. £	Amount borne by Transport Administration £
1929	66,815	5,178	65,637
1950	215,102	7,764	207,558
1951	205,198	10,871	185,527
1952	172,878	19,594	153,284
1955	157,655	19,928	117,725
1954	118,907	21,849	97,215

(4) Magadi:

Imperial Chemical Industries, Limited, which now control the soda deposits at Lake Magadi, have during recent years received substantial reductions in royalties and rates which it is not possible to calculate.

(5) Local

(5) Local Government - Non-Native:

The following is a summary for the last five years of the Revenue of Non-Native Local Government Authorities which were set up as a result of the Feetham Commission of 1927:-

	From Government	From Other Sources	TOTAL
	£	£	£
1929	116,595	99,145	215,738
1930	129,355	150,716	280,049
1931	101,751	145,501	245,052
1932	87,591	153,549	220,940
1933	85,987 ^x	144,227 ^x	228,214 ^x

^xunaudited.

Rates are levied in the towns of Nairobi and Mombasa by the Municipal Authorities and these are included in the above statement. Outside these towns only a hospital rate has been levied in the Uasin Gishu Plateau and Trans Nzoia Local Government areas.

(6) Local Government - Native:

Government does not contribute directly to Local Native Councils, but certain forms of revenue which were previously paid to the general Revenue of the Colony have been diverted to Local Native Councils. These Councils, which were inaugurated in 1925, levy rates in native areas and have other sources of revenue; they use their revenues for local purposes ancillary to the provision made in the Colony's Budget.

The following comparative table illustrates the position:-

Year

8.

<u>REVENUE</u>			<u>EXPENDITURE</u>				
Rates	Rents	Other	Education		Medical	Agriculture & Veterinary	Roads & Bridges
1 £	2 £	3 £	4 £	5 £	6 £	7 £	
1929 41,480	14,528	5,764	6,884	5,037	6,009	4,372	
1930 40,069	18,771	7,907	7,548	4,866	6,526	11,395	
1931 59,982	14,070	8,669	17,000	6,915	8,496	9,510	
1932 50,488	10,452	18,881	17,624	5,345	9,216	8,252	
1933 35,095	11,112	9,906	10,447	4,875	8,120	7,745	

<u>EXPENDITURE</u> (Contd.)					<u>TOTAL</u>	
Water Supplies	Forests	Famine Relief	Other	Revenue	Expenditure	
8	9	10	11	12	15	
1929 4,606	2,760	2,505	10,220	61,772	42,213	
1930 4,890	See Col. 8	729	11,234	66,747	46,978	
1931 2,889	"	2,570	14,117	62,891	61,497	
1932 2,485	"	9,559	21,875	59,801	74,516	
1933 1,526	"	2,047	18,884	56,113	55,141	

These Councils had surplus balances totalling £103,500 at the end of 1933.

(7) Sectional Taxation:

This is illustrated by the different methods of taxing the non-native and the native population, by the taxing of non-native adult males for education purposes and by a temporary tax on officials in the form of a levy on their salaries.

Non-Native Poll Tax: This is a rough form of income tax, without the usual statutory remissions, levied on male and female adults. It brought in £62,245 in 1933 and is estimated to bring in £68,222 in 1934.

Native

Native Hut and Poll Tax. This, by reason of a polygamous native society, is a crude form of income tax of uniform incidence in the tribe, but varied according to the tribe. The Revenue for 1933 showed £557,791; for 1954 the receipt is now estimated at £513,625.

Education Poll Taxes. This is an annual Tax of \$1.50/- and \$1.20/- imposed on all adult male Europeans and Asiatics respectively. During the last five years this tax has produced:-

	<u>European</u> £	<u>Asiatic</u> \$
1929	10,971	15,188
1930	11,530	15,502
1931	11,399	14,481
1932	10,514	11,179
1933	10,309	9,677

The Financial Commissioner, Lord Moyne, in paragraph 53 of his Report stated:-

"..... The distinction between the expenditure to be covered by these special contributions and that left on Colonial charge (namely local expenditure, central administrative charges and cost of housing and pensions) seems to be drawn on no clear principle. I see no useful purpose in continuing this arbitrary arrangement and retaining a separate racial account (education) which does not in practice balance. The present taxation on which the arrangement was founded should remain in force, but the non-native poll tax and education taxes might now with advantage be merged...."

Levy on

Levy on the salaries of officials. This takes the form of a temporary percentage deduction for general revenue purposes from the salaries of officials without distinction of sex or race. It has been imposed since 1932. In the case of the Transport Administration the proceeds are not paid into the Colony's Treasury, but to the revenue of the Railways and Harbours. The receipts have been:-

	<u>Colony</u>	<u>Transport Administration.</u>
1932	53,815	28,300
1933	49,177	24,442

AIR MAIL

KENYA
No. 149



RECEIVED
23 MAR 1935
O. O. REGD

GOVERNMENT HOUSE
NAIROBI
KENYA

21st March, 1935.

Sir,

I have the honour to state that the following statement relative to the absence of assistance from this Government to the farmers of this Colony was made by the Member for the Rift Valley, Lieutenant Colonel Lord Francis Scott, D.S.O.:-

"Every other country in the world, I believe, has helped her farmers by some measures. I admit we have no money with which to subsidize and we are debarred from devaluating the currency. At the same time more could be done to help the farmers than has been done in recent years. Actually, nothing has been done since 1930, except a small increase in the Land Bank, which is still absurdly under-capitalized, and a not very helpful Moratorium Bill which does not go nearly far enough to be of practical assistance. On the other hand, Railway rates have gone up again. To-day, Great Britain is subsidizing her farming industries to the tune of many millions. She is quite right, but at the same time it has the effect of adversely affecting the producers in the overseas part of the Empire and I should like to know - you told us the other day, Sir, that you had the report of the Economic Development Committee - I should like to know whether Government has formulated any definite policy for the economic development of the country",

and I transmit a memorandum showing the assistance which has in fact been rendered to the European farming community.

This memorandum was reviewed by Sir Joseph Byrne before his departure on leave.

I have the honour to be,

Sir,

Your most obedient, humble servant,

A. M. Wade

ACTING GOVERNOR.

MAJOR THE RIGHT HONOURABLE

SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W. 1

**ASSISTANCE TO EUROPEAN FARMING
IN
KENYA.**

ASSISTANCE TO EUROPEAN FARMING IN KENYA.

I. VITAL STATISTICS.

(1) Population:

The last Census of the non-native population took place on the 6th March, 1951, the previous Censuses were in 1921 and 1926.

The 1951 Census gives, inter alia, the following figures relative to this memorandum:-

	<u>Not Stated</u>		<u>Employer</u>		<u>Worker</u>		<u>Own Account</u>			<u>Unemployed</u>			<u>TOTAL</u>	
	M	F	M	F	M	F	M	F	M	F	H	F	M	F
<u>GENERAL.</u>														
Europeans	x	x	2289	5749	700	57	4875	1385	1505	168	237	49	9404	7408
Indians	x	x	8309	15615	588	2	1615	155	4450	81	848	7	25808	153836
Goans	x	x	570	1158	48	2	1856	52	176	4	153	-	2805	1176
Arabs			2608	4455	125	4	2545	116	1852	242	273	6	7599	4767
Others	x	x	310	484	6	-	569	111	26	8	26	6	737	609
<u>EUROPEANS:</u>														
Agricultural			15	1	569	25	950	55	977	55	56	1	2585	157
Industrial			3	-	102	6	689	22	88	21	58	2	940	51
Commercial			51	15	131	11	1166	467	159	29	109	52	1576	552
Government & Municipal			-	-	-	-	1529	206	-	-	-	-	1529	206
<u>INDIANS:</u>														
Agricultural			5	-	8	-	120	-	82	-	7	-	220	-
Industrial			17	-	140	-	3768	5	719	6	121	-	4765	11
Commercial			219	12	595	2	5117	77	5455	66	706	7	9868	164
Government & Municipal			-	-	-	-	2175	4	-	-	-	-	2175	4

x Includes married women and children.

In the

ASSEMBLY IN THE CHAMBERS OF REPRESENTATIVES OF INDIA

COMPARISON OF POPULATION BY RACE

(1) Population

soil is good enough to grow fast and

good soil is good enough to grow fast and

good soil is good enough to grow fast and

soil is good enough to grow fast and

soil is good enough to grow fast and

RACE	POPULATION										Percentage of Population 1926
	F	M	T	H	M	N	H	M	N	H	
<u>EUROPEANS</u>											

Employer	1056	757	8.5	4.5
Worker	4091	6258	52.7	37.2
Own Account	1279	1475	10.2	8.8
Unemployed, not gainfully employed, or not stated.	6125	8524	48.8	49.5

Indians	1926	1951	Percentage of Population 1926	1951
Employer	802	590	5.0	1.5
Worker	7287	11748	27.2	29.6
Own Account	4167	4531	15.6	11.4
Unemployed, not gainfully employed, or not stated.	14505	22775	54.2	57.5

Male	1926	1951	Percentage of Population 1926	1951
Employer	802	590	5.0	1.5
Worker	7287	11748	27.2	29.6
Own Account	4167	4531	15.6	11.4
Unemployed, not gainfully employed, or not stated.	14505	22775	54.2	57.5

2.

In the following Table the numbers returning themselves in the 1951 Census under the various heads of employment in each race are compared with similar figures derived from the 1926 Census:-

Europeans	1926	1951	Percentage of Population	
			1926	1951
Employer	1056	757	8.5	4.5
Worker	4091	6258	52.7	37.2
Own Account	1279	1475	10.2	8.8
Unemployed, not gainfully employed, or not stated.	6125	8524	48.8	49.5

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Own Account	4167	4531	15.6	11.4
Unemployed, not gainfully employed, or not stated.	14505	22775	54.2	57.5

Among the European males in 1951, 25% were employed in agriculture, 20% in industrial occupations, 18% in public administration, 7% in professions, 6% in commerce, 5% in clerical occupations. Male children constitute 21% of the total.

Among the Indian males in 1951, 14% was employed in agriculture, 40% in industrial occupations, 24% in public administration, 15% in commerce, 5% in clerical occupations. Male children constitute 50% of the total.

The number of European occupiers given in the Agricultural Census Report of 1954 is 2,027, a decrease

26

decrease of 75 from the preceding year. The number of Europeans employed on agricultural holdings in 1953-54 was 2,564, a decrease of 425 on the previous year.

The native population for 1953 is estimated at 5,017,177, the occupation is overwhelmingly agricultural or pastoral.

(2) European Acreage and Development:

In February, 1954, the total area under occupation by Europeans was 5,158,524 acres, a decrease of 67,940 acres on the previous year. The figures for the last five years are:-

<u>Year</u>	<u>Total occupied area</u>	<u>Total cultivated area</u>
1950	5,111,161	645,644
1951	5,515,485	650,965
1952	5,199,095	615,557
1953	5,206,284	595,988
1954	5,158,524	556,182

The percentage of areas under the principal crops to total areas under cultivation are:-

<u>Crop</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>
Sisal	21.4	20.8	25.7	25.5	25.5
Maize	32.1	30.6	26.1	27.6	20.3
Coffee	14.9	14.6	16.1	16.9	18.4
Wheat	11.0	10.4	7.0	5.0	6.3
Sugar Cane	1.8	2.0	2.0	2.0	2.5
Other Crops	6.5	8.4	9.8	10.8	15.5
Land under cultivation, but not cropped.	12.5	15.2	15.5	14.2	15.9

The following

decrease of 75 from the preceding year. The number of Europeans employed on agricultural holdings in 1953-54 was 2,564, a decrease of 425 on the previous year.

<u>Year</u>	<u>Occupied area</u>	<u>Area developed</u>	<u>Acreage in cultivation</u>
1950	5,111,161	645,644	
1951	5,515,485	650,965	
1952	5,199,095	615,557	
1953	5,206,284	595,988	
1954	5,158,524	556,182	

<u>Year</u>	<u>Occupied area</u>	<u>Area developed</u>	<u>Acreage in cultivation</u>
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1952	5,199,095	615,557	
1953	5,206,284	595,988	
1954	5,158,524	556,182	

decrease of 75 from the preceding year. The number of Europeans employed on agricultural holdings in 1953-54 was 2,564, a decrease of 425 on the previous year.

to temper the raw unbleached and most of the raw material
now used in spinning factories no bleaching process
is adopted at all.

Estimated area for 1954-55 is 1,771,710.3 ha
of which 1,761,710.3 ha is under cultivation.

(3) Maize and Development

The area under maize in 1954-55 was 1,761,710.3 ha
and the production was 19,850 tons.

Area under maize in ha		Production in tons	
Year	Season	Year	Season
1949-50	1949-50	1950	1950
1,289,068	1,289,068	1,289,068	1,289,068
1950-51	1950-51	1951	1951
1,300,000	1,300,000	1,300,000	1,300,000
1951-52	1951-52	1952	1952
1,301,868	1,301,868	1,301,868	1,301,868

Including area under maize for experimental work

Year	Season	Season	Year	Season	Year
1952	1952	1952	1953	1953	1953
1,302	1,302	1,302	1,303	1,303	1,303
1953-54	1953-54	1954	1,304	1,304	1,304
1,303	1,303	1,303	1,305	1,305	1,305
1954-55	1954-55	1955	1,306	1,306	1,306
1,304	1,304	1,304	1,307	1,307	1,307
1955-56	1955-56	1956	1,308	1,308	1,308
1,305	1,305	1,305	1,309	1,309	1,309
1956-57	1956-57	1957	1,310	1,310	1,310
1,306	1,306	1,306	1,311	1,311	1,311
1957-58	1957-58	1958	1,312	1,312	1,312
1,307	1,307	1,307	1,313	1,313	1,313
1958-59	1958-59	1959	1,314	1,314	1,314
1,308	1,308	1,308	1,315	1,315	1,315
1959-60	1959-60	1960	1,316	1,316	1,316
1,309	1,309	1,309	1,317	1,317	1,317
1960-61	1960-61	1961	1,318	1,318	1,318
1,310	1,310	1,310	1,319	1,319	1,319
1961-62	1961-62	1962	1,320	1,320	1,320
1,311	1,311	1,311	1,321	1,321	1,321
1962-63	1962-63	1963	1,322	1,322	1,322
1,312	1,312	1,312	1,323	1,323	1,323
1963-64	1963-64	1964	1,324	1,324	1,324
1,313	1,313	1,313	1,325	1,325	1,325
1964-65	1964-65	1965	1,326	1,326	1,326
1,314	1,314	1,314	1,327	1,327	1,327
1965-66	1965-66	1966	1,328	1,328	1,328
1,315	1,315	1,315	1,329	1,329	1,329
1966-67	1966-67	1967	1,330	1,330	1,330
1,316	1,316	1,316	1,331	1,331	1,331
1967-68	1967-68	1968	1,332	1,332	1,332
1,317	1,317	1,317	1,333	1,333	1,333
1968-69	1968-69	1969	1,334	1,334	1,334
1,318	1,318	1,318	1,335	1,335	1,335
1969-70	1969-70	1970	1,336	1,336	1,336
1,319	1,319	1,319	1,337	1,337	1,337
1970-71	1970-71	1971	1,338	1,338	1,338
1,320	1,320	1,320	1,339	1,339	1,339
1971-72	1971-72	1972	1,340	1,340	1,340
1,321	1,321	1,321	1,341	1,341	1,341
1972-73	1972-73	1973	1,342	1,342	1,342
1,322	1,322	1,322	1,343	1,343	1,343
1973-74	1973-74	1974	1,344	1,344	1,344
1,323	1,323	1,323	1,345	1,345	1,345
1974-75	1974-75	1975	1,346	1,346	1,346
1,324	1,324	1,324	1,347	1,347	1,347
1975-76	1975-76	1976	1,348	1,348	1,348
1,325	1,325	1,325	1,349	1,349	1,349
1976-77	1976-77	1977	1,350	1,350	1,350
1,326	1,326	1,326	1,351	1,351	1,351
1977-78	1977-78	1978	1,352	1,352	1,352
1,327	1,327	1,327	1,353	1,353	1,353
1978-79	1978-79	1979	1,354	1,354	1,354
1,328	1,328	1,328	1,355	1,355	1,355
1979-80	1979-80	1980	1,356	1,356	1,356
1,329	1,329	1,329	1,357	1,357	1,357
1980-81	1980-81	1981	1,358	1,358	1,358
1,330	1,330	1,330	1,359	1,359	1,359
1981-82	1981-82	1982	1,360	1,360	1,360
1,331	1,331	1,331	1,361	1,361	1,361
1982-83	1982-83	1983	1,362	1,362	1,362
1,332	1,332	1,332	1,363	1,363	1,363
1983-84	1983-84	1984	1,364	1,364	1,364
1,333	1,333	1,333	1,365	1,365	1,365
1984-85	1984-85	1985	1,366	1,366	1,366
1,334	1,334	1,334	1,367	1,367	1,367
1985-86	1985-86	1986	1,368	1,368	1,368
1,335	1,335	1,335	1,369	1,369	1,369
1986-87	1986-87	1987	1,370	1,370	1,370
1,336	1,336	1,336	1,371	1,371	1,371
1987-88	1987-88	1988	1,372	1,372	1,372
1,337	1,337	1,337	1,373	1,373	1,373
1988-89	1988-89	1989	1,374	1,374	1,374
1,338	1,338	1,338	1,375	1,375	1,375
1989-90	1989-90	1990	1,376	1,376	1,376
1,339	1,339	1,339	1,377	1,377	1,377
1990-91	1990-91	1991	1,378	1,378	1,378
1,340	1,340	1,340	1,379	1,379	1,379
1991-92	1991-92	1992	1,380	1,380	1,380
1,341	1,341	1,341	1,381	1,381	1,381
1992-93	1992-93	1993	1,382	1,382	1,382
1,342	1,342	1,342	1,383	1,383	1,383
1993-94	1993-94	1994	1,384	1,384	1,384
1,343	1,343	1,343	1,385	1,385	1,385
1994-95	1994-95	1995	1,386	1,386	1,386
1,344	1,344	1,344	1,387	1,387	1,387
1995-96	1995-96	1996	1,388	1,388	1,388
1,345	1,345	1,345	1,389	1,389	1,389
1996-97	1996-97	1997	1,390	1,390	1,390
1,346	1,346	1,346	1,391	1,391	1,391
1997-98	1997-98	1998	1,392	1,392	1,392
1,347	1,347	1,347	1,393	1,393	1,393
1998-99	1998-99	1999	1,394	1,394	1,394
1,348	1,348	1,348	1,395	1,395	1,395
1999-2000	1999-2000	2000	1,396	1,396	1,396
1,349	1,349	1,349	1,397	1,397	1,397
2000-2001	2000-2001	2001	1,398	1,398	1,398
1,350	1,350	1,350	1,399	1,399	1,399
2001-2002	2001-2002	2002	1,400	1,400	1,400
1,351	1,351	1,351	1,401	1,401	1,401
2002-2003	2002-2003	2003	1,402	1,402	1,402
1,352	1,352	1,352	1,403	1,403	1,403
2003-2004	2003-2004	2004	1,404	1,404	1,404
1,353	1,353	1,353	1,405	1,405	1,405
2004-2005	2004-2005	2005	1,406	1,406	1,406
1,354	1,354	1,354	1,407	1,407	1,407
2005-2006	2005-2006	2006	1,408	1,408	1,408
1,355	1,355	1,355	1,409	1,409	1,409
2006-2007	2006-2007	2007	1,410	1,410	1,410
1,356	1,356	1,356	1,411	1,411	1,411
2007-2008	2007-2008	2008	1,412	1,412	1,412
1,357	1,357	1,357	1,413	1,413	1,413
2008-2009	2008-2009	2009	1,414	1,414	1,414
1,358	1,358	1,358	1,415	1,415	1,415
2009-2010	2009-2010	2010	1,416	1,416	1,416
1,359	1,359	1,359	1,417	1,417	1,417
2010-2011	2010-2011	2011	1,418	1,418	1,418
1,360	1,360	1,360	1,419	1,419	1,419
2011-2012	2011-2012	2012	1,420	1,420	1,420
1,361	1,361	1,361	1,421	1,421	1,421
2012-2013	2012-2013	2013	1,422	1,422	1,422
1,362	1,362	1,362	1,423	1,423	1,423
2013-2014	2013-2014	2014	1,424	1,424	1,424
1,363	1,363	1,363	1,425	1,425	1,425
2014-2015	2014-2015	2015	1,426	1,426	1,426
1,364	1,364	1,364	1,427	1,427	1,427
2015-2016	2015-2016	2016	1,428	1,428	1,428
1,365	1,365	1,365	1,429	1,429	1,429
2016-2017	2016-2017	2017	1,430	1,430	1,430
1,366	1,366	1,366	1,431	1,431	1,431
2017-2018	2017-2018	2018	1,432	1,432	1,432
1,367	1,367	1,367	1,433	1,433	1,433
2018-2019	2018-2019	2019	1,434	1,434	1,434
1,368	1,368	1,368	1,435	1,435	1,435
2019-2020	2019-2020	2020	1,436	1,436	1,436
1,369	1,369	1,369	1,437	1,437	1,437
2020-2021	2020-2021	2021	1,438	1,438	1,438
1,370	1,370	1,370	1,439	1,439	1,439
2021-2022	2021-2022	2022	1,440	1,440	1,440
1,371	1,371	1,371	1,441	1,441	1,441
2022-2023	2022-2023	2023	1,442	1,442	1,442
1,372	1,372	1,372	1,443	1,443	1,443
2023-2024	2023-2024	2024	1,444	1,444	1,444
1,373	1,373	1,373	1,445	1,445	1,445
2024-2025	2024-2025	2025	1,446	1,446	1,446
1,374	1,374	1,374	1,447	1,447	1,447
2025-2026	2025-2026	2026	1,448	1,448	1,448
1,375	1,375	1,375	1,449	1,449	1,449
2026-2027	2026-2027	2027	1,450	1,450	1,450
1,376	1,376	1,376	1,451	1,451	1,451
2027-2028	2027-2028	2028	1,452	1,452	1,452
1,377	1,377	1,377	1,453	1,453	1,453
2028-2029	2028-2029	2029	1,454	1,454	1,454
1,378	1,378	1,378	1,455	1,455	1,455
2029-2030	2029-2030	2030	1,456	1,456	1,456
1,379	1,379	1,379	1,457	1,457	1,457
2030-2031	2030-2031	2031	1,458	1,458	1,458
1,380	1,380	1,380	1,459	1,459	1,459
2031-2032	2031-2032	2032	1,460	1,460	1,460
1,381	1,381	1,381	1,461	1,461	1,461
2032-2033	2032-2033	2033	1,462	1,462	1,462
1,382	1,382	1,382	1,463	1,463	1,463
2033-2034	2033-2034	2034	1,464	1,464	1,464
1,383	1,383	1,383	1,465	1,465	1,465
2034-2035	2034-2035	2035	1,466	1,466	1,466
1,384	1,384	1,384	1,467	1,467	1,467
2035-2036	2035-2036	2036	1,468	1,468	

To increase the area of coffee to 1,782 acres

-: added to coffee growing areas last

an area of 1,000 acres last year

		<u>1952</u>
1782	1,782	08-0801
888,881	888,881	18-0801
476,471	668,661	88-1801
988,781	1,000,001	38-3801
181,08	1,081,081	48-4801

As to largest area harvested were

every unit of 1,000 acres of coffee to 1,000 acres
brought new areas and 1,000 units of 1,000 units
-: 1,000 units of 1,000 units brought new areas of 1,000 units
-: 1,000 units of 1,000 units brought new areas of 1,000 units

Area of coffee

<u>Area of coffee</u>	<u>1952</u>
888,881	888,881
888,881	888,881
888,881	888,881
888,881	888,881
888,881	888,881

area brought new areas of 1,000 units

-: 1,000 units of 1,000 units brought new areas of 1,000 units
-: 1,000 units of 1,000 units brought new areas of 1,000 units

Yield

<u>Yield</u>	<u>1952</u>
210,ae	0881
988,88	1881
476,88	8881
988,881	8881
888,881	8881

888,881

5.

In 1955 there was a decrease of 68,989 cwt. of clean coffee. The export was 256,972 cwt. valued at £851,197 as compared with 275,916 cwt. valued at £1,215,715 in 1955. The number of coffee growers was 929. The value of coffee represented 45.7% of the total agricultural exports.

WHEAT.

The area of wheat harvested in 1955 was returned as 55,001 acres, an increase of 4,887 acres over the preceding year. The total production of grain was 145,581 bags as compared with 63,496 bags in the previous year.

Exports of wheat flour from Kenya during 1955 amounted to 41,075 cwt. valued at £25,156 representing an increase of £6,379 over the previous year, but exports of wheat and wheat flour outside the East African Customs Union were valued at £10 and £1,590 only; this includes the export to the Belgian Congo worth £1,519.

SUGAR.

Comparative Tables of sugar cane areas and the production of sugar are:-

	<u>Area</u>	<u>Production</u>	
		<u>Raw Sugar Cwt</u>	<u>Crystallised Cwt</u>
1929-30	11,870	160	153,120
1930-31	15,495	680	181,820
1931-32	12,563	640	104,700
1932-33	12,088	540	106,520
1933-34	12,704	1,560	112,980.

The Agricultural Census Report, 1954, says the exports of Sugar from the Colony amounted to 62,214 cwt. valued at £66,755 as against 1952 figures of 15,568 cwt. valued at £17,617. The Commissioner of Customs says the

value

3

coffee needs to J.W.O 888,88 to establish a new plant 889 ft in
Basingo as V.E.I. 1289 to Benley two 876,362 new trees off
medium size .889 ft 817,812 ft to Benley .J.W.O 810,874
between coffee to Benley off .820 new trees coffee to
atmosphere from Basingo later off to K.N.S.A

new 836 ft between trees to coffee off

two acres 788,4 to establish as same 100,88 as Benley
new trees to atmosphere later off .1889 established off
Benley off of aged 884,80 with bushes as aged 188,841

.1889

growing coffee must wait fully to bloom

and between 801,881 to Benley .two 810,81 of Basingo 889 ft
trees and may arrive off rev. 876,81 to establish no
more and require trees off obligato until fully ripe later to
off Benley off .V.W.O 803,12 the O.F.A to Benley new plants
.813,13 now open weighed off at 1,100

now open new trees to sell off evidence

TANIN

BEARING PLANTATION	HEIGHT ft.	WEIGHT T.D.	AREA
J.W.O			
881,881	861	878,11	108-889
882,881	868	884,81	18-889
889,801	848	886,81	28-889
883,801	848	880,81	53-889
888,811	863,1	807,81	18-889

818,881,1000 plants (including off)

two 818,88 of Basingo 880,81 and more trees to 880,88 off
two 800,88 to establish 880,81 Janapa as 887,882 to Benley
off 818,88 plants to atmosphere off .V.W.O 818,88 to Benley
coffee

6.

value of the Kenya and Uganda Sugar exported outside East
Africa at a loss in 1935 was £154,773, of which £65,591
represented Kenya production.

TEA

The following is the Comparative Table of
Tea areas and production:-

	Area	Produced lbs.
1929-30	8,551	577,847
1930-31	10,052	950,209
1931-32	11,258	1,500,249
1932-33	12,054	2,421,056
1933-34	12,471	5,065,687.

During 1935, 17,462 cwt. of Tea valued at £76,667 was
exported from the Colony as compared with 6,252 cwt. valued
at £29,262 in 1932. The Commissioner of Customs, however,
states the foreign export, i.e. outside the East African
Customs Union, was valued at £66,151. The imports of Tea
from overseas is now negligible.

ANIMAL PRODUCTS

The main statistics of dairy commodities
produced by local creameries during the last five years are:-

	Butter lbs.	Cheese lbs.	Ghee lbs.
1929-30	999,240	119,961	114,478
1930-31	1,207,295	79,247	55,958
1931-32	1,069,045	69,782	19,416
1932-33	1,428,471	92,958	26,404
1933-34	1,235,019	124,922	55,822

See the relative Agricultural Census Reports.

In 1935 7,261 cwt. of butter, 475 cwt. of
cheese and 2,557 cwt. of ghee valued respectively at
£25,773, £2,186 and £7,184 as domestic products were
exported.

exported. The principal destinations were:-

		£
Butter	United Kingdom	17,061
	Tanganyika Territory	4,722
	Mozambique	2,526
Cheese	Tanganyika Territory	1,278
	India	416
Ghee	Tanganyika Territory	5,584
	Zanzibar	1,945

II. TARIFF POLICY.

Various measures of assistance have combined greatly to limit the field of consumption brought under Customs levy.

Under the 1923 Tariff the following were the Customs dues on articles now subject to protective duties:-

Article	Duty
Bacon and Ham	.80 cents per lb.
Butter and Cheese	\$1.00 per lb.
Ghee	" 1.00 "
Wheat	" 5.00 " 100 lbs.
Wheat Flour	" 6.00 " "
Timber	5% ad valorem
Sugar	\$12.00 per 100 lbs.

These continued until 1930 when they became:-

Article	Basic Duty	Suspended Duty	Present effective rate of duty.	Ad Valorem equivalent.
Bacon & Ham	20% ad val.	10% ad valorem	50%	-
Butter & Cheese	20% " "	10% " "	50%	-
Ghee	\$10.50 p. lb	0.15 per lb.	45 Cents	45%
Wheat	\$1.50 "100 lbs.	-	-	50%
Wheat Flour	\$1.50 "100 lbs.	\$1.50 p. 100 lbs.	\$1.60	62%
Timber, other than Teak.	10% ad val.	20% ad valorem	50%	-
Sugar	\$1.60 p. 100 lbs.	\$1.60 p. 100 lbs.	\$12.00	84%

The general

8.

The general rate of duty on foodstuffs under the present tariff is 20% ad valorem, the protective element in the above ratings is therefore:-

<u>Article</u>	<u>Present rate %</u>	<u>Normal Rate %</u>	<u>Protection</u>
Bacon & Ham	50	20	10
Butter & Cheese	50	20	10
Ghee	45	20	25
Wheat	50	20	50
Wheat Flour	62	20	42
Timber, other than Teak	50	10	20
Sugar	84	20	64

In the absence of figures shewing the expansion of local production and consumption it is not possible to assess the indirect subsidy which these protective duties have afforded to local industries.

The effect of this method is that it enables local producers to maintain a higher level of prices for competitive articles. The enhanced prices so gained represent a contribution by local consumers to local producers.

In addition, protection is afforded by the preferential rating of local as compared with imported articles on the Railway, which in up-country centres acts in much the same way as a Customs duty.

When a commodity is on an import basis, that is to say when imports exceed exports, or when local consumption exceeds local production, it may be expected that the price would be determined by import parity; when, on the other hand, more is produced than is consumed prices tend to be determined by export parity under conditions of free competition. But when competition between producers is limited, as with several important commodities in Kenya, monopolistic control can be exercised to increase the local

9.

local price above export parity.

The commodities which have received protection during the last decade in one, or more, of the ways indicated above are as follows:-

Value of 1933 Export outside East Africa.

	£
Wheat	10
Wheat Flour	1,590
Bacon and Ham	2,021
Butter	21,358
Cheese	908
Ghee	5,757
Beer	—
Sugar	65,591
Tea	66,151
Timber	16,545
Tobacco & Cigarettes	288
	<hr/> £176,200

III. THE INDUSTRIES GIVEN TARIFF PROTECTION AND OTHER ASSISTANCE.

(1) Wheat and Wheat Flour:

Although since 1921 wheat has been exported from the Colony it cannot be said that at any time during this period local prices have been influenced by export parity. Importation of Wheat Flour has continued up to the present time and local prices at the Coast have been determined by import parity, in up-country markets the price has been considerably higher.

It seems fair to conclude that the wheat industry as a whole, including milling (some 97,000 bags in 1933-34) has been assisted to maintain a relatively high price for flour despite the fall in world markets.

Further protection is given by Railway rates. Imported flour travelling from Mombasa to Nairobi is charged £.8/14 a bag, local flour is carried to the

Coast

53

Coast at a maximum rate of 3.2/80 per 200 lbs.

The following is an indication of the
ruling prices:-

		Milling Wheat Shs. per bag.	Fine Flour Shs. per bag.
1951	Nairobi	17/50	35/00
	England	9/18	14/10
1951-mid 1954	Nairobi	16/00 to 18/50	35/00 to 37/00
	England	9/18 to 15/70	14/00 to 20/00

There is little doubt that in the absence of protection through the Customs tariff and Railway rates local wheat would not have been grown to suffice the local demand and that the cheaper Australian wheat or Bombay flour would have supplied the demand.

In 1953 the export of wheat and of wheat flour outside East Africa was worth £10 and £1,590 respectively.

The following figures show that there has been a progressive decrease in local consumption of wheat flour during the past five years. Contributory causes are thought to be a decline in the Indian population and a decrease in the consumption by natives owing to high prices:-

	Flour Milled Bags.	Imports of Flour Bags.	Export of Flour to Uganda Bags.	Transfers to Uganda Bags.	Apparent Consumption Bags.
1929-30	110,892	52,782	17,927	14,222	111,525
1930-31	107,456	50,585	21,581	14,670	107,570
1931-32	84,819	52,171	15,726	11,853	89,411
1932-33	92,581	16,882	16,924	14,747	77,562
1933-34	92,275	10,932	25,006	15,950	71,319

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| 000.00 | 000.00 | 000.00 | 000.00 | 000.00 | 000.00 |
| 000.00 | 000.00 | 000.00 | 000.00 | 000.00 | 000.00 |
| 000.00 | 000.00 | 000.00 | 000.00 | 000.00 | 000.00 |
| 000.00 | 000.00 | 000.00 | 000.00 | 000.00 | 000.00 |

valve

In order to maintain the wheat milling industry during a period when supplies of local wheat were short, a refund of the whole duty in 1932 and of five-sixths of the duty in 1933 was made on wheat imported under licence, the amount of duty refunded during 1932 and 1933 was £47,286. At the same time the Railway rate on wheat imported under licence was reduced to the country produce rate.

The margin of tariff protection given to wheat is 50% and to wheat flour is 42%, the preferential Railway rates have been quoted above. In 1933 there were 547 growers of wheat in Kenya and 20 mills.

(2) Bacon and Ham:

These commodities call for no particular comment. The margin of protection afforded is 10%.

(3) Butter, Cheese and Ghee:

The margin of protection afforded to butter and cheese is 10% and to ghee 25%. Butter has never been imported in appreciable quantities, though it is possible that at times local supplies barely filled local demand. Customs duty on margarine, lard, etc. has undoubtedly exercised some effect on the market for local butter.

The Butter Levy Ordinance, 1931, introduced a method of monopoly control. It utilised the circumstance that there existed an organisation in the Co-operative Creameries, which already held a partial monopoly. This partial monopoly was being weakened by competition from farmers making butter and the Levy had the effect of raising the costs of competing producers and of limiting their power of undercutting. The revenue is used to support the export price.

Quantities

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Quantities of butter have been exported during the depression at a net realisation at times of less than 50 cents a pound, at the same time the price of butter for local consumption has remained generally well above \$1/- per lb. The local consumer has therefore paid a great part of the amount which has been paid over to the exporters of butter. Statistics of butter makers and of creameries in the Colony are not given in the Agricultural Census Report, 1954.

(4) Sugar:

The protection afforded through the Customs Tariff is 84%, the normal rate is 20%, the margin of protection is therefore 64%. There is an Excise Duty of 3.1/- per hundredweight, equivalent to 6 per cent.

Since 1952 the increase of production, chiefly in Uganda, has necessitated export to areas outside East Africa. At the same time a pronounced fall in local consumption has taken place, the apparent consumption in Kenya being:-

	Cwt.
1928-29	178,586
1929-50	146,665
1950-51	195,021
1951-52	87,058
1952-55	94,668
1955-54	97,285

In the protection afforded to the sugar industry Railway rates have also played a part. The rate on imported sugar is Rs.51/52 per ton for 100 miles, the rate on sugar for export varies from Rs.20/- per ton (200-300 miles) to Rs.50/- per ton (over 700 miles).

Until

Until 1950 the fact that a local price

considerably above world values has been maintained must be ascribed to protection through the Customs tariff and rail rates. The following figures give a comparison for the pre-1950 period, but the comparison is faulty in that Tate's Cubes are a high grade product and Kenya sugar is not:-

	Miwani Sugar Per Ton	Tate's Cubes (less duty) Per Ton
	£ S	£ S
1924	38 . 8	50 . 14
1925	38 . 0	24 . 4
1926	29 . 0	20 . 2
1927	25 . 8	24 . 0
1928	25 . 10	21 . 0
1929	50 . 0	14 . 6

The present wholesale price of No.1 Sugar in Nairobi is £24 per ton, the value of local Sugar for export is £7 per ton.

(5) Timber:

The Customs duty on Timber other than Teak is 50%, the normal rate is 10% and the margin of protection afforded is 20% less the royalty. A royalty is payable on Timber cut in Forest Reserves, but assistance is given to producers by allowing a rebate of 60% of the royalty on Timber exported.

The following quantities of Timber were exported during 1955:-

	Quantity Cu.Ft.	Value £
Cedar pencil slats	46,010	12,476
Other timber	41,777	6,275

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Year	Value in Rupees	Rate per ton
A. 2	8 . 3	
A. 03	8 . 88	488/-
A . 48	0 . 88	532/-
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and the following Table shows the total quantities of all
Timber exported from the Colony during the last five years:-

1929	1930	1931	1932	1933
Cubic Feet 156,105	159,554	68,945	99,496	87,787

The 1933 figure shows a 12% decrease on 1932.

The total imports of Timber in 1933
amounted to 50,593 cubic feet valued at £8,062 and show an
increase of 20% compared with the 1932 figures. In addition,
manufactured articles of wood and timber were imported to
the value of £51,017. Of this sum box shocks accounted
for £16,795 or 54%; 77% of the box shocks came from Japan
and the rest from Scandinavia. These boxes are mainly used
for packing petroleum products.

IV. THE INDUSTRIES SUBJECT TO EXCISE DUTIES.

In so far as Excise Duties fall short of
the corresponding Customs Duties the local product receives
protection. In the case of the East African excised
products the element of protection is substantial. The
relative figures are:-

Article	Import Duty	Excise Duty	Margin of Protection
Approximating			
Beer	Sh. 5/- p. Imp. gall	Sh. 1/- p. gall	Sh. 1/89 p. gall
Tea	50 cts. per lb.	10 cts. p. lb.	40 cts. p. lb.
Cigarettes	Sh. 2/40 p. lb. or 62½ ad valorem	75 cts. p. lb.	Sh. 1/65 p. lb.
Tobacco	- ditto -	50 cts. p. lb.	Sh. 1/90 p. lb.
Sugar	84½ or 13/44 per cwt.	6½ or 1/- per cwt.	78½ or 12/44 per cwt.

(1) Beer:

The margin of protection, which was
adjusted in 1930, represents Sh. 1/89 per gallon. There has
been

15.

been a progressive displacement of imported beer by the locally manufactured article since the establishment of the industry. In 1935 127,000 Imperial gallons of local beer were consumed in Kenya and Uganda as compared with 76,000 gallons of imported beer. If locally manufactured beer paid Excise Duty at a rate equivalent to the Customs Duty assessed on imported beer receipts from Excise in 1935 would have been £19,002 instead of £5,758, an additional amount of £13,244, from which there would have been a set off of about £600 on account of Customs Duty on imported hops.

(2) Tea:

The difference between Customs and Excise is 40 cents per lb. This industry has pursued a price policy which has not taken full advantage of the fiscal protection given.

Assistance to local production is given by Railway rates. The rate on imported tea from Mombasa to Nairobi, 330 miles, is £.15/40 per 100 lbs., the country produce rate from Lumbwa to Nairobi, 191 miles, is £.4/21 per 100 lbs. Tea for export is given a preferential rate of £.2/64 per 100 lbs. from Lumbwa to Mombasa.

The Kenya and Uganda Customs receipts which amounted to £18,645 in 1929, fell to £445 in 1935, a difference of £18,202. This was set-off by Excise receipts of £5,584 only. If locally manufactured Tea paid Excise Duty at a rate equivalent to the Customs Duty on imported tea receipts from Excise in 1935 would have been £27,919 instead of £5,584, or an additional amount of £22,335.

(5)

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(8)

(5) Cigarettes and Tobacco:

The tobacco industry is centred in Uganda. The margin of protection is 5.1/65 and 5.1/90 per lb. respectively. The combined Kenya and Uganda receipts in 1929 were £149,600 and in 1955 £104,600, a decrease of £45,000 attributable partly to a fall in consumption and partly to the progressive displacement of imported goods by the locally produced article.

If locally manufactured cigarettes and tobacco paid Excise Duty at a rate equivalent to the Customs Duty on imported cigarettes and tobacco the Kenya and Uganda receipts from Excise in 1955 would have been £52,727 instead of £15,058, or an additional amount of £37,669.

(4) Sugar:

See page 12. The tariff margin of protection is 64%, or approximately 58% if the Excise Duty is deducted. The suspended duty of 3.6/- per 100 lbs. in force in Kenya is not applied in Uganda.

If locally manufactured Sugar paid Excise Duty at a rate equivalent to the Customs Duty on imported sugar, the Kenya and Uganda receipts from Excise in 1955 would have been £132,996 instead of £11,864, an additional amount of £121,132.

V. OTHER METHODS OF ASSISTANCE TO LOCAL PRODUCERS.

(1) The Free List:

The list of articles, etc. which may be imported free of Customs Duty contains such items as the following:-

Living animals

timber. The total value of Kenya's inter-territorial trade in 1955 was:-

Exports	£ 153,000
Imports	£ 150,000
	£ 303,000

The Commissioner of Customs assesses the duty which would ordinarily have been payable on Uganda and Tanganyika imports into Kenya in 1955 at £90,745.

(3) Railway Rates:

Mention has been made of these in connection with various commodities. Protective rates are imposed on imports competing with local products, the effect being similar to that of the Customs dues except that these rates affect the markets in proportion to their distance from the Coast. Thus it is possible to charge the consumer higher prices at internal points.

Besides this, high Railway rates are charged on a wide range of imported goods, the revenue so obtained being used to allow low export rates on local produce.

(4) Refunds and Rebates:

In order to afford relief to grain growers of the 1929-30 crop a sum of £55,000 was appropriated from the Colony's Surplus Balances to enable a refund to be made of Railway rates and Port charges in respect of exported cereals. The Transport Administration contributed £55,000 in rates reduction and £25,000 in port storage charges, total £80,000.

The contribution from the Transport Administration was financed from revenue. Total £95,000.

A refund of four-fifths of the grading and conditioning fees was made on maize exported from

the

In 1951-52 a refund to millers was made of £15,071.
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:Refused Due to Exports (4)

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the 1929-30 crop. The amount involved was £15,071.

In 1952 and 1953 conditioning fees were temporarily reduced by 15 cents a bag and regrading fees were reduced from 5 cents to 1 cent per bag. The amount of revenue foregone in 1952 and 1953 was £478 and £52 respectively.

In order to maintain the wheat milling industry during a period when supplies of local wheat were short, a refund of the whole of the duty in 1952 and of five-sixths of the duty in 1953 was made on wheat grain imported under licence. The amount of duty refunded to the end of 1953 was £47,286. Moreover, the rail rate on wheat grain imported under licence was reduced from import to country produce rate.)

A rebate on paraffin for agricultural purposes has been in force for some years, the amount of the rebate for the last five years is:-

1929	£11,501
1930	11,757
1931	7,468
1932	5,687
1933	2,113

	£
1929	11,501
1930	11,757
1931	7,468
1932	5,687
1933	2,113

1934 2,283

1935 (2,200)

(5) Loans:

17,751

Cereal Loan. A loan subsidy on maize, wheat and barley exported from the 1929-30 crop was made by motions passed in Legislative Council in 1950 and 1951. An Ordinance, No. 17 of 1951, provides for the repayment of the loan to the maize industry by way of a cess on export

1981-08-08 00:00:00 The following is a list of new terms and definitions used in this document.

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export when the price of maize for export exceeds the value of Sh.7/25 per bag of 200 lbs. f.o.r. Kenya main line stations based upon the ruling price of maize of K.8 grade on the London market. No legislation has yet been introduced providing for repayment of the loans by the wheat and barley industries.

The amounts outstanding in respect of these loans, which includes the loans made by the Colony in respect of Railway rates and Port charges referred to above, is:-

	£
Maize	111,460
Wheat	4,205
Barley	<u>425</u>
	<u>£116,090</u>

Agricultural Advances Ordinance. In 1950 provision was made for a sum of £100,000 at any one time to be made available for advances to farmers who were in temporary financial difficulties. By the end of 1953 the amount authorised against the fund had reached £115,000 and allowing for £2,956 in bad debts, the amount owing at the end of 1953 was £110,244. Of the 103 farmers who participated in the scheme 23 had repaid the advances in full by the end of 1953. It is understood that further extensive losses are inevitable before the scheme can be wound up.

The Land Bank Ordinance. Under this Ordinance machinery was set up for the provision of long term credit to farmers. The present authorised capital of the Land Bank is £500,000 of which £240,000 was borrowed by the Colony in 1950 and £260,000 in 1953. Under the Ordinance there is a monetary limit of £3,000 imposed as an

advance

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so much at particular stages of

which will be given and certain kinds of assist-

ance to those who have qualified to receive it

-:xi evades

the

advance to any one farmer, and of £2,000 on a loan for discharging an onerous earlier mortgage. The following Table shows the proportion of applications approved to applications received:-

<u>Year</u>	<u>Received</u>	<u>Approved</u>
1951 June-Dec.	256	£121,750
1952 Jan-June	119	£116,250
1953 March-Dec.	259	£187,250
	<u>614</u>	<u>£425,250</u>

During the first seven months of 1954
105 applications have been received for £140,520.

(6) Monopolies:

By about 1950 the protected industries had made such advances under the shelter afforded by Customs tariffs, protective Railway rates and other forms of assistance that production had overtaken internal consumption. Export surpluses had appeared when the fall in the world prices began. It thus appeared possible in the case of commodities which had reached the exporting stage that local prices would fall to export parity.

In part this fall in prices was prevented by the operation of partial monopolies attained by the producers themselves, e.g. the case of sugar on the formation of the East African Sugar Distributors Organization and of butter after the amalgamation of the Creameries.

In 1950 the Sale of Wheat Ordinance was passed making monopoly control in this case complete. The measure was calculated to prevent the fall of local prices when an export surplus existed.

It was,

not much is now 600,000 to 650,000 tons of cereals
produced off against rainfall which is predominantly
of favourable conditions to agriculture and more often
favours歉耕 than

Year	Harvest	Total
Oct. 1932	606,744	982
Oct. 1933	601,983	982
Oct. 1934	608,862	982
Oct. 1935	606,156	982

1935 is another harvest off

Oct. 1935 not favourable even conditions 30%
:affection (8)

sufficient before off Oct 1935 India vs

the benefits received off the cereals does not bear
out such a large increase in production, although
favourable weather has not been the only factor.
The increase in production must fit into seeing below off
agriculture and benefits from agricultural improvements by crop and
varied types of soil below seeing local and state
government saw seeing off its first crop in

and the benefits affected to agriculture and vs
off no longer to see and the achievement among
which is to import additional sugar mills fast off to agriculture
from off to agriculture and refine refined to this hold
new sugar mill feed to said off Oct 1935 in

The effects can and at once follow upon benefit
off local to first off the off new system
benefits affected to new

new in

It was, however, continued when damage
through locusts and disease reduced the quantity reaped
locally so as to place East Africa once again on an import
basis and the local prices laid down in 1930 have not
shown a tendency to fall in conformity with world prices.

The Butter Levy Ordinance, 1931, introduces
a different method of monopoly control. It utilised
the circumstance that there existed an organisation in
the Co-operative Creameries which held a partial
monopoly and which kept prices above export parity
even when an export surplus existed. The strength of this
partial monopoly was being weakened locally by competition
from farm butter makers and the Levy, of 25 cents per lb.,
was imposed to raise the cost of competing producers
and to limit their power of local undercutting, the
revenue so gained being entirely used to support the
export price. During the depression quantities of butter
have been exported at a net price at times less than
50 cents per lb., but the local price of butter has
remained well above \$1/- per lb. The Levy is not
applied to Kenya butter sold in Uganda and the Tanganyika
Territory.

A partial monopoly is held by the Sugar
Distributors Organization. The importation of additional
milling machinery has been prohibited and a Quota Bill
has been published which is designed to complete the
control.

These monopolistic measures are usually
expressed as measures designed equitably to apportion the
loss on

against new Committee, reviewed, saw II
further will help out further areas of the local government
though no so many economic loss could be as as possible
on even less if more fiscal action local and the areas
seeing below will minimise at least of some sort a number
economies. (See, especially VIII and IX)

Besides II. lotting economy to bodies that have
no maintenance of their own but consumers and
Letting public money elsewhere evidence of off
which prove avoid seeing that doing bus. to whom
and to diversify and balance economy there we may now
contribute to local business and saw economy fading
if we allow as to we and the other United and more
economies suffice to the other side of economy and
not a little local to taking the limit of the
and income of bus. which rated barley or other
to maintain ourselves and gained. so far. though
and said sum is going to be the need even
and return to doing local and the .if we are to do
on at your end .if we - it evades few business
activities and the area amongst of bus. left by myself of buildings
.without

Local and local at economy listing A
Institution to institution and institution and institution
III stand a bus. to institution need and institution and
and institution of institution of institution need and
.lotting
and institution and institution of institution need
of institution and institution institution as institution
as institution

"The burden of export"!
46

loss on export. The Butter Levy Ordinance, the Sale of Wheat Ordinance and the Sugar Quota Bill enable the loss to be minimised by maintaining high prices on the local market. Thus these measures are essentially measures of price control, that is they are measures of assistance to the producers at the expense of the consumers.

(7) Expenditure on non-native and native Agricultural and Veterinary Services:

The comparative figures for the last five years are:-

	Recurrent Expenditure.	Extraordinary Expenditure.	Direct Revenue.	Nett expenditure.
1929	147,257	74,585	46,658	175,201
1950	160,804	28,735	53,859	155,700
1951	144,511	21,678	51,905	155,984
1952	127,934	27,596	25,405	128,927
1953	125,741	2,516	17,927	108,750

VI. THE NUMBER OF PERSONS DIRECTLY AFFECTED BY MEASURES OF ASSISTANCE TO AGRICULTURE.

In 1951, the year of the last non-native Census, 2385 European males and 157 European females are shown as engaged in agriculture, a total of 2522 in a total European population of 16,812. For the 1954 Agricultural Census the number of Europeans employed on agricultural holdings was returned as 2,864, a decrease of 425 from the previous Agricultural Census year. In 1951 the percentage of European males engaged in agriculture was 32% of the total European male population over 18 years of age, the percentage is now perhaps a little lower.

Statistics are scanty and there is an evident need for more detail of the numbers engaged in the

To the right, the first part of which is given below, the figures for maize production in South Africa are given for each year from 1950 to 1954. The figures for wheat production are given for each year from 1950 to 1954. The figures for maize production are given for each year from 1950 to 1954. The figures for wheat production are given for each year from 1950 to 1954.

Maize Growers and Wheat Growers
(A) Exports of Maize and Wheat
in millions of bushels

Year	Maize Growers	Wheat Growers
1950	971	398
1951	945	581
1952	803	273
1953	896	550
1954	816	347

CLASSIFICATION OF FARMERS

The classification of farmers given in the Agricultural Census Report for 1954 shows that there were 1,165 farmers engaged in agriculture. The number of farmers engaged in agriculture is about one quarter of the European population; and it is doubtful if those engaged in the more generously assisted industries form the majority of the agriculturalists.

As regards the number of natives employed on European agricultural holdings the Chief Native

Commissioner's Annual Report for 1955 gives 141,000 as the average number of registered male labourers in employment of all kinds. Of this number about 15,000 were employed by the Railway and Public Works Department, about 10,000 on the Mines, about 15,000 were domestic servants and about 10,000 miscellaneous, leaving some 90,000 agricultural employees. In addition a considerable amount of agricultural labour was supplied by casual (unregistered) labourers, by women and children (e.g. in coffee picking) and by "squatters".

the various forms of agriculture, but as regards the assistance given to maize and to wheat the following are the numbers given by the Agricultural Census Reports:-

Maize Growers	Wheat Growers
1950	971
1951	581
1952	273
1953	550
1954	347

The classification above is an overlapping one, 1,165 would not be the 1954 total of both of these classes of farmers engaged in cereal growing, it would be less than that number. No statistics are given in the 1954 Agricultural Census Report of persons engaged in the sugar, tea, dairying industries. There are some 689 farms classified as mixed farms and an unknown proportion of these would be concerned in maize, wheat and dairy production. The number of Europeans engaged in agriculture is about one quarter of the European population; and it is doubtful if those engaged in the more generously assisted industries form the majority of the agriculturalists.

As regards the number of natives employed on European agricultural holdings the Chief Native Commissioner's Annual Report for 1955 gives 141,000 as the average number of registered male labourers in employment of all kinds. Of this number about 15,000 were employed by the Railway and Public Works Department, about 10,000 on the Mines, about 15,000 were domestic servants and about 10,000 miscellaneous, leaving some 90,000 agricultural employees. In addition a considerable amount of agricultural labour was supplied by casual (unregistered) labourers, by women and children (e.g. in coffee picking) and by "squatters".

C. O.

38041/35

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Mr. Freeston. 3/4/35

Mr. E. A. G. 4/4

Mr. P. H. 4/4

Mr. Parkinson. Lee

Sir G. Tomlinson

Sir C. Ballancey.

Sir J. Buchanan.

Parly. U.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.

QUESTION.

Mr. --- to ask the Secretary of State for the Colonies whether his attention has been drawn to the recent statement by the leader of the European Elected Members of the Kenya Legislative Council to the effect that little or nothing has been done by Government since 1936 to assist the European farmers in the Colony; and whether he has any comment to make.

REPLY.

Yes, Sir. I have read the statement referred to with some surprise. The facts are that during the past four years the Government of Kenya has provided from its own resources direct financial assistance to the European agricultural community to the average amount of £26 per head in irrecoverable payments and £260 per head in money lent on easy terms.

In addition, the European producer

has

FURTHER ACTION.

has continued to enjoy the benefit of
a high protective tariff for many of his
commodities, of a railway rating system
so arranged as to lessen his costs of
transport to the coast, and (in common
with the rest of the non-native community)
of subsidised education for his children.

C. O.

Mr. Frentzen 1/2 ft.
Mr.
Mr.

Mr. Parkinson.
Sir G. Tomlinson.
Sir C. Bottomley.
Sir J. Shuckburgh.
Permit. U.S. of S.
Parly. U.S. of S.
Secretary of State.

DRAFT.

C. J. S. Barton Esq. OBE
(Secretary
Native)

FURTHER ACTION

W.D. for me
Answered by NOH
Air Rail

1/2/35

Dear Barton

The Secretary of
State has asked for -
list of "the definite benefits
granted settlers in the last
three or four years" by the
Government of Kenya and the
Railway. He wants it in
form which will stand
the light of publicity.

Something on the following lines
would, perhaps, meet the
case :-

50

3

PA

10

	1930	1931	1932	1933	1934	Total
A. Direct grants to European Agribusiness						
1.						
2.						
3.						
B. Direct loans						
1.						
2.						
3.						
C. Indirect Subsidies						
1.						
2.						
3.						

Under A. would come, e.g. the maize - cornstarch refunds of 1930, - possibly the paraffin rebate; under B., the Agricultural Advances (? £113,000 by now), the Rail-Bank issue, and (for farm, only) the cereal "loans" of 1930. Under C., any appropriate scheme ^{such as} ~~by way of~~ subsidised education (so far as it benefits the farming community) &c. &c.

I hope I am right in conjecturing that you have the data ready to hand, and it is only a question of tabulating them. We could, no doubt, produce something of the kind required without troubling you, but I should not be huffy about its completeness or accuracy.

Yours sincerely
H.A.

	1930	1931	1932	1933	1934	Total
A. Direct grants to European Agriculture						
1.						
2.						
3.						
B. Direct loans						
1.						
2.						
3.						
C. Indirect Subsidies						
1.						
2.						
3.						

Under A. would come, e.g. the maize - cornstarch refunds of 1930, - partly the paraffin rebate; under B., the Agricultural Advances (? £100,000 by now), the Rural Bank issues, and (for farms only) the credit "loans" of 1932. Under C., any appropriate estimate ^{such as} of subsidies ~~to agriculture~~ education (so far as it benefits the farming community) &c. &c.

I hope I am right in conjecturing that you have the data ready to hand, and it is only a question of tabulating them. We could, no doubt, produce something of the kind agreed without troubling you, but I should not be happy about its completeness or accuracy.

Yours sincerely
H.A.T.

Mr. Freestone

Introducing.

I think it wd. be useful to
list (at our leisure) the official
benefits given to soldiers in the
last 3 or 4 years, as shown in
the letter & the one Wade's brother
sent me.

P.S. 31/1/30

It might not be a bad thing if we
have some questions on the
A.C.

Mr. Freeston.

Introducing.

I think it wd. be useful to list (at our leisure) the official benefits given to soldiers in the last 3 or 4 years, as shown in the letter & the one hasn't written sent me.

P.S. 31/1/35

It might not be a bad thing to have some questions on the A.C.

Personal

53

2

The Leichhardt. Hand.

7th January 1935.

To dear Preston,

A happy New Year to you, it seems quite the last thing over & happening in this country. It is difficult to describe things clearly - The fronton is really economic and fiscal. At no time does it seem that the position has ever been let out as it is, and whatnot. We have had hard times here lately in view in large which has resulted in allocating 5.65312 of a good servant salary, allowances, pension, passage, leave & what not to the head or the other of the Departmental Expenditure. In Tonga as the late has mentioned Smith, who seems to have regarded his country as a supremely isolated atoll in the middle of the Pacific. In Taurua Pini, who dealt with matters which the local Government should have put to right years ago. In Apia nothing. In all three countries we have had a number of political reports which have not, when you come to think of it, done much to remedy our present disorders. I think the first inquiry of all should have been fiscal & economic, that it should have been by someone expert, or 'experts', from outside to that it is bound to come, and soon. It is quite clear

well deserved it.
enough

1911

54

It will need to be a new and better A
and there is no place to go but
in this and in the end of the world but
in itself probably all went well and
the world is believed not least
among the walls what would hap-
pen in case of a general war
which was small and there was no
such a thing. However it is all known
now that it was without this much
and after such a long and hard
and difficult war the British
had to give up a lot of what they
had and there is still not present
any real chance of a general war
but a small one and a very
small one.

What it should be Part African in its caste.

As I see it the position is - After the Boer war we
have or less in white settlement at a time when we
knew nothing of the country, its habit, its soil
or its tribe members. The Governor had peculiar
ideas, he favored settlement because he thought
an administration of areas was the proper ^{and} ~~and~~
method now trying to establish itself in the
country. He paid heavily at the time & are
still paying, for making white settlement into
almost unexplored territory. The official
truth began to continue under the war.

After the war came the White Settlement scheme
of settling large areas of almost unoccupied land
by lot, to men with little or no capital. It
proved a failure & very soon the Cape province
had to be repossessed, this mark have lost about
£1,000,000.

With we had a Chump, Geddes Committee to
work; and we added to our trouble by the
Currency affair which was more than partly
political. We ended with a so-called
Indian Question which was really a bluff as
everyone today admits quite openly.

Then the High taxation all of Sir Edward
Grey; high prices for produce; lots of

3

and now with all rights in mining and it would be best
to make out a de mortis causa will be set up.
Now this, indeed this, followed all of further course
united and several not added which the
United States Government having it, and
indeed against its own will of course was
it to itself without a just and adequate
and all the United States joined with others
in themselves being present with regard to this
and all other members in rapid short while
and especially rapidly with most not all will.
It followed at that time most probably of
course with all and not a single a very
one man and with themselves at the end
of whom where
it is evident we are now in and, now of
itself most now little hope of course
or that or a few men and the world of
itself of itself and little, and if indeed
such such should not appear
as well as all called right all not
but the moment not many good; says

5

55'

loan funds; predominant parties in a new State Union
of Guatamala; news with the Union of South Africa; and
a new form of society to be invented by the Home Rule
Group - it is a laboring thought to a Cambridge man
of how full life will be of Oxford men!!
Before we had successfully defied the economic
factors, but take from 1930 onwards -

1. Population. In round total 17,000 Europeans, 4,000 Indians
and 3,000,000 native. Of European males 25% in
agriculture, 20% in industry, 16% in public
administration & 6% in commerce; of Indian
males 1% in agriculture, 40% in industry, 80%
in public administration & 15% in commerce.
Native 100% in agriculture. Of the Europeans
engaged in agriculture about 44% are employed
in a total rural European area of over 5,000,000
acres about 550,000 is cultivated.
2. Tariff Policy. Suspended, suspended, about on
tariff + tax, tobacco + cheese + tea, wheat +
wheat flour, timber + paper. With the
additional result that local producers have
paid a higher level of prices for competitive
articles! Value of exports of protected comod.
this in 1933 £ 256,000 odd + of sugar, which
is exported at a loss, is deducted the figure is
£ 122,000. Not very successful, & the total consumer
pays.

3. This form of Manitoba. Monopoly control over tobacco which in 1930 exportation, at times, at less than 6d a lb while the local price is well over it. Wheat & wheat flour price nearly double in the case of wheat, & more than double the import price in the case of flour; in 1930 £70,000 appropriated from revenue to enable railway rate refund to Cereal Growers; in the same year £16,000 loaned directly to cereal growers; in 1933 5% of debt on imported grain refunded to millers; very preferential railway rates; a monopoly collect by 1930 Pale Wheat branwheat; 1933 value export £1610; wheat growers 347 - a pretty picture to add to the history of protected industries. Lager protection, protection given by railroads, rates, costing £24 a ton in Canada to £7 a ton for export; a low grade product used to be compared with Table lager in England & costing a great deal more in Canada. Timber protected and so to the normally imported to Quebec to get the import trade. The result then you have the available commodities - beer, tea, cigarettes, tobacco, sugar all protected to some as the basic fuels short of the corresponding British ones. I am not a Free Trader.
4. Still more forms of Manitoba. Practically everything needed for farming on the free list of the customs Tariff; a

2

What was British National standard of living will
be a low mark and the result is, without doubt it
will be death. It would be very hard for
anyone to live in such places where there is
no food, no fuel, no shelter, no clothing, no
medical care, no job, no money
and the result must be an alien
state of life. This is a most severe
and painful condition which is reflected in
all the social conditions. The current situation
is a terrible one. And the government of
this country has done a great deal of work in
order to help those who are in need.
However, we must still keep a position
which reflects well upon our country and
we must support all the efforts of the government
and withdraw the opposition as well.
In addition, the people are needed, willing
and should be used to help along with all
the other work.

5

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territorial and Territorial Customs Agreement; high
tariff rule on imports to pay for low rates on
exports; £16,000 given to grain growers in 1930 by
refund of trading & conditioning fees; conditioning fees
reduced in 1932 to 1933; rebate of customs on
petroleum used for agricultural purposes which has
been about £10,000 since 1929; the cereal loan
plan already mentioned in 1930 off £116,000; a
perpetual £100,000 out on loan since 1930
by agricultural advances, 103 farmers only
participating; £425,000 out on loan from
the Land Bank to 328 farmers; £89,000 spent on
European interests as against £39,000
paid on Indian interests by the Agricultural
Department, according to Mr. Morse, in 1931 also.
Most of this money has gone to the wheat
& wheat growers whom there were 816 men
and 347 wheat, but the classification works,
in 1934. That is to a majority of the
farmers ^{especially} who are themselves a minority
of the population, let alone the Indians & Celts.

5. Get more forms of assistance. Continued growth of expenditure
over revenue on European and Indian Education
I think is about £43,000 & £28,000 respectively
spent in 1933, add to that remissions offees
to this time off £22,000 odd between 1932 & now.
Turn to page 18.

had a number of local residents - who expected
a visit with the rest of visitors or what would
it cost to cover cost of visit outside. This
is a good idea & probably helpful
in general, and provided a good opportunity
to cover a cost. £20/- is modest
but could be charged and well justified
as long as it is not enough to double the
cost of the service. It is hundred people and
the cost of a bus would be double the
amount charged.
The cost of a bus would be £1,200/- if undertaken
by one bus, or £200/- if shared and 10
people had a ride. A local resident or local
resident could sit in front and charge a bus
fare of 10/- and provide a seat for
each of the other visitors. This would be
done well without much trouble. The bus
will be retained at least 1 day. HEP is
not a problem & it is best. HEP is
able to make a reasonable and ^{representative} report
and a number of people will be interested in the
cost of travel required. ~~especially now~~ and ~~now~~ cost to 2
local visitors has required a round trip
cost of £200/- or £200/- each is about
an annual cost. In this £20/- is still
a good cost with 10000, £20/- cost of
and just reasonable and doesn't cost.

£3,203 in 1929 & in 1934 they are £21,842.

Local non-teaching local government finance was
Rt Hon. Babuji Naoroji and Morabai there is only
hospital rate at Pudret & Kihali; in the tehsil areas
there are voluntary rates mainly very where in the
tehsil is to stop them going too fast ahead. In 1933
Government contributed £83,000 odd to non-teaching
local government institutions, in the tehsil areas
it has been contributed anything to such institution
In 1933 the tehsils spent £52,000 odd on local
Educational, Agricultural, medical & activities
to had a surplus of £103,000; in non-teaching
areas nothing has spent & never has been
done any work of one financial standing
show such a series of open-handed donations.
Yet the necessary steps to take to have done
nothing for ~~education~~, it is repeated over &
over again and there seems to be no way
what ever of getting the country to realize
the facts, or to answer the question who is
paying. The reward of all this
open-handedness you will by now know
from the papers in the Budget Session
last month. I have not yet made up
my mind what did happen to ~~the~~
it happened or how it could have been
avoided.

SAT, 16th we left H.P. at 7 AM in 2022
 New snow on mountains, road about 10 miles.
 A lot of red sandstone rock almost solid rock
 and looks like it. Needs to travel to see what
 all is made up of sand stone and red
 sandstone. Red sandstone is very hard & thin
 and a lot of red sandstone
 needs to be cut out to get through
 sandstone. Lots of red sandstone and lots of
 red sandstone. Red sandstone is very hard &
 needs to be cut out to get through
 sandstone. Red sandstone is very hard &
 needs to be cut out to get through
 sandstone. Red sandstone is very hard &
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 needs to be cut out to get through
 sandstone. Red sandstone is very hard &

18th January, 1936 7
 I had written this letter until now partly because it
 was too long & I thought of leaving it off, partly
 because of the burdening over-work & partly
 because I wanted to let things back for speech
 I might as well finish it & you may have time
 to read it.
 As I see things the recent happenings are -
First Unofficial members spent most of last
 year trying to get financial control by
 means of a Statator Committee. They
 obtained a Standing Finance Committee of
 3 officials, 3 Unofficial members, 1 half-time
 member & 1 Indian member. ~~as~~ Thought
 this committee would be a committee "not under
 Statator, but it is now a Standing Committee
 of Statator Council. This true that it
 is to deal with matters referred to it by the
 Governor and the 1935 Budget was not
 referred to it before it was presented
 to Council. How long it will be
 before this body reviews the Budget before
~~its introduction~~ remains to be seen. I
 scarcely see how this can now be avoided.
 And I hesitate to say what will be
 the position if this is done. Very probably

the position would be quite altered by the Unofficials in a complete deadlock to the Budget Review 15 times. This claimed by the Unofficials as a great Constitutional advance. And I must say I personally think it has all the makings of becoming true although such an advance has not hitherto ~~been made~~.

Secondly the 1935 Budget. There I am on difficult ground because in its first stage I had a good deal to do with its preparation. I held the view that the machine should be kept going, that all new expenditure however legitimate or ordinary nature should be deleted & that by pouring water down to the actual expenditure of the previous year & then a balance of about £15,000 would be obtained. This is, of course, pure "house keeping", but it turned to be the only course at a time as this when every expert is confounded. But in this

is off the track & off the sugar is unpleasant especially when odds & ends of various need more money & only Department can of worse, put up a good case for itself. This budget £14-15,000 balance had been reduced to £2,500 and so the went to court.

You will have read the very unfairly

described all of which will be stored outside the
house itself. The northeast telephone is now
disconnected and I myself will sink it
and not connect it again. I have had
a number of calls from the telephone company
and they are trying to get me to pay
them back for the damage they
caused by disconnecting it. I am not
concerned about this because I have
been talking with the telephone company
and they say that they will refund the
amount of the damage if I can prove it
to them. I am not worried about this and
I will do what I can to help. I have
a small ticket "piggy bank" and saved
all my money in it so that all of
my savings will go to the telephone company.
I am saving up for a new house
so that I can move there. I have
already bought a lot of land and
will soon start work on it. I have
had some trouble with the telephone company
but I am not worried about it. I am
just going to wait and see what happens.

If this continues
with a
loss -

9. 61
The Budget debate's
Reported account in the newspapers, it will be some
time before the "Standard" is ready. I need
say no more, save that I consider the threats
made to much stuff.
The Budget then went to the Standing Finance
Committee & the 3 European Economic Ministers, who
had, it seems, made some arrangements with the
Indians during the debate, walked out. They
were not accompanied by the 1 Indian. The
Budget went back to the air with a \$10,000
balance attained by increasing the tax.
More threats were uttered and somehow or
other the impression got about that there
would be some assistance to the Can-
adian P&T Tax & that it would apply to
the Indians and so bring about chaos. I
think this was genuinely held by some people
for a spell - I have done 10 years with them
& over 10 years at least a quarter - I am
sure that the Indians would be very wary
of following the European lead, & I am
sure that the ~~other~~ Indians would
not be able to distinguish between Indians
and ~~Europeans~~, but I am ^{also} sure that no
European would be ~~such~~ an un-
mitigated criminal fool as to ~~such~~ ^{show} ~~such~~

9.

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the natives such a hellish example in a country like this. It would only end in ghastly murders on the farms, everlasting Native Fronts and an end to white settlement — what an example of trusteeship is nowa present! That is why I think the threats are bluff, but I have been writing of late Europeans. The devil of it all is that these idiots have lately taken up a resistance, some heretical course that is, ~~and have now~~, publicly divorced it — rare as a hen's tooth mark. In this fashion the seed has been planted, if it should spread its evil forth to the natives it is the traders who are to blame. But in my opinion the natives will have none of it. It is still true that the Elected members do not represent the country, compare the voter roll with the population.

The Third thing is the appointment of the Economic Committee. So far as I can make out the elected members hold that Government is committed to reduce by £100,000. That seems to me an impossible figure, & the whole tenor of the Government speeches in the Budget debate was that reduction was impossible. We spent last year dealing with the Dependants' ~~Advisory~~ Committee & now there is this committee. The only result I can foresee is a deadlock, the

and placed a in deposit till a date stated in
it or removed therefrom and also show it
to any and about whom particular care
is taken to prevent the same from
being used for any other purpose
and which will not be done without
the express consent of the party
to whom such document is given and
which is to be done in the presence
of two witnesses who shall sign
and affix their names thereto
and which will be delivered to the
party to whom such document is given
and which is to be done in the presence
of two witnesses who shall sign
and affix their names thereto
and which will be delivered to the
party to whom such document is given
and which is to be done in the presence
of two witnesses who shall sign
and affix their names thereto

two elected members on the Committee will form
for retrenchment, stopping increments and
a larger cut on salaries. But in view of
Emile Gouraud - Bentwich, the lowest type
of loose politician we have been here, & that
his class the proposal will be made that
salaries below £ 600 & below parity
will be struck - that of the £ 600 & below parity
are in his constituency. Like the people on
£ 600 - £ 1000, who have children who would
be the most hardly hit.
It is a pretty little affair & in my opinion
the whole affair will boil up again about
May or June. The elected members hold
this man Mr. the Governor on the run &
have only to get the former Minister as
a last resort to keep him on the run as
long as they like.

- last night there was a large political meeting
in the theatre here. The time taken was:-
1. No more Government from Downing Street,
Abuse of the S/S. Justification of the English
colonial remarks of Peter Montagu when
US of S about the War of India in
the S/S - the former the latter "alibi".
 2. Financial control within eight, & when

most fully informed and most liberal and
least doctrinaire people, thousands of
of whom are well educated - what would be
the result? - I think it would be
that we would be more liberal at all in
our views and more open to new ideas
and willing to accept them. However,
I would not say that our countrymen are not
more than willing to accept new ideas - just
as they are in other countries. In fact, our
countrymen are more willing to accept new ideas
than most other countries. In fact, our
countrymen are more willing to accept new ideas
than most other countries.

What would be done
with regard to the
new ideas? I think

the new ideas

will be accepted

and will be adopted

that is attained closer union & more contact
with our neighbours.

3. to bring back "we are
here to help them to
get out of the
war" speech, and
to repeat it.
4. working along for the European Council
Edward Phipps time - then deal with
this paper ~~as~~ back.

and nearly every place mentioned. Groton, I
am glad to say, turned his aeroplane on the
bay out, but I fear he will have the
storm when he arrives. It is now very dangerous
to travel to drown all the ills we suffer from.

In my view the great trouble is that there
is no way that can prevail for letting at
the people to tell them the plain political
facts, let alone the economic ones, for the
Governor's Speech in legislative council. The
door is closed, we may not hold public
meetings to launch issue manifestos
like some South American governments.
Elected members will not get accurate in-
formation & deliberately falsify what the

and small + round soft knobs in thick
woodpecker nest not very
soft wood and . In the nest wood and
sooty wood for brooded nestlings
in which - several pieces of wood and
sooty wood - "nesting material"
mixed - mixed with a lot of fine
dust from wood all with soft texture
+ taste wood and aged wood
that was used for nest

129. A. 1905.

I know, or should know; and the average man
makes policies of his particular brand.
Personally, I think a plain statement of the position
long over due, & because it is with only
rural, but fiscal & economic, I think there
must be an authoritative vehicle inquiry, and
for all East Africa. more tax would not
be difficult. ~~aggravated~~. If this talk of
pan-Africanism continued then the question
would have to be either tried to deposit,
preferably the latter & the sooner the better. It
seems to me quite idle to plot for time, we
have done so for so long already, and I feel
this issue can, in part, be faced outright. I
do not believe in white settlement, but I
do believe in economic white ~~farmers~~ General
farming has been its day out.

You only said something about my
spiritographic style, this letter is uncom-
municative in length but I hope you will
have read it.

As far as I confess I am tired of the
marketing, struggling with health at Ephesus
I never being able to get anything done in
this country. In the deluge of work we
have it is comforting to hear Belling

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and we work at home; we don't smoke or, we don't
smoke cigarettes except when we eat
them after breakfast only a small I, personally
do they taste good & we don't eat
all that.) however & being hot, each
of which doesn't taste good so it tastes
not good. right now we're not
all that with ~~the~~ things we
work out with breakfast and we're
tired & tired until we eat something
which will work out & that will give us energy
so most of the time we're not
good & good. you know right off we're not
right for breakfast & most of my work is
not, breakfast does not go well with that so
~~most~~ most times we're not good all
the time & we eat & we eat & we eat
so it's not good & we eat &
we eat & we eat & we eat &
we eat & we eat & we eat &
we eat & we eat & we eat &
we eat & we eat & we eat &
we eat & we eat & we eat &

14.

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blaspheme on the differences between the
countries & the terrible place he has
been in before. This is a world of pits we
are as we are, for this is a very fine
country.

I see my brother-in-law Clarence Burton
has been on the rampage, he is a curious
fellow, he returns soon with his wife, B.
whom he intends parading on us so far as
I can make out - a remarkable lady, but
very stupid. The Governor has been
hunting at Intebbe and as they are all
returning at different times there may
have been a free fight - that H-H
Report clearly turned the grey. You
may come across Stanley from our
Northern Frontier Area or leave, & you
do listen to him.

Books I have been reading on Bryant
Pepper, Nickerson's Oregon, Grace Glavin
the God. If you have not read them
you would, I think, like them.
I hope all goes well with you all. My
love to Cliffe. Yours, Max Burton.

Copy

NAIROBI.

6.1.35.

My Dear Adolph,

Thank you very much for your air mail letter of the 23th Dec. I will try to deal with Hill's points seriatim.

1. A new loan for development purposes:-

The trouble is that we have already borrowed so much that we are told by the City Financiers that our credit is exhausted and we cannot borrow any more. Our loan debts (for Railways and Government) amount to £12,000,000.

2. Lighthage dues. I don't understand this as we have several deep water berths built at colossal cost out of loan where big steamers regularly come alongside and discharge. I haven't come ashore by boat for some years; we regularly come alongside.

3. Mail freights. These are high but without them the Railway could not pay its way. The gradients are steep and the track crosses the Great Rift Valley: it then rises again and then drops rises to about 8,000 ft. and then drops suddenly, to Lake

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the producer - rates on produce for export are ridiculously low and these have to be compensated for by high import rates. e.g., my Cathedral Committee had to pay no less than £20 for transporting its new organ from Mombasa to Nairobi, although all the Railway costs (including loan charges, depreciation &c., &c.) would have been more than covered by £20.

4. Government has not done its fair share for the settler.

It is questionable whether Government has not done so much. The following are some of the ways in which Govt. has helped the settler -

(a) Protection - i.e. prohibitive import duties on commodities which can be produced in Kenya, e.g., Bacon, Butter, Cheese, Wheat and flour, Timber, Sugar, Tea. The result is that the consumer pays a very high price in the interests of the producer. e.g., the local price of sugar is about £24 per ton whereas the world price is about £7!

(b) the free list - anything for agriculture., e.g., machinery, stock, crude oil, wagons &c., &c., are imported

free

free of duty.

(c) Railway rates - these have been mentioned above.

(d) Refunds and Rebates

(i) to help grain growers of the 1929-30 crop £70,000 was provided by Govt. and the Railway to refund rates and port charges.

(ii) £15,000 was refunded in 1933 in respect of grading and conditioning fees.

(iii) to help wheat millers in 1932 and 1933 nearly £50,000 was refunded on account of import duties on wheat.

(iv) during the last 5 years £36,000 has been refunded on account of paraffin used for agricultural purposes.

(e) Loans

(i) Over £100,000 has been lent to the Maize growers without much hope of getting it back.

(ii) £500,000 has been lent to farmers by the Land Bank.

In

In addition to the above there are many grants to research institutions etc. and there is recurrent expenditure on the Agricultural Dept. amounting to £88,000 per annum. Besides all this, subsidization of agriculture the settlers are helped in other ways, e.g., the Prince of Wales' School (a sort of mixture of a Grammar school and a Public School) costs £10,000 p.a.; as there are about 100 boys this amounts to giving every boy £100 p.a. plus there is a scholarship of £100 p.a.

5. Roads. Realising that development must depend on communications we have spent an enormous lot on roads - over £1,000,000 from Loan and about £70,000 p.a. from revenue to improve them. We simply haven't got any more money to spend. In 1933 we had 4,000 miles of public roads at an annual maintenance cost of £10 per mile, and now we have 10,000 miles at an annual cost of £5,10. I know nothing of the particular system mentioned by Hill, but we have an elaborate system of roads and district roads and private farmers and groups of settlers have "roads of access" to them.

Apart from Hill's points our loan position of course onerous. It is hard to have to pay 6 per cent interest. But a bloke who bought £100 worth of our bonds for £125 on the understanding that he was going to get 6 per cent. until 1946 isn't going to see his interest reduced to 3½ per cent. or 4 per cent. without a quid pro quo. and our present advice is that the "quid pro quo" would cost us more than we should gain. However financial advisers to the Colonial Office are on the case and something may eventuate.

In my last letter to you I think I said that our drink bill is "staggering". That perhaps was an understatement. It is about a quarter of a million pounds, which is pretty big for a European population of about 17,000 (men, women and children) but it is not quite so bad when it is realised that we have no cheap drink here like draught beer or continental wine. We make a reasonably good local bottled beer but it is fairly expensive, and whisky

whisky costs about 13/- a bottle.

Best wishes for the New Year,

Yours affectionately,

(S.D.) A. de V. WADE.