

TENTH DAY.

Held at Nairobi on the 24th day of January, 1921.

The Council assembled on the 24th day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
 THE HON. L. COLLINGS WELLS.
 THE HON. THE ACTING TREASURER (H. H. RUSHTON).
 THE HON. V. V. PHADKE.

QUESTIONS.

THE HON. T. A. WOOD asked the following questions:—

1. What quantity of timber is required for the new Public Works Department Programme?
2. Is it intended to purchase all of this locally?
3. If not, how much is it proposed to import?
4. What will be the cost of the imported timber per square foot, c.i.f. Kilindini?
5. From what country will the timber be imported?
6. If timber is so imported for the Public Works Department will it be charged with Import Duty?
7. How many new Government Houses is it intended to erect and over what period of years? Will the erecting of these new houses be given out to local Contractors?
8. What sum does the Director of Public Works intend to expend on new workshops and machinery for the use of his Department?

THE HON. THE DIRECTOR OF PUBLIC WORKS replied as follows:—

1. By the "New P.W.D. Programme" it is assumed is implied the £800,000 Building Loan, and the answers are intended to cover this:—Approximately 7,200 tons.
2. It is hoped to obtain the whole of this timber locally. Whether it is purchased or obtained from the P.W.D. Forest or elsewhere depends upon what guarantees can be obtained from local timber merchants for the supply of this quantity properly seasoned and at a reasonable price.
- 3, 4, 5, & 6. It is hoped to avoid importing any timber.
7. It has not yet been decided how many houses are to be built. The promised subdivision of the money, so far as has been recommended up to the present, is set out in the schedule laid upon the table. It is anticipated that this work will be completed within three years. It is proposed to do as much of the work by contract as can be arranged at a reasonable price and time.
8. The sum to be expended depends upon the amount of contract work which can be arranged. Advertisements have been placed in the *Official Gazette* and Press with the

object of ascertaining this. It is highly improbable that the whole of the work can be arranged by contract, and a certain amount of new workshop space and machinery will be required, but nothing will be done in this respect until requirements have been placed before the P.W.D. Commission.

THE PUBLIC HEALTH ORDINANCE, 1921.

THE HON. THE ACTING PRINCIPAL MEDICAL OFFICER moved that Council resolve itself into a Committee to consider further the provisions of a Bill intitled "An Ordinance to make provision for securing and maintaining Health."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The consideration of the Bill Clause by Clause was continued and amendments chiefly in accordance with the recommendations of the Select Committee were made.

THE HON. THE ACTING PRINCIPAL MEDICAL OFFICER stated that the Select Committee recommended that Part XV. of the Bill dealing with European and Non-European Reservations in Commercial Areas should be deleted. The question was fully debated and it was finally decided by a majority of 20 votes to 2 that the Part be included in the Bill, the Hon. the Acting Principal Medical Officer and the Hon. the Director of Public Works dissenting.

The Council resumed its sitting.

THE HON. THE ACTING PRINCIPAL MEDICAL OFFICER moved that the Bill as amended be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING PRINCIPAL MEDICAL OFFICER gave notice that he would move the third reading of the Bill at a later stage of the Session.

Council adjourned till 9 a.m. Tuesday, 25th January, 1921.

ELEVENTH DAY.

Held at Nairobi on the 25th day of January, 1921.

The Council assembled on the 25th day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.

THE HON. L. COLLINGS WELLS.

THE HON. THE ACTING SOLICITOR GENERAL (K. J. MUIR MACKENZIE).

THE HON. W. J. MOYNAGH.

**THE APPROPRIATION ORDINANCE,
1921.**

THE HON. THE ACTING TREASURER in pursuance of notice given, introduced and moved the first reading of a Bill intituled "An Ordinance to apply a Sum of Money for the service of a period from 1st April, 1921 to 31st December, 1921."

He said that copies of the Estimates containing details, together with copies of the Budget Statement had been circulated to Members and an opportunity would be given them to obtain any further information which might be required when Council was in the Committee stage.

THE HON. THE ACTING CHIEF SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ACTING TREASURER gave notice that he would move the second reading of the Bill at a later stage of the Session.

**THE ESTATE DUTY (AMENDMENT)
ORDINANCE, 1921.**

THE HON. THE ATTORNEY GENERAL in pursuance of notice given, introduced and moved the first reading of a Bill intituled "An Ordinance to amend the Estate Duty Ordinance, 1918."

The object of the Ordinance, he said, was to make one or two small amendments in the direction of allowing certain time to elapse from the date of death until the date at which interest must be paid, and also to substitute for the present scale of Estate Duty the scale in force in England. That scale in the minor amounts was practically the same but it increased in estates of higher value.

THE HON. THE ACTING TREASURER seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ATTORNEY GENERAL gave notice that he would move the second reading of the Bill at a later stage of the Session.

**THE GENERAL LOAN AND INSCRIBED
STOCK ORDINANCE 1921.**

THE HON. THE ACTING TREASURER in pursuance of notice given, introduced and moved the first reading of a Bill intituled "An Ordinance to declare the Terms and Conditions applicable to Loans authorised to be raised by the Government of the Colony of Kenya and to provide for the Creation of Inscribed Stock."

He said the objects and intentions of the Bill could be shortly and simply stated. The country had now reached the rank of Crown Colony and as such was entitled to raise loans. The Ordinance

provided the legal basis to enable that to be done. The question of loans had to be considered and sooner or later would have to be raised. The Bill itself did not commit the Government to raise Loans; it provided the legal machinery necessary. The Bill only applied to loans raised in England on behalf of the Government of Kenya.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ACTING TREASURER gave notice that he would move the second reading of the Bill at a later stage of the Session.

THE INCOME TAX ORDINANCE 1921.

THE HON. THE ACTING TREASURER in pursuance of notice given introduced and moved the first reading of a Bill intituled "An Ordinance to Amend the Income Tax Ordinance, 1920."

In support he said the objects and intentions of an Income Tax Bill had several times recently been stated to the Honourable Council and there appeared therefore to be no reason for reiterating them. The particular objects of this amending Bill were to make clear several points on which doubt might arise. It gave relief in respect of incomes derived from sources outside the Colony but brought into the Colony. It gave reciprocity of treatment in respect of relief to residents in England deriving income from this country. It also provided additional machinery for the proper collection of the Tax and a matter which it gave no one pleasure to introduce, i.e., a considerably higher Schedule. He thought it would be more appropriate if he made what further remarks he had to make upon the second reading of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ACTING TREASURER gave notice that he would move the second reading of the Bill at a later stage of the Session.

**THE TRUSTEE INVESTMENT IN KENYA
GOVERNMENT SECURITIES ORDINANCE
1921.**

THE HON. THE ACTING TREASURER in pursuance of notice given introduced and moved the first reading of a Bill intituled "An Ordinance to enable Kenya Government Loans to be treated in England as Trustee Securities."

The objects of this Bill were to further secure that Government might raise loans on most favourable terms or Trustee Security. It also prevented the Government, if it had raised a Loan on certain terms and conditions, from subsequently altering them by a further Ordinance if it prejudiced stock holders. There was no security without this. It also provided that if the United Kingdom Courts adjudicate any moneys due in respect of securities issued by this Government they must be paid at once by the Crown Agents without appropriation here.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ACTING TREASURER gave notice that he would move the second reading of the Bill at a later stage of the Session.

THE APPROPRIATION ORDINANCE 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to apply a sum of money for the Service of a period from 1st April 1921 to 31st December 1921," be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER moved that Council resolve into a Committee to consider the provisions of this Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Schedules of the Estimates were taken item by item and

Schedules I., II. and III. were passed.

In Schedule IV. an item 6a was inserted: Personal allowance to Mr. C. E. Spencer, £100. The vote was then passed.

Schedules V. and V.a were passed.

Schedule VI. Item 17. The Hon. The Acting Colonial Secretary explained that by an error this item allowed for 86 Second Grade Administrative Officers whereas 85 was the full complement. He therefore moved the reduction of the vote by £300, the pay of one officer for nine months.

The question was put and carried.

ITEM 173. On the motion of the Acting Principal Medical Officer this item was increased by £1255 to provide for improved Sanitary services.

The Schedule was then passed.

Schedules VIa, VII, VIII, VIIIa, IX, IXa, X, XI, XII, XIII, were taken and passed.

Schedule XIV., Item 136. Debate having taken place on the subject of the use made by Medical Missions of drugs issued to them free by Government, The Hon. The Acting Chief Secretary moved that this item be altered to read:

Item 136. 2 Medical Missions £2587

Item 137. Medical Work in the Native Reserves £5306

This was put and carried unanimously.

THE HON. R. B. COLE asked permission to revert to Item 35 on this Schedule, and this having been granted he moved that the item be increased to £225.

The question was put and carried.

The Schedule was then passed.

The consideration of Schedule XIV.a was deferred.

Schedule XV. was taken and passed.

Schedule XVI. Item 35. The Hon. The Director of Education moved that this item be increased by £150.

This was put and carried.

Council adjourned till 9 a.m. Wednesday
26th January 1921.

TWELFTH DAY.

Held at Nairobi on the 26th day of January, 1921.

The Council assembled on the 26th day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
 THE HON. L. COLLINGS WELLS.
 THE HON. W. J. MOYNAGH.
 THE HON. V. V. PHADKE.

APPROPRIATION BILL 1921.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to consider further the provisions of a Bill intituled "An Ordinance to apply a sum of money for the service of a period from 1st April 1921 to 31st December 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

SCHEDULE XVI. EDUCATION.

HIS EXCELLENCY stated that instructions had been received from the Right Hon. The Secretary of State for the Colonies that a larger proportion of this vote must be allocated to Indian and African education. The consideration of the vote was deferred pending the necessary reallocation.

SCHEDULE XVI.a.

THE HON. H. C. KIRK asked what was Government's intention with regard to providing a school on the Trans Nzoia. The Hon. The Acting Treasurer having stated that he could provide £6,000 as an advance against loan funds, His Excellency gave directions that arrangements be

made to commence operations at once, and that any funds necessary for staff should be found from Savings on the Education Department Vote.

The Schedule was then passed.

SCHEDULE XVIII. MILITARY.
ITEM 252.

THE HON. THE ACTING CHIEF SECRETARY moved that a sum of £1800 be included in this item to provide for the appointment of O.C. Troops.

This was put and carried.

THE HON. T. A. WOOD moved that the office of Inspector General be abolished. After debate the question was put and on a count being taken 8 votes were recorded for and 8 against the Motion. HIS EXCELLENCY gave his casting vote against the motion which was therefore defeated, but undertook to forward a despatch to the Right Hon. The Secretary of State for the Colonies on the subject.

Item 324. The Hon. K. H. Rodwell moved that the post of Staff Officer should be held by an ex-Regular Officer. This was put and carried. His Excellency undertook that representations in the matter should be made to the Right Honourable the Secretary of State for the Colonies.

Schedules XIX. and XX. were taken and passed.

*Council adjourned till 9 a.m. Thursday
27th January 1921.*

THIRTEENTH DAY.

Held at Nairobi on the 27th day of January, 1921.

The Council assembled on the 27th day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
THE HON. L. COLLINGS WELLS.
THE HON. W. J. MOYNAGH.
THE HON. V. V. PHADKE.

THE APPROPRIATION BILL 1921.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to further consider the provisions of a Bill intituled "An Ordinance to apply a sum of money for the service of a period from 1st April to 31st December 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

SCHEDULE XX.a was taken and passed.

SCHEDULE XXI. The Hon. The General Manager, Uganda Railway made a statement outlining proposals for dealing with Railway Estimates. After debate it was decided to leave the consideration of the vote until Hon. Members had had an opportunity to peruse the memorandum which was laid on the table by The Hon. The General Manager.

SCHEDULE XXII. Item 10. The Hon. T. A. Wood moved that this item be deleted from the draft Estimates. The question was put and carried, and the item was deleted.

ITEM 47. The Hon. Sir Northrup McMillan protested against the proposed reduction of this item. The Hon. The Acting Chief Secretary moved that the item be increased to £600. The question was put and carried by 15 votes to 5.

ITEMS 116 AND 117. The Hon. A. C. Hoey moved that these two items be deleted from the Draft Estimates.

THE HON. THE COMMISSIONER OF LANDS proposed the following amendment:—

"That in the opinion of this Honourable Council the strongest representations should be made to the Secretary of State to arrange for the co-operation of Tanganyika Territory in Veterinary matters in East Africa and for their *pro rata* contribution to the salary of a Veterinary Adviser."

The amendment was put and carried by 14 votes to 4.

The Schedule was then passed.

SCHEDULE XXII.a. ITEM 4.

THE HON. THE DIRECTOR OF AGRICULTURE laid on the table a memorandum by Mr. V. H. Kirkham on the subject of Amani Institute.

The Schedule was then passed.

SCHEDULE XXIII. ITEM 30.

THE HON. R. B. COLE moved that this item be increased by £100. After debate it was decided to delete the item.

The Schedule was then passed.

SCHEDULES XXIV., V., and VI were taken and passed.

SCHEDULE XXVIII. ITEM 1.

BRIG. GENL. THE HON. S. H. CHARRINGTON moved that item 88 of Appendix "K" be increased by £300.

This was put and carried.

THE HON. A. C. HOEY moved that item 24 of Appendix "K" be deleted and that the amount be added to item 23, making the figure for the latter item £4,786.

This was put and carried.

On the motion of The Hon. H. C. Kirk item 23 of Appendix "K" was reduced by £800 and the amount added to item 27, making the figure for the latter item £2,000.

The Schedule was then passed.

The Council resumed its sitting.

THE HON. THE DIRECTOR OF PUBLIC WORKS moved that progress be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

REPORT.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY laid on the table the Report with regard to the powers and scope of the Inter Colonial Railway Council and its relation to the Governments of the two Colonies.

SUSPENSION OF STANDING ORDERS.

THE HON. THE ACTING COLONIAL SECRETARY moved that the Standing Orders be suspended in order that Council may continue to consider in Committee the provisions of the Appropriation Bill.

THE HON. THE ACTING TREASURER seconded.

The question was put and carried.

THE APPROPRIATION BILL 1921.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to further consider the provisions of a Bill intituled "An Ordinance to apply a sum of money for the service of a period from 1st April to 31st December 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

SCHEDULE XIX.

It was decided to delete item 7 of this vote and to add the amount to item 6 which was altered to read:—

“Mombasa Water Supply, Capital Works £28,232.”

The Schedule was then passed.

Schedules XXIXa and XXXI, were then taken and passed.

The consideration of Schedule XXXVI. was deferred.

SCHEDULE XIV.A.

On the motion of the Principal Medical Officer it was decided to insert an additional item (No. 8) in this Schedule “Conservancy Requirements, Mombasa, £13,150,” to provide for more efficient conservancy and sanitation work on Mombasa Island.

The Schedule was then passed.

*Council adjourned till 9 a.m., Friday 28th
January 1921.*

FOURTEENTH DAY.

Held at Nairobi on the 28th day of January, 1921.

The Council assembled on the 28th day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.

THE HON. L. COLLINGS WELLS.

THE HON. W. J. MOYNAGH.

THE HON. V. V. PHADKE.

MOTIONS.

THE HON. SIR NORTHRUP McMILLAN proposed the following Motion:—

“To appoint a Committee of Council to consider what amendments might with advantage be made to the existing mining laws of this Colony.”

In support of his Motion the Hon. Member said he had talked the Motion over with all those people in the country who were interested in Mining and he was sure he had the support of the Honourable the Commissioner of Lands. He did not wish to speak at length but there were certain things in the Mining Laws of this country which had been drafted in some other country where white labour had been available. In Kenya there was only white supervision and it was ridiculous having the present laws. If a Committee went into the question they would have the concurrence of the Honourable the Commissioner of Lands, who was head of the Department.

THE HON. THE COMMISSIONER OF LANDS said he would like to second the Motion and to add practically nothing at all to what had been said. The facts were as stated. There were a number of minor Ordinances which might or might not be changed. There was only one difficulty and that was that there were so many Committees of Council sitting at the present time that he would ask the Mover of the Motion if the Committee to be formed might report at a later Session as there were so many which had to report at the present Session.

THE HON. SIR NORTHRUP McMILLAN said there was no objection to the Honourable the Commissioner of Lands' proposals except, he pointed out, that there were many claims which would be forfeited if the Committee did not sit at once. If they could have an assurance from the Honourable the Commissioner of Lands that the claims would not be violated he was quite agreeable to the Committee reporting later.

THE HON. THE COMMISSIONER OF LANDS gave the assurance and said that during the past 12 or 18 months exemption certificates had been granted under special conditions, and this system would be followed.

THE HON. THE DIRECTOR OF PUBLIC WORKS asked if it was necessary that the Committee to be appointed should consist of Members of Council. He thought better advice would be obtained from experts.

THE HON. THE COMMISSIONER OF LANDS expressed his regret that he did not explain before that he thought it was the intention of the Committee to call the evidence of experts. It was not considered to warrant the appointment of a Commission.

THE HON. SIR NORTHRUP McMILLAN said his idea was that expert evidence would be called.

HIS EXCELLENCY then proposed the names of the following gentlemen for the Committee:—

THE HON. THE COMMISSIONER OF LANDS AS CHAIRMAN.

THE HON. SIR NORTHRUP McMILLAN.

THE HON. T. A. WOOD.

THE HON. THE DIRECTOR OF PUBLIC WORKS.

The question was put and carried

The Motion was then put and carried unanimously.

THE HON. W. J. DAWSON proposed the following Motion:—

“That Government be asked to introduce a legislative measure providing for daylight saving.”

The Hon. Member said that Motion was the result of a Resolution practically in the same words which had been passed at the last meeting of the Convention of Associations and also as the result of the Chamber of Commerce and the Nairobi Municipality having signified that they agreed with the principle. He understood they had agreed some long time ago. The exact intention in bringing the Motion up was to propose to Government to put on the clocks of the country exactly 30 minutes. Every clock in the country was to be put on 30 minutes. The position had been considered that while putting on the clocks for 30 minutes would benefit a very great many of the community it would affect no portion of the community or any one detrimentally. The position of a certain class of white worker in the towns, at least of the Government, was as follows: The individual spent the first three hours of daylight more or less in bed and at his breakfast. He then put in a full day's work which finished at 4 or 5 p.m. The proposal was to take half an hour from him in the morning and to give him back half an hour at night in order that he might go in for some healthy form of recreation—to a certain extent outdoor recreation. He thought the medical people would agree that a certain amount of healthy exercise was necessary to the health of any community, and especially to the health of a community placed in a slightly doubtful climate in some parts of Kenya. They did not want to grow up to be classed in 10 years time as a C.3 Nation. With regard to the farming community putting on the clocks 30 minutes would not be detrimental to them. If the pendulum was inclined to swing one way at all it would swing to their advantage. He submitted that if the clocks had been fixed 30 minutes in advance of what the official time was now, they would to-day be reap-

ing advantages whether they realised it or not. He defied anyone to say that the putting on of the clocks of Kenya by 30 minutes was going to be to the detriment of anyone.

HIS EXCELLENCY said that daylight saving was a matter which had been brought to the attention of the Government, but he had to say that up to date the arguments in favour of it were not strong enough. He was still not quite convinced himself as to why they should legislate to make a man get up earlier in the morning or make a firm shut its doors at 4-30 p.m.

THE HON. THE DIRECTOR OF EDUCATION said he would like to deal in detail with this matter owing to the apparent ignorance which had been expressed on the subject. It was a matter which dealt with the health of Europeans in the Tropics. He would deal first with the effect it had on the Government Service before proceeding to explain township conditions. The Civil Servants did not consider that the alteration of official hours had increased the efficiency of the Service, but were rather of reverse opinion. At least, he could say so definitely as far as his own Department was concerned. Some time after the alteration of hours came in his staff still continued to meet at 8-30, but his clerks gradually got slack.

HIS EXCELLENCY pointed out that the change of hours had been introduced at the request of the tradespeople in the town.

THE HON. THE DIRECTOR OF EDUCATION, continuing, said he wished to point out that although they continued to meet at 8-30 the clerks got slack and did not start work properly till about 9-30 a.m. With regard to recreation and exercise. There was a great move in this country in the direction of sport and he submitted that it was not quite right to ask any man to leave the office at 4 p.m., have a cup of tea, and be on the ground at 4-45 p.m. to play a strenuous game of football.

With regard to township conditions, it would be remembered he took a referendum of the employers of the town who were in support of daylight saving. They had told him that the work from 4 to 5 p.m. in the afternoon was useless. The hours in the town were longer than the hours in the Government service. Employers said that if the work started earlier and ended earlier in this country it would increase the efficiency all round. It was necessary to have legislation to have unanimity and avoid advantage being taken by shopkeepers and others to make employees work longer. He personally favoured the advance of the clock by one hour.

It seemed to him that a large amount of time was wasted unnecessarily in social intercourse while waiting for the dinner hour, which was not to the advantage of the people of the country.

There were likely to be objections and he believed objections would come first of all from the Railway. It might be said they were going to ask the artisan to get up in the dark in order to start work at 5-30 a.m. He could not see why they could not get up at the same time as now; it was only a matter of calling the time different. There might also be an objection on behalf of the children of the country. An objection had been received that the children would go home at a better time of the day than they do now. It would apply in their interests. Children with homework could do it in school and join in the sports of the school and go home in the cool of the evening.

The main objection, however, would come from the Indian Shopkeeper. He did not remember the exact state of the circumstances but he believed there was opposition by the Indians to the Shop Hours Act. They were dealing with the health of

Europeans and he submitted that if the Indians wanted to continue to trade they could be allowed to do so without affecting the trade of the Europeans in the Town.

HIS EXCELLENCY referred to the complaint of Government Hours. The present Government Hours had been fixed after consultation with the townspeople and the Heads of Departments. The thing was what was there to prevent them having these earlier hours. With regard to the argument that all traders and shopkeepers saying that the hours from 4 to 5 were useless. What was the use of keeping open during those hours.

THE HON. THE DIRECTOR OF EDUCATION said it was useless unless there was some legislation of some kind.

HIS EXCELLENCY said another argument was that people would go to bed earlier.

THE HON. THE DIRECTOR OF EDUCATION maintained that people would go to bed by the clock as at present.

THE HON. THE COMMISSIONER OF LANDS pointed out that if Council passed the Resolution it did not necessarily commit the Council to the principle of any Bill which might be produced. By passing it it was simply a request to have a Bill put up for discussion at a later stage. He would like to ask the mover of the Motion of the success of similar legislation elsewhere.

HIS EXCELLENCY asked the Hon. The Commissioner of Lands if he supported to Motion.

THE HON. THE COMMISSIONER OF LANDS said he would like to hear further evidence before committing himself.

THE HON. SIR N. McMILLAN said he could not see any advantage from a farmer's point of view.

THE HON. THE COMMISSIONER OF CUSTOMS said he was not convinced by the arguments used by the supporters of the Motion. It struck him that legislation like that proposed was more for the township of Nairobi than anywhere else. He agreed with the Honourable Member for Machakos that one could not possibly make a man on a farm get up by law. As a matter of fact he had had experience of life on a farm. His experience had been that the clock was entirely ignored. As far as towns went he knew that Mombasa got up much earlier than Nairobi did. He could not possibly see how they could legislate on the lines suggested by the Honourable the Director of Education to make people get up earlier. He did not think it applied to this country.

HIS EXCELLENCY asked the Hon. Commissioner of Customs if he did not find that the daylight saving did not make him go to bed earlier.

THE HON. THE COMMISSIONER OF CUSTOMS replied in the negative.

THE HON. THE POSTMASTER GENERAL said he thought that a question of this sort had to be considered from a wider point of view. At the present time the official time of this country was based on 2½ hours East of Greenwich. It had been definitely laid down by the Secretary of State and the action thus taken about seven or eight years ago had been taken at the instance of some Department at Home which was charged with the duties of observation of earthquakes. They wanted to know what time was observed in various countries so as to check earthquake reports, etc. There was a uniform time for the whole of East Africa and Uganda, but if they were going to put their time back or on for half an hour it would mean that that uniform time would be on a meridian which had no relation whatever with Kenya at all. It might not worry Mombasa very much but if that time was to be applied to the western

side of Uganda then he thought there would be a very great inconvenience. He pointed out that they must have one common time throughout the country for telegraphic purposes. Another point which struck him and one which he had heard put forward by employers and that was that if the clock was put on half an hour the employees would get to office half an hour earlier, but there was no guarantee that they would get away half an hour earlier at night. The only advantage he saw was that if all telegrams were to come through in daylight it would give the raw Kikuyu telegram deliverer more time to ask the assistance of those he met in his endeavour to get the message to the person for whom it was intended.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY, opposing the Motion, said that this was a country where there was practically 12 hours of daylight throughout the year and he thought the majority of the inhabitants of the country made use of those 12 hours of daylight and no tinkering with the clocks would increase the hours of daylight. In the Railway they had workshops at Mombasa, Nairobi, and at Kisumu and the men in these shops started work at 7 o'clock. Some little time ago they started half an hour after daylight and it had been found that they were not in a position to have their food cooked and eaten before that half hour before daylight and they were, therefore, given one hour before starting to work. If the clock was put on the workmen would only have half an hour before they started work, which had been found to be insufficient.

Very often they had dull and dark mornings. He had found that an hour after daylight they could start work. Half an hour after daylight they very often could not and with the 1,700 men employed if each man lost 10 minutes it would equal the loss of one man's work for approximately $\frac{3}{4}$ weeks. If they took this bad light for 30 days in the year the loss would be equivalent to one man for two years.

With regard to sports. If the time was put on it would mean that games would only be finished at a quarter to seven. Dinner would start at half past seven. In his opinion the recreation obtained between the finish of a game and the dinner hour was extraordinarily good for the country. The only way he could suggest to deal with the daylight saving suggestion was not to put on any artificial alteration of the time, but to let those who want to have their 12 hours' daylight get up earlier in the morning.

THE HON. LT. COL. S. H. CHARRINGTON said he personally had no very strong views on this subject one way or the other. He did not quite agree with the Honourable Member for Machakos that it would make any difference to the farmers. It would not make the slightest difference. On the whole he was in favour of the scheme.

THE HON. E. A. PHELPS intimated that there was one point he would like to bring forward. He believed similar legislation existed in England and was enacted only in the summer time and he would point out the conditions in Kenya were entirely different. In England in summer when daylight begins at a very early hour it was found advisable to put the clock back, and thus save time in the morning. Further, he challenged a statement made by the Honourable the Director of Education that the Conventions of Associations had voted in favour of daylight saving by 14 to 3 votes. He believed the correct voting had been 19 to 14 votes. He did not consider the measure would affect the farmer in any way or that it would affect workshop hands, who probably started work as soon as there was daylight. He could not see why the same effect should not be given by altering the actual office hours.

THE HON. THE DIRECTOR OF EDUCATION rising on a point of explanation stated that the voting in the Convention of Associations had been 19 to 4.

THE HON. THE DIRECTOR OF PUBLIC WORKS urged the supporters of this motion to abstain from reference to a Daylight Saving measure in this country where the sun both rose and set within a few minutes of 6 o'clock all the year round. If any steps were taken they should be in the form of a Bill for the alteration of standard time in East Africa and not as a Daylight Saving Bill.

THE HON. R. B. COLE said he would like to see the clocks as near as possible to the sun. They went entirely by the sun in the country. They got up by the sun, had their food by the sun, and went to bed when they were tired.

THE HON. K. H. RODWELL understood that the Honourable the Director of Education had said the voting of the Convention of Associations was 19 to 4. The report gave it as 19 to 14.

THE HON. THE ACTING COLONIAL SECRETARY commented on some of the remarks which had been made. The Honourable the Postmaster General had said that in all probability the employees would suffer. That was a point which weighed very heavily with him and was one which would be the practical result of such a motion now proposed. He also agreed with the Honourable the General Manager, Uganda Railway. If they altered the time it would mean that their games, instead of ending at 6-30 p.m., would end about 7 p.m. He was convinced that it would put the dinner hour back to half past eight and instead of improving health it would have a bad effect. It meant they would have to go to bed later and get up earlier. There was another point, the Shop Hours Act. It had been suggested that all shops should shut at a certain hour. It meant that if they were going to keep the new hours the shops would shut at a very early hour and, in his opinion, this would have a bad effect on trade. With regard to his own department, the Police, if the Courts were going to open half an hour earlier it would mean that the training which was necessary would not be done in the morning but would have to be done at night and the men kept later.

THE HON. W. J. DAWSON said the point had been raised that it was necessary to legislate for daylight saving. If it was not necessary to legislate then their point would be gained and that was all they asked for. With regard to the question asked by the Honourable Commissioner of Lands of the success of this scheme in other countries, he was very sorry indeed he could not quote any with the exception of England which example he omitted using because there was no analogy between England and East Africa. It seemed to him that any information on this point to be of any value would be information regarding daylight saving in some other country on the equator if there was to be any comparison at all. The only answer he could give the Honourable Commissioner of Lands was that the putting of the clock on had been started in one part of this country already and he believed it had been found to be a success, to a great extent.

With regard to the statement made by the Honourable Member for Machakos and that was that it would be a disadvantage to farmers, in answering this question he would also include the statement made by the Honourable the Member for West Kenya. He put it to the Honourable Members that the putting forward of the clock without they brought the clock of the business people into closer relation than hitherto with the clocks of the farmer would be useless. The ordinary farmer who lived far away from the town got up with the sun. If the farmer had an appointment in town he started from his farm at such and such a time, but when he arrived in town he would find he was too late as all Government Offices, Banks, and business premises would be closed.

With regard to the statements made by the Honourable the Postmaster General, he brought up the subject of earthquakes, in connection with uniform time throughout this country. He did not think the adoption of daylight saving made any change in the time. His point was that it would not make any difference whether their time was 2½ or 3 hours in front of Greenwich when comparing the times of earthquakes so long as they were uniform. He submitted the other arguments put forward by the Honourable the Postmaster General were strong arguments in favour of the scheme. He thought the Honourable the General Manager's statements were answered quite fully by the Honourable the Director of Public Works and he would not add to the remarks.

With regard to the Honourable Member for Nyanza. He did not for a moment suggest that there was any similarity between England and East Africa.

HIS EXCELLENCY said that if the Motion was passed it would be a declaration to Government that they wished the alteration made.

The Motion was then put and was defeated by 9 votes to 6.

THE HON. K. H. RODWELL proposed the following Motion:—

"That this Honourable Council deprecate the unwarranted attack on His Excellency the Governor which appeared in a letter dealing with Currency, published in the *East African Standard* on January 25th."

(His Excellency the Governor vacated the Chair, which was occupied by the Honourable the Acting Colonial Secretary.)

Speaking to his Motion the Honourable Member said that probably several people would advocate that silent contempt would be the best course to pursue. The letter referred to had been published in Nairobi during a Session of Council and silence on behalf of the elected Members might be interpreted as silent assent, more especially by those people residing in England whose sole medium of getting information and the feeling of the elected Members was through the medium of their local Press. He, therefore, thought the present time a very opportune one for the elected Members to express a vote of confidence in His Excellency and he had very great pleasure in putting forward the Motion to that effect.

THE HON. LT. COL. S. H. CHARRINGTON rose to second the Motion proposed by the Honourable the Member for Mombasa and he did so regarding it as a vote of confidence in His Excellency. Since the paper publishing the letter referred to had not only entirely disassociated itself with the writer and the sentiments expressed, but had also in a leading article shown up the fallacies and misstatements of the writer, he thought there was no necessity for Council to waste time in going over the same grounds; nevertheless he had great pleasure in seconding any Motion which refuted the expression of views, even though they be only that of an individual, who, presuming to speak with authority in the Public Press, made such inaccurate statements and cast such entirely unjust aspersions on His Majesty's representative in this Country. No one deprecated a just and helpful criticism, but an unfair attack based on misstatements of facts he considered required to be denounced especially when such an attack was hurled against the Governor of the country. They had been informed in the paper which published the letter that the writer thereof was a well known Kenya settler. He submitted to this Honourable Council that he was voicing the sentiments of the majority of the citizens of the country, whether well known or little known, in seconding the motion. The

identity of the well known resident was hidden under the name of "Truth." He submitted that no more inappropriate name could have been chosen.

THE HON. SIR NORTHROP McMILLAN rising to support the motion said he would like to ask the Press to give this as much prominence as they had given to this so-called 'Truth.'

The motion was then put and carried unanimously.

THE HON. T. A. WOOD proposed the following motion:—

"That Government be asked to consider the advisability of the introduction of legislation making the present system of primages in connection with sea freights to and from this Colony illegal."

In support the Hon. T. A. Wood said the question was a very old one. It had been brought up at the local Chamber of Commerce but had not met with the sympathy of the Government so far. He wondered if everyone in Council knew what Primage was. It arose out of some ancient requisite for the skipper of a sailing vessel in the days prior to steam and since the development of the steamer had been merged into a sort of rebate, forcing one to trade under certain conditions. They were all complaining about the high freights, although they read in the papers of to-day that there was a slight glut of shipping hanging round ports looking for jobs. Because of the monopoly the freight from Mombasa was 107s. 6d. per ton of 40 cubic feet. The proposal to introduce legislation was not new. The Union of South Africa found it necessary years ago and legislation was introduced. This primage was a 10% commission on all freights and provided one stuck to this line of steamers or that one belonging to the Conference, one could get ones money back. Of course that was largely negligible; somebody got it back, very often not the individual who paid it.

Owing to the fact that they could work this 10%, the conference line absorbed any other line of steamers that came along. For instance, a Norwegian line opened in this country, and the first steps taken by the Conference was to send the East African tariff and it paid the Norwegian firm to join in. Twenty years ago the freight was only 25s. now it was 107s. 6d., or for very rough stuff 85s., which was the absolute minimum to-day. The exporter had no chance under the present system.

THE HON. THE COMMISSIONER OF CUSTOMS expressed entire sympathy with the Hon. Members in his desire to legislate on the subject and seconded the motion. He thought there was much more involved than was put forward in the Resolution. As far as he knew the statements made were correct. It had now become a sort of rebate. As His Excellency was aware the whole matter of freights, primage, conditions of Bills of Lading, etc., had all been taken up by the Imperial Government. The matter had been brought before the Economic Commission when it sat to enquire into matters during the war and it had been found the matter had been fully gone into by the Dominions Commission. The Commission made several proposals to the Government based on the Dominions Commission report. The Secretary of State had written out asking for the views of the people of the country on the shipping of the country. The time had come when they had to deal with the freights of the country which were very very high. He thought, however, that they should go further.

THE HON. THE TREASURER associated himself with the motion. He said there was not the slightest doubt that the system of rebates was acting as a strangle-hold on the country and it prevented free competition in the matter of freights and freights ought to be a matter of the very greatest importance to the country. Dealers and exporters were unable to send their goods out of the country as they liked and were entirely in the hands of the Conference Line and a young country like this must sever herself from a system of that kind.

THE HON. THE DIRECTOR OF PUBLIC WORKS explained that the case brought before them was a choice example of a commercial ring with regard to trade. It had a wider application and it had an adverse effect upon the Mercantile Marine of Great Britain. Apart from the large and well-known business lines the value of the tramp steamer for trade in general either during peace or war was very marked.

THE HON. THE DIRECTOR OF AGRICULTURE supported the Motion. In the first place the Motion as drafted gave Government the opportunity of going into the question before deciding what action should be taken. On the merits of the case he would submit that there were strong reasons why the cost of marketing the produce of Kenya should be reduced and he regarded at one time these Primage charges as an iniquitous system with regard to trade. There were two points to consider however. One was whether in the absence of these Primage charges the shipping rates might not be raised and again consideration ought to be given to the fact that any legislation of the kind proposed might affect the supply of shipping to the Mombasa Port. He hoped it would have the reverse effect that it would encourage a class of steamer to call for cargo at Mombasa. He said that according to information received the cost of marketing produce from Kenya varied from 25% to 66% of its value when delivered at its destination and he thought there were good grounds why every action possible should be taken by Government to reduce the rates of Kenya.

THE HON. T. A. WOOD said the Honourable The Commissioner of Customs rather indicated that he wished to amplify on the lines of the terms of the Economic Commission. He agreed that it was a matter for a stronger body than the Legislative Council. He also agreed that the freights might for a short time increase but in view of the statements that there was a glut in shipping he thought they would ultimately be reduced and that more ships would be induced to come to Mombasa.

The Motion was then put and carried unanimously.

THE HON. T. A. WOOD proposed the following Motion:—

"That His Excellency the Governor be asked to appoint a small Committee to consider what economy (if any) can be effected by re-organisation on the lines of a small efficient air force combined with an increase of police to replace King's African Rifles."

In support the Hon. T. A. Wood said the Motion had originally been brought up on the Military Estimate vote but it was suggested then to defer it till now. As he had said at the time it had been put forward on the grounds that he thought first of all the Military Vote was too big a burden for this country to bear. It seemed to him to approximate something like 10% of their total estimates and secondly because he believed that on investigation it would be found that the present Military organisation was not the most efficient in the light of later military developments in the direction of Air Forces. He was simply asking for the appoint-

ment of a small Committee. Independently of what he had said the other day he would like to refer to a point raised by the Honourable the Acting Treasurer. It was suggested that the Committee appointed to consider the services generally could consider this question as well. He would rather see an expert Committee consider this question.

THE HON. THE ACTING COLONIAL SECRETARY seconded the Motion and asked the mover of it whether he would be prepared to accept a small amendment which would make the resolution somewhat wider and would not tie the hands of the Committee. He suggested the alteration of the wording as follows:—

"That His Excellency the Governor be asked to appoint a small Committee to consider what economy, if any, can be effected in the Military expenditure of this Colony."

THE HON. T. A. WOOD accepted the amendment.

THE HON. THE POSTMASTER GENERAL supported the Motion and pointed out that the 8,000 inhabitants of Kenya spent £100,000 on cables during the year, or £12 12s. 6d. per head against 12s. in South Africa.

HIS EXCELLENCY called the Honourable Member to order as he was not speaking to the Motion itself.

THE HON. THE DIRECTOR OF PUBLIC WORKS asked the Mover of the Motion whether he meant by the word "Committee" a Committee of Council.

THE HON. T. A. WOOD replying said he did not intend it to mean that at all. He wished the Council to have a free hand to appoint a body of experts on the subject.

The Motion was then put and carried unanimously.

REPORT FROM SPECIAL COMMITTEE.

THE HON. THE ACTING TREASURER, Chairman of the Special Committee appointed to consider the revision of the Salaries of the Civil Service, presented the report to Council and asked permission to read it.

(Report read by the Chairman and laid on the table.)

THE HON. T. A. WOOD, as a Member of the Special Committee, said he would like to pay a tribute to the Acting Treasurer for the good and enormous amount of work he had done in connection with the Committee.

THE HON. E. A. PHELPS supported the remarks made by the last speaker.

HIS EXCELLENCY said he thought the work done was very fully appreciated.

THE APPROPRIATION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to further consider the provisions of a Bill intitled "An Ordinance to apply a sum of money for the service of a period from 1st April 1921 to 31st December 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR presiding.

In Committee.

SCHEDULE XVI. and XVIa EDUCATION.

These Schedules were considered and items 7 to 13 inclusive, amounting to £6,940 were inserted.

SCHEDULE II. PENSIONS AND GRATUITIES.

THE HON. THE ACTING CHIEF SECRETARY moved that this vote be increased by £422 10s. After debate it was decided that it was unnecessary to increase the vote as other means could be adopted to provide the money. Pending the introduction of the Widows and Orphans Bill Council approved the principle of provision being made for the wives and families of deceased European Officers of the pensionable establishment.

The Schedule was then passed.

SCHEDULE XXXVI. INCREASED EMOLUMENTS.

Debate took place on the Report of the Special Committee which had been laid on the table earlier in the Session.

THE HON. K. H. RODWELL said that he understood the terms of reference permitted the Committee to deal only with the lower grades of the Service.

THE HON. A. C. HOEY referred to Appendix "C" of the Report and stated that the country could not afford to pay salaries on that scale and he would like to see Schedule "C" deleted.

HIS EXCELLENCY THE GOVERNOR said that the salaries of the posts included in Appendix "C" had been fully considered at home and fixed and for the present he could not recommend any alteration.

The debate was adjourned until next sitting of Council.

Council adjourned till 9 a.m. Monday 31st January, 1921.)

FIFTEENTH DAY.

Held at Nairobi on the 31st day of January, 1921.

The Council assembled on the 31st day of January at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
 THE HON. THE ACTING SOLICITOR GENERAL (K. J. MUIR MACKENZIE).
 THE HON. L. COLLINGS WELLS.
 THE HON. W. J. MOYNAGH.

MOTIONS.

THE HON. E. A. PHELPS proposed the following Motion:—

"In view of the depressed state of the European Produce Market this Honourable Council considers that no efforts should be spared to reduce export freights on local produce, coffee, etc."

Speaking to his Motion the Honourable Mr. Phelps said that now the control of freights was feasible by passing from the hands of this Government to a Central Railway Board he hoped that the Motion would be passed as a sort of strong expression of opinion to the Board from Council. Some months ago a Select Committee of Council had been appointed to go into the matter of Railway freights and he believed they were of opinion that every effort should be made to reduce export freights on the Railway. The present position under which all export produce was very heavily handicapped made this matter more urgent at the moment. He considered the subject to be non-controversial and he would therefore say no more for the present.

HIS EXCELLENCY asked the Honourable Member if he meant that he was satisfied that Government was not doing all it could to reduce the rates.

THE HON. E. A. PHELPS replied that he did not mean that entirely. He thought it was the opinion of the Select Committee it should be reduced. The object in bringing the Motion forward was that the Legislative Council might give a strong expression of opinion which might help matters considerably.

HIS EXCELLENCY said that Colonel Hammond, the Special Railway Commissioner, was staying with him at that moment and he had had long talks with him and he (Col. Hammond) appreciated the points brought forward and would do his best in the matter, but whether an expression of opinion from the Legislative Council would assist him he did not know; perhaps it would.

THE HON. R. B. COLE seconded the Motion.

THE HON. THE DIRECTOR OF AGRICULTURE thought he should give some information to Council in respect of reductions which had been made in shipping freights for which he was indebted to His Majesty's Trade Commissioner in East Africa. In or about June 1920 the shipping export freight on Maize was 155/- per ton. During the latter end of 1920 it was reduced to 100/- and during this month it had been further reduced to 70/- per ton. With regard to Sisal, in June last the rate was 120/- and towards the end of the year 100/- and 80/- during the month of January 1921. Coffee dropped from 150/- in June to 125/-s. Linseed Oil from 155/-s in June to 135/-s at the end of last year down to 110/-s in January. Flax dropped from 155/-s in June to 135/-s at the end of last

year to 115/-s in January. In the case of Maize and Linseed the figures were for dead weight and in the case of other produce per ton of 40 cubic feet. He thought it was likely that it would be found that the Shipping Committee appointed by the Board of Trade had made representations on the matter and that they had been able to persuade shipping companies to reduce their freights. He did not suggest that freights had been reduced to a point which would enable this country to export certain produce at a profit; he merely wished to draw the attention of the Council to the latest drop in sea freights.

HIS EXCELLENCY asked the Mover of the Motion whether he referred to sea freights or Railway freights.

THE HON. E. A. PHELPS said he intended to refer to Railway freights only.

HIS EXCELLENCY said it might be interesting to recall to memory of Council that during the last year the Right Honourable Member for the Rift Valley had resigned from Council on this point. During the whole time the Government had never let the matter alone. He himself had been working on the matter at home the whole while.

With regard to sea freights. So much had he impressed upon the Secretary of State the absolute necessity for a reduction of freights in order to enable producers in this country to be able to sell their produce not at a loss that it was largely on that account that the Secretary of State would not allow the railway rates to be raised in order to balance the Budget for last year.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY said he was in entire sympathy with the Resolution proposed. Cheap transport in his opinion was for the welfare of any country but at the same time one must remember that the Railway would have to pay the interest on the Capital and the question would be for the Railway Council to adjust the rates equitably as far as possible so as to meet that capital. He would not go into the question of rates now charged.

HIS EXCELLENCY said he was quite sure Colonel Hammond and the Railway Commission would go into this question very carefully. He asked if it would not be better if this Council agreed if the Mover of the Motion made his wording more clear to make it clear that he referred to Railway rates and sea freights as well.

THE HON. E. A. PHELPS said he had originally intended it to refer to Railway rates only.

HIS EXCELLENCY suggested the wording "Railway and Ocean Freights" on export produce."

THE HON. E. A. PHELPS agreed to the wording.

THE HON. R. B. COLE said in seconding the Motion he had read it to mean Railway freights only and that he was entirely in sympathy with

the reduction of Railway freights and he felt personally confident that the Government was doing all possible to reduce the railway freights. He accepted the amendment as suggested by His Excellency.

The Motion as follows was then put:—

"That in view of the depressed state of the European produce Market, this Council considers that no effort should be spared to reduce railway and ocean freights on export produce, coffee, etc."

The Motion was carried unanimously.

THE HON. A. C. HOEY proposed the following Motion:—

"That in the opinion of this Honourable Council the control of the Veterinary Department should remain under the Director of Agriculture."

In moving the Motion the Hon. Mr. Hoey said he did so with the hope of Council again endorsing the opinion that it made some considerable time ago on the principle involved. The subject of the Motion had become somewhat a vexed question lately and he could not help thinking that for the welfare of the country the sooner this question was decided the better.

The two departments concerned played an important part in the development of the country so at was from a wide point of view that he thought this question must be viewed and not with the merits of one Department against the other. He thought that every stock owner in the country had had ample opportunity to study the subject. His Excellency had informed the public at Nakuru that he would have all the correspondence on the subject published, and he understood the Memorandum had been very carefully read by those interested. He spoke entirely representing the view of his constituency who had very carefully considered the subject. They had called meetings to debate the question and they had come to the conclusion that it was absolutely essential that the Veterinary Department should be under the Agricultural Department. They had considered that Veterinary affairs formed part and parcel of the Agricultural industry in this country and if this country was to progress in the way in which they all hoped it would there must be the closest co-ordination between the two Departments. He believed there should be one authority responsible for the co-ordination of the two departments and that man should be a man with a wide knowledge of general farming, etc., and a good administrator. He maintained that person at the present time could only be the Honourable the Director of Agriculture. If the two departments were divided, any veterinary dispute would be referred to His Excellency, who, in his turn, could only appeal to the Director of Agriculture, thus causing an unnecessary amount of work. It was essential there should be loyal co-operation for the good of the country. The matter had been very carefully considered by everyone and no one could say that the decision would be a hasty one. It was a matter of deep concern to the stock owners and agricultural farmers of the country and he hoped the Motion would meet with the full support of the Council.

THE HON. SIR NORTHRUP McMILLAN rising to second the Motion said he had a direct mandate from the two Associations of his District to vote in favour of this Resolution.

THE HON. THE DIRECTOR OF EDUCATION said they had heard the views of the stock owners of the country from the unofficial side of the house. There was, however, another view. It was extremely difficult for the Heads of Departments to discuss a matter which affected the administration

of another department and he thought those Members held many strong views which they would not like to express in open debate, though, if a decision in the terms of the Motion were made, it would be a very hard blow for them. Therefore on behalf of the scientific Members of the Government, he asked His Excellency not to come to any decision on the matter until he had either received a deputation from the scientific officials or that a committee of the Council consisting of the Attorney General, the Director of Public Works, Sir Northrup McMillan, Mr. Dawson, and the speaker had gone into the whole question.

HIS EXCELLENCY asked if the Honourable Member contended that he had not heard everything there was to be urged on the part of the scientific Officers.

THE HON. THE DIRECTOR OF EDUCATION in reply said he expected His Excellency had.

HIS EXCELLENCY added that it was more a question of what the stock owners of the country wanted.

THE HON. THE DIRECTOR OF EDUCATION said it was more a question of administration and proposed the following amendment: "That His Excellency receive a Deputation of the Scientific Officers of the Colony before deciding upon this Motion."

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY seconded the amendment.

THE HON. SIR NORTHRUP McMILLAN said he understood at Nakuru that His Excellency had said there that the matter was going to be left to the feeling of the settlers of the country.

HIS EXCELLENCY said he thought his remarks were that no action would be taken until the feelings of the country had been fully obtained.

THE HON. SIR NORTHRUP McMILLAN said his instructions were to vote that the Veterinary Department remain under the Agricultural Department.

THE HON. A. C. HOEY strongly opposed the amendment. It was some time since the Nakuru show and the country had been given an ample time to discuss the whole thing. It had been discussed and carefully considered and they had arrived at a definite opinion.

THE HON. THE COMMISSIONER OF LANDS said the mover of the amendment had made an entirely false impression. He spoke of having some kind of central scientific department having the Veterinary Department under one organization. He thought if there was to be a central scientific department it should control all the scientific officers of the Colony.

THE HON. R. B. COLE thought the Honourable Members on the other side of the House might not like to vote on this question. He contended that though there might be several things which might be unpleasant, he did not see why this urgent matter should not be ventilated and he could not see that any good purpose would be served by postponing the matter.

HIS EXCELLENCY said the Official Members were quite free to say and vote how they liked in this matter.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER said he had not intended to speak but in the subjects touched upon they had not heard one aspect of the Veterinary question and that was the question of native stock. The native was far and away the greatest owner of stock in this country and up to then in the Reserves there had been nothing done for the natives from the Veterinary point of view. It was very difficult, indeed was practically impossible to get Veterinary Officers to go there but in the whole of the Veterinary

question the danger was to regard it entirely from the European point of view and ignore the native point of view. He fully sympathised with the Honourable Members on the other side of the House but it was his duty to put forward a contrary view and that was it was not the best way to get further attention for the native stock if this was added to the duties of the Director of Agriculture, who was already a very busy man, and his feeling was that a special department under a special officer was far and away the best way of getting something done with regard to improving native stock. He put forward these views with some diffidence as he was not a stock owner and knew nothing about veterinary matters.

HIS EXCELLENCY asked the Honourable the Acting Chief Native Commissioner so as to be quite clear whether he thought that the interests of the natives with regard to the care of their stock would be better safeguarded in a separate veterinary department than under the present circumstances.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER replied in the affirmative.

THE HON. THE COMMISSIONER OF CUSTOMS desired to oppose the amendment.

THE HON. THE DIRECTOR OF PUBLIC WORKS agreed with the remarks of the Hon. The Director of Education to the extent of repeating a view which he put forward as to the likelihood of heads of Departments not wishing to give a direct vote upon a matter concerning the policy of another department. He himself would not vote. He thought the question rested on the views of the Veterinary profession. If the Council adopted an attitude that was repugnant to them it might result in the country being unable to attract the best veterinary men. If they were to have the best technical departments it was essential they should be able to attract the best men. What finally mattered was not the attitude or views of this Council, but the views of the Veterinary Profession.

THE HON. T. A. WOOD said he had to thank the Hon. The Director of Public Works for putting very clearly his views on the subject. He was entirely unable to support the Motion. There was one point raised by the Hon. The Acting Chief Native Commissioner which he must comment upon and that was the supposed neglect of the native stock owners of the country. He was perfectly certain that that neglect was not due to the Agricultural or the Veterinary Department. Further, he was perfectly certain that they were both satisfied that the breeding grounds of all the diseases they suffered from originated in the Native Reserves and if they could possibly tackle that first they would have done it with the greatest of pleasure in the interests of the country. There would always be a perpetual stock of disease until they were able to tackle the breeding grounds so he did not think it was quite right to say there was open neglect of the Native Reserves because of the difference of opinions of two Government Departments.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER rising on a point of explanation said he did not think the Hon. Mr. Wood was correct in what he said. What he had said was that he anticipated that in a special Veterinary Service with a more efficient staff of officers the native interests would have a better chance.

THE HON. THE ACTING CHIEF SECRETARY speaking on the subject of the Amendment said he felt that every possible opportunity had recently been given for the fullest representation to be made to Government by the scientific Officers of the Colony. This was a question which had been a very contentious one over a great many years and he could not see any useful purpose would be served by temporising as the

amendment before the House would do. They had to come to some finality. If the amendment was passed they were simply going to get back into the position they were in five years ago.

THE HON. LT.-COL. S. H. CHARRINGTON wished to oppose the amendment proposed by the Hon. The Director of Education. The question had to be looked at with a view to benefiting the whole farming community of the country. Someone had said that if the Veterinary Department was placed under the Agricultural Department it would be a great blow to certain officers and individuals. He maintained that the private views of individuals must be subordinated to the general good of the country and that was the only thing that mattered.

THE HON. W. J. DAWSON said he would not vote at all on the amendment but with regard to the Motion itself he was afraid he would be up against all the unofficial Members. In voting against the Motion he wished to make it clear he had no clear mandate from his constituency. He was voting against it because in his own conviction he was voting the right way. He personally did not think the personal feelings of the scientific officers should be dominated by any particular section of the community and there was the danger that these scientific officers might leave the country and for this reason he thought there were two sides to the question which had got to be considered with the amendment. He was also voting against the Motion in the hopes that he might be able to rouse a very apathetic constituency to take some interest in public life.

HIS EXCELLENCY said it was a great pity that some of the unofficial Members should have come without a definite mandate.

THE HON. THE COMMISSIONER OF LANDS asked the Hon. Mr. Dawson if Naivasha recorded any opinion.

THE HON. W. J. DAWSON said he could not remember distinctly as it was such a jumbled affair but as far as he could remember they put forward a Motion condemning the Agricultural and Veterinary Departments.

HIS EXCELLENCY asked the Honourable Member for the Rift Valley if he wished to oppose the amendment or the Motion.

THE HON. W. J. DAWSON said he would not vote on the amendment at all.

THE HON. THE DIRECTOR OF AGRICULTURE said that at the Meeting referred to a Motion was brought forward that the matter be discussed. The Chairman of the Meeting first put the question to the Meeting whether it should then be discussed or deferred. Speakers then put forward that the Meeting was the fullest that would be held at Naivasha for some time to come and a Motion similar in words to that put forward by the Hon. Mr. Hoey was then passed.

THE HON. W. J. DAWSON accepted the explanation given by the Hon. The Director of Agriculture.

THE HON. H. C. KIRK opposed the amendment. The matter had been very carefully considered and he had received a direct mandate from his constituency to vote for the Veterinary Department being under the Agricultural Department.

HIS EXCELLENCY informed the Honourable Official Members that he did not see anything in the Motion which affected them in any way or prevented them from voting. It was what they considered was the best way to manage these affairs. He said he was first of all going to put the amendment "That His Excellency receive a Deputation of the Scientific Officers of the Colony before deciding upon this Motion."

The amendment was put and lost.

HIS EXCELLENCY informed the Honourable Member who seconded the Motion that he was at liberty to speak again.

THE HON. THE COMMISSIONER OF LANDS said they had heard a lot on the way the Veterinary Department should be run etc., and taking into account the very great importance of their work and the dangers which the country would get into if anything happened to the Veterinary Department his entire sympathies were with that Department.

HIS EXCELLENCY agreed with the Hon. The Acting Colonial Secretary that this matter should be brought to a final decision and that consideration had been given to the matter and that all sides had been duly considered and weighed.

The original Motion was then put and carried by 10 votes to 5.

THE HON. THE ACTING TREASURER proposed the following Motion:—

"That this Honourable Council approves of the raising of a loan of £9,082,474 approximately as set out in the schedules which are laid on the table."

He had been asked to move this Motion for the purpose of raising a free debate on the whole question of the loan, the amount which would be raised, and the allocation thereof. The first point was whether it was necessary to go on with all the works at once. The second point was whether the Colony would be in a financial position to meet the interest and Sinking Funds charges when they fell due four years hence. To enable Honourable Members the better to deal with the first point he would give them such information as he could on the second. Other officers were in a better position to deal with the question of comparative necessity for the items set forth in the schedule than he was.

TERMS OF ISSUE. They had learned that had the loan been raised last December the terms would have been a shade lower than 8% for interest and sinking fund. The issue of stock was to be at 95, a discount of 5%. That of course meant that to raise £100 in cash, stock would have to be issued for £105 5s., which increased the nominal amount of the sum which had to be repaid and upon which interest had to be paid. It was impossible these days to guess what the actual terms of issue would be when the loan was raised. Financial houses were quite unable to make a forecast. As far as he was able to judge, he thought it probable that the terms would be much the same as those he had mentioned. In the calculations he had made these terms were, therefore, used.

NEW RAILWAYS. It would be a convenience to take the Schedule, which had been laid on the table, in sections. Items 1 and 2 were for the new railways and the Honourable the General Manager was of opinion that taking full account of interest and sinking fund the three new railways would not be able to meet expenses for several, possibly, ten years after completion. As regards items 3, 4, 5, and 6 of the Schedule, which represented the amount estimated to be required to be provided for essential requirements of the present railway system, the Honourable General Manager was of opinion that the railway should be in a position four years hence, when the interest and sinking fund charges fell first due, to meet all expenses and provide a surplus. It must be remembered that during the next three years the Railway would have all its revenue to apply to working and to improvements, and if the old loans were paid off it would also have about £33,000 now paid for interest and Sinking Fund on existing loans also to apply to improvements.

FIRST YEAR RAILWAY DEFICIT. If, however, they took the whole of items 1 to 6, i.e., the expenditure estimated on both the old and the new railways, the Honourable the General Manager was of opinion that allowing for Interest and Sinking Fund on the whole of the Railway portion of the loans, and retaining the existing Railway rates, a deficit on the first year after completion would be in the neighbourhood of £200,000. Users of the Railway were, however, now paying a surcharge, which, in 1919-20 produced £165,000. If, therefore, the surcharge were removed and the rates increased so as to produce the same amount as the surcharge the account very nearly balanced.

BETTERMENT FUNDS. The figures he had given did not, however, provide for a Betterment Fund, and although four years hence the railway might be well re-conditioned it would be very unwise to follow the old practice of cutting down maintenance to a minimum and making no provision for general betterment.

QUESTION OF RAILWAY RATES. He as the responsible financial officer for the moment, had spent a good deal of time during the last four months going carefully into the question of Railway Rates quite independently of the Honourable the General Manager and he had arrived at much the same conclusion as the General Manager had except that he was rather more optimistic than the General Manager. They agreed that if items 3 to 6 alone were undertaken it was improbable that any increase in Railway Rates would be necessary. If traffic increased to a greater extent than they contemplated there might possibly be a reduction in rates. On the other hand, if they wished to have the Plateau, Molo Valley, and Nyeri Railways, they must be prepared to face the risk of some increase in Railway Rates, at least for a time. Everyone would hope that an increase would not be necessary, and he personally could not but feel that with falling prices and with reduced working costs consequent thereon the risk of an increase was materially reduced, and even if that risk was greater than he anticipated, he was definitely of opinion that the advantages to the country of having these new railways far outweighed any risk which must be taken in regard to the possibility of increased Railway Rates.

KILINDINI PIER. He then took item 7—Kilindini Pier. In this case also he had arrived at the same conclusion as the Hon. The General Manager and that was that in the first year after completion of the Pier the account should show a small profit of a few thousand pounds, probably in the neighbourhood of £3,000. Much had already been written and said on this subject and he did not propose to labour the matter. From the financial point of view he thought it should satisfy them that they had the carefully considered opinion of the Hon. The General Manager and himself, that it was extremely improbable that any loss would occur in the working of the Kilindini Pier after construction and further, that as the country progressed it would be a substantial source of revenue.

REPAYMENT OF LOANS. Item 8 in reference to repayment of old loans. The Government was definitely informed that unless the old loans were repaid the terms upon which the new loans would be raised would be less favourable than those which they might otherwise get. The Secretary of State was obviously satisfied that the most economic way of dealing with the question was to repay the old loans by increasing the new one. Honourable Members would understand that anyone lending money would be influenced, as to terms, by the consideration of whether any prior charges already existed on the security on which he was entitled to lend money. The existing loans formed a prior charge on the assets of this Colony, and the removal of this prior charge in favour of the new

loan must affect the terms on which the new loan would be issued. The amount by which the annual charge on the revenue of this Colony would be increased in respect of interest and Sinking Fund charges by repaying the old Railway Loans and raising new would be £34,591. This was, approximately, $\frac{1}{2}\%$ on the Railway portion of the loan, excluding item 8, so that if this prior charge affected the terms of issue to the extent of more than $\frac{1}{2}\%$ it was better to repay the old loan than to retain it and he was of the opinion that retention of the old loan would affect the terms of issue to a greater extent than $\frac{1}{2}\%$. The next item on the schedule was the £333,940 by which the stock to be issued would have to be increased to raise the amount of cash which was required, and which he had already explained.

INTEREST CHARGES. The last item of the Railway portion was the allowance which it was expected would be necessary to cover interest for three years. It had been agreed that the Colony should not be called upon to pay interest during the construction but that the interest payable should form part of the loan. He then dealt with the Colony's portion. Item XI.—Loan to Nairobi Municipality, this could be eliminated from the consideration as to whether the Colony would be in a position to meet the interest and redemption charges on the Loan when they commenced to fall due in 1925. In the financial arrangements which the Government was making with the Municipality adequate provision was made to ensure that the Municipality should pay the interest and redemption on their portion of the Loan. Eliminating this item, the annual charges on the revenue of the Colony for interest and redemption would amount to £104,888. It would not, in his opinion, be difficult for the Colony to meet this charge in 1925 and he would indicate a few of the possibilities in regard to meeting the charges.

OFFICIAL RESIDENCES. Item 9. He had not seen the details as to how the £800,000 was to be spent, but he knew that provision was made for a number of official residences. For every officer who was housed out of this money, House Allowance would be saved. What this would amount to he could form no estimate at present, for not only did he not know how many residences were to be built, but the House Allowance did not depend upon the cost of the house, but upon the minimum salary of an officer's grade. The saving therefore, depended upon the grade of officer who happened to be housed.

ROAD OR WHEEL TAX FORESHADOWED. With regards to roads. The imposition of a road or wheel tax would be considered, the idea being to tax vehicles in accordance with the damage which they did to the roads. Such a tax, besides procuring revenue, would have the effect of causing wheels to be used which would do less damage to road surface than was done at present and so make for savings in expenditure.

INCREASED IMPORT DUTIES. Dealing with the total amount to be found each year he indicated that an increase of 5% on Import Duties would produce at present approximately £175,000. In 1925 it might be expected to produce considerably more, but even the £175,000 was far more than was required to cover the interest and Sinking Fund charge on the Colony's portion of the Loan.

POSSIBLE CATTLE TAX. Again there was the possibility of a Cattle Tax. At the moment it was impossible to impose such a tax owing to the fact that there was not an adequate market for the disposal of cattle, but it did not seem to him impossible that such a market might not arise in the future. A tax of Rs. 1 per head per annum

on existing stocks would produce something like £300,000 per annum—three times the amount required to meet the interest and Sinking Fund charges.

LAND TAX. Again there was the possibility of raising money by a tax on land, or incremental value of land.

POSSIBILITIES OF FUTURE. He said he would like it to be understood that he was not suggesting that any of the taxes he had mentioned should be imposed. He was merely indicating in a few years to come when the country was in a more prosperous condition, it would not be bankrupt of possibilities of raising new revenue. The items mentioned provided means whereby money might be raised if found necessary.

LOCAL ALLOWANCES. He could, however, be more definite in one direction and that was the local allowances now paid to Civil Servants which formed so large a portion of the Colony's expenditure. The total of that local allowance was £300,000 per annum. Therefore, if only one-third of it was eliminated they would have the money necessary to meet the whole of the Colony's liability for interest and Sinking Fund on the proposed Loan.

REORGANISATION OF CIVIL SERVICE. There was another direction also in which he was convinced that the amount required for interest and Sinking Fund and a great deal more besides, could be found, and that was by carrying out a re-organisation of the Civil Service which had been so strongly recommended by the Select Committee on Salaries.

GOVERNMENT VERSUS PRIVATE ENTERPRISE. He did not wish to detain Council longer, but there were one or two points of a general nature which he must mention as they were of very great importance. The question would probably arise in debate as to whether some or any of these works should be left to private enterprise. He merely wished to say that whether these public services were run by private enterprise or not the public had to pay. The Government could raise capital at cheaper rates than private persons or Companies, and he was not one of those who believed it was impossible for Government either to construct or work public services as efficiently as private companies.

DELAY COSTLY. The next consideration that would arise was whether the time was opportune for the carrying out of some of these projects. In that connection with particular reference to Railways and Harbour works, they had to weigh the possible reduction in capital cost if the work was postponed for several years against delay in the development of the country which must inevitably result. He was strongly of opinion that the delay in development would be the more costly of the two in its effects. The knowledge that railways were being constructed would probably bring more settlers to the country and more capital for development for private enterprise generally, and it would stimulate settlers already here. Development of public services such as Railways and Harbours should keep pace with—not lag behind—private development.

AN OPPORTUNE TIME. The last consideration which he had to submit to them was as follows: At the present moment depression in the country was extreme and it was probable that it might last for some time. The expenditure of a very large portion of the Loan in the Colony itself could not but have the effect of increasing the circulation of money and stimulating trade at a time when this was very badly needed and his opinion was, carry out these works in the most economic manner possible—but carry them out at once.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY seconded the motion.

THE HON. THE COMMISSIONER OF CUSTOMS asked that before the debate on the question commenced he would like to know whether it was intended that the loan should be raised at once or as they required it.

HIS EXCELLENCY informed the Hon. Member that the loan would be raised as they required it. Continuing he said he would first of all like to express his gratitude to the Hon. the Treasurer for the enormous amount of trouble he had taken and the very lucid way he had explained it to them all. Going further back he said the whole of this question had been considered very carefully by himself and Executive Council for months past and Executive Council finding it too big a matter for the whole of the Council to be busy with appointed a Sub-Committee consisting of himself, the Hon. Treasurer, and the Hon. T. A. Wood. Having had the statement from the Hon. Treasurer he proposed that if no other Member spoke that the Council go into Committee to discuss the details.

THE HON. THE ACTING COLONIAL SECRETARY moved that the Standing Orders be suspended in order that Council might resolve itself into Committee to discuss the details of the loan.

THE HON. THE ATTORNEY GENERAL seconded the motion.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The schedule was considered item by item and passed.

The Council resumed its sitting.

THE HON. THE ACTING COLONIAL SECRETARY moved that progress be reported to Council.

THE HON. THE ACTING TREASURER seconded.

The question was put and carried.

The motion was then put and carried unanimously.

THE HON. THE ACTING TREASURER proposed the following motion:—

"That this Honourable Council approves of certain expenditure during the year 1920-21, which it has become necessary to incur and for which no provision has been made in the Estimates as detailed in the statement of Special Warrant which is laid on the Table."

THE HON. THE ACTING COLONIAL SECRETARY seconded the motion.

The motion was put and carried unanimously.

THE HON. THE ACTING TREASURER proposed the following motion:—

"Whereas it was found necessary to incur expenditure for which no provision was made in the approved Estimates for the year 1919-20, amounting to £299,761-10-05 during the period from 1st April to 30th September, 1919, as more particularly set forth in the statement laid on the Table, it is hereby resolved that this Council do approve such expenditure."

THE HON. THE ACTING COLONIAL SECRETARY seconded the motion.

The motion was put and carried unanimously.

THE HON. THE ACTING COLONIAL SECRETARY asked for permission from His Excellency to withdraw the motion standing in his name in the Order of the day until they had progressed further with the Report of the Committee on salaries.

Permission having been given the motion was withdrawn.

THE APPROPRIATION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER proposed that Council should not go into Committee to consider the above Bill. They had had a meeting that morning at which a suggestion had been put forward with a view to meeting the wishes of the Hon. Unofficial Members on the other side of the House and he proposed to submit the following motion:—

"That the report and appendices be adopted, to take effect from 1st April next, subject to the following conditions:—

(i) That the local allowances be completely abolished on the 31st March next.

(ii) That the salaries set out in Appendix 'C' be increased by 20% and be paid without any local exchange compensation, cost of living or other similar allowance whatever.

(iii) That the point of entry of existing officers into the scales set out in Appendices 'B' and 'D' should be 25% above the point to be arrived at in the manner given in para. 47, III, a, b, c, and d, of the Report.

(iv) That the maxima of the scales set out in Appendix 'B' and 'D' and the maxima of the posts which do not coincide with the maxima of the scales, be increased by 25%.

(v) That a temporary allowance of 25% on salary be paid to all appointments included in Appendices 'B' and 'D' until the 31st December next, when it shall be completely abolished and not be replaced by any allowance of a similar nature."

He explained that it had been arranged that during the week-end the Committee should meet Hon. Members on the other side of the House and endeavour to arrive at an understanding in the matter of salaries. He was not successful in arranging a meeting and it was not until the interval during the previous morning's session that he was able to meet Members of the opposite side of the House. He placed before them the proposals contained in the motion which he had just read but was unable to arrive at any satisfactory arrangement.

He submitted that his motion met the views expressed by His Excellency and Sir Northrup McMillan that the salaries proposed by the Select Committee were too high with the 50% local allowance and too low without it. His suggestion would enable those who needed it to tide over the period necessary for falling home prices to be adequately reflected here. They gave the service a substantial permanent improvement in place of a larger temporary benefit and they enabled the report of the Committee to be adopted and the measures for efficiency and economy therein recommended to be undertaken; they enabled the Government to keep faith with the staff which throughout the war and since had been most patient and most loyal; they brought true the words of Colonel Amery in the House of Commons and they abolished local allowances which Hon. Members on the other side of the House wished to do and get rid of a thing which was regarded by everybody with suspicion and dislike.

Further, his motion would enable better prospects to be offered for good men to accept appointments in this service which would enable vacancies to be filled and increase efficiency.

Finally he pointed out that if his motion was passed the result would be that when the Budget for the following year was prepared the officer preparing it would find himself with a surplus

sufficient to meet the interest and sinking charges on the loan. For the three following years he suggested that that saving be applied in strengthening their balance sheet which needed attention. In the year 1925 the financial position would have been strengthened and they would have the annual saving for that and subsequent years available to meet loan charges. As the motion did not include Appendix 'C' he was going to ask His Excellency to allow official Members to vote. They were not financially interested but they were interested in the efficiency of their staffs and he submitted that it was proper they should vote on such a matter as this.

THE HON. THE DIRECTOR OF EDUCATION seconded the motion.

THE HON. K. H. RODWELL proposed an amendment as follows:—

"With reference to the Interim Report of the Select Committee on salaries this Honourable Council is of the opinion that the scale of salaries contained therein should not be applied until the 50% allowance is abolished—but with regard to the appointments contained in Appendices 'B' and 'D' certain adjustments may be necessary and that His Excellency the Governor be empowered to make adjustments as he considers advisable."

In support of his amendment he said that most of the arguments were obvious. The main argument was the abolishing of the 50% local allowance. The second part of his amendment dealt with those cases in which some provision should still be made for those cases in which adjustment is necessary or desirable. He maintained that the Committee which had been appointed went off their bearings and although he thought the report was an excellent one and an excellent basis for discussion he thought that the Committee had upset the status of certain Departments. Had they only confined themselves to dealing with the lower paid officials he thought it would have been far better. Several of the higher grade officials had told him that they wished their rate of pay was left alone as they were quite satisfied as matters stood. There was a certain point of the Hon. Treasurers motion he wished to call attention to and that was where he said the 50% local allowance was to go yet he refers to a 25% allowance in the same motion. He thought that the actual figures provided the 50% was abolished would form a very good basis of discussion. He further maintained that Appendix 'C' had upset the status of various Departments.

THE HON. THE DIRECTOR OF AGRICULTURE asked if the motion of the Hon. the Acting Treasurer was in order. They had not had the opportunity of making a close study of it. The point he was drawing attention to was that a motion of this kind should be laid on the Table two days before it came up for discussion.

HIS EXCELLENCY said he quite saw the point raised by the Hon. the Director of Agriculture. It was a matter of importance that Hon. Members should make up their minds quickly on matters of such drastic importance. The amendment really seemed to him to be an amendment suggesting an alteration.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY said his staff had not had the opportunity of looking through the proposals of the Committee and he asked His Excellency to postpone discussion on the motion of the Hon. the Acting Treasurer.

THE HON. A. C. HOEY seconded the amendment. He said the whole trouble was the 50% allowance. He thought that if they knew for certain the 50% allowance would be abolished there was every chance of them reaching some agreement. The motion of the Hon. the Acting Treasurer put forward a motion for an increase on a prominent basis. They must have time to consider the whole matter.

THE HON. THE ACTING COLONIAL SECRETARY rising on a point of order submitted the correct course would be for the Council to resolve itself into Committee to further consider the Appropriation Bill.

HIS EXCELLENCY said it appeared to him that he would have to allow further time for consideration. The first motion to which an amendment had been put forward in Council was a motion that the Report of the Select Committee should be adopted by Council with the alterations suggested in the motion and it had been quite correctly put forward in Council. He considered that the alterations proposed were of such importance that Council should have time to consider them. He thought the pleas put forward by Heads of Departments that they could not consider the motion without due notice was a strong point.

THE HON. K. H. RODWELL asked if he could not bring his amendment up in Committee.

HIS EXCELLENCY said that unless they passed it the Budget would be held up.

THE HON. THE ACTING TREASURER said he did not think that the answer was quite correct. The Hon. Mr. Rodwell's motion meant the throwing out of the Report of the Select Committee.

THE HON. THE ATTORNEY GENERAL speaking without preparation said it seemed to him on ordinary business a Report was presented by a Committee and was accepted and a debate might follow but only if some resolution was made not merely on the Report and it seemed to him that until that was done a sum was put in the Estimates and debate should arise on the Estimates in Committee.

HIS EXCELLENCY said that that was the way he had intended it to go. He had wanted Council to resolve itself into a Committee.

THE HON. THE ACTING TREASURER said that 48 hours notice was required.

HIS EXCELLENCY said that 48 hours notice was required if the Honourable Member wished to put the motion as he at first wanted to in open Council.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to further consider the provisions of a Bill intitled "An Ordinance to apply a sum of money for the service of a period from 1st April 1921 to 31st December, 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council. HIS EXCELLENCY THE GOVERNOR, presiding.

In Council.

SCHEDULE XXXVI. Debate took place on the Report of the Select Committee but no definite decision was arrived at.

*Council adjourned until 9 a.m., Tuesday,
1st February, 1921.*

SIXTEENTH DAY.

Held at Nairobi on the 1st day of February, 1921.

The Council assembled on the 1st day of February at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.

THE HON. L. COLLINGS WELLS.

THE HON. W. J. MOYNAGH.

THE WIDOWS AND ORPHANS PENSION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER in pursuance of notice given introduced and moved the first reading of a Bill intitled "An Ordinance to make provision for granting Pensions for Widows and Children of Deceased European Public Officers."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ACTING TREASURER gave notice that he would move the second reading of the Bill at a later stage of the Session.

THE APPROPRIATION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to further consider the provisions of a Bill intitled "An Ordinance to apply a sum of money for the service of a period from 1st April 1921 to 31st December 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

Schedule XXXVI. of the Estimates was further discussed when it was ultimately decided that this Vote be reduced to £80,000, that amount being intended to cover such increases in the salaries of subordinate officials as may be found to be necessary.

The Council resumed its sitting.

MOTION.

THE HON. THE ACTING TREASURER proposed the following Motion:—

"That the Interim Report of the Special Committee on the Revision of Salaries be presented to His Excellency the Governor for consideration in conjunction with Schedule 36 of the Draft Estimates and in the light of the discussions which have taken place in Legislative Council and in Committee of Council."

THE HON. K. H. RODWELL seconded the Motion.

The Motion was put and carried.

MOTIONS.

THE HON. THE ACTING COLONIAL SECRETARY with His Excellency's permission moved the Motion which stood in the Order of the Day and which had been permitted to stand over till the Salaries Report had been reported to Council. The Motion was as follows:—

"That a Select Committee of this Honourable Council be appointed to consider and report on the conditions of employment, other than salary, in the Civil Service of this Colony."

The above Motion, he said, had been worded in the way it was because it was not at that time within their knowledge that the Select Committee had found difficulty in their previous terms of reference. In view, however, of the Report of the Select Committee, it was desirable that his Motion should be somewhat more clearly set out and it was more clearly set out in Section 42 of the report of the Select Committee which had just been debated. He would, therefore, with His Excellency's permission, amend his Motion as follows:—

"That a Select Committee of this Honourable Council be appointed to consider and report on:—

1. The conditions of service of European Officers.
2. The Salaries and conditions of service of the Asiatic Staff.
3. The formation of a native Civil Service.

In support he said that there were, in addition to Salaries, several other conditions attached to the service of the Civil Service and it seemed to him there was no doubt whatever that these conditions required overhauling. The majority of existing conditions had been laid down very many years ago and appeared in standing instructions to Government and in the Motion before the House he proposed to ask that the Select Committee which had already been dealing with Salaries go on dealing with these additional matters. The whole conditions were tied up with the salary question and in the evidence which had come before the Select Committee there was no doubt the question of conditions had largely been considered already. On the questions of salaries and conditions of Asiatic Staff he urged that it was an important matter as the Asiatic Staff were still serving on their old 1914 salaries plus a somewhat crude adjustment which had been made by the addition of a War Bonus. He considered it essential that the Motion should receive consideration at an early date. The question also of the formation and conditions under which native Civil Servants of this Colony should serve also required consideration.

THE HON. THE ACTING TREASURER seconded.

THE HON. THE ACTING COLONIAL SECRETARY on a point of explanation said he understood that certain Members of the Select Committee would not be available. The Honourable Member for Nairobi North would not be available. The Honourable Mr. Phadke was no longer a Member of Council and in lieu of these two Members he would like to suggest that the remaining Members of the Committee stand as at present and that the Honourable Member for Machakos be added to the list

and also in view of the fact that the natives formed a reference he suggested the Honourable the Acting Chief Native Commissioner be added to the list.

THE HON. THE DIRECTOR OF EDUCATION seconded the Motion and said he would like to have the Treasurer on the Committee as well.

THE HON. THE ACTING TREASURER said it was 8 years since he was in England and he hoped to go home in May but in the meantime he would help in any way he could.

HIS EXCELLENCY proposed that the Chairman should stand as the Honourable The Treasurer.

The Motion as amended was put and carried.

THE HON. THE ACTING TREASURER asked if it was the wish of the Council that the terms of Reference should be interpreted in the widest manner possible or were there to be any limitations, if so he would like to know the limitations.

HIS EXCELLENCY said the widest terms of reference were intended.

THE HON. THE DIRECTOR OF AGRICULTURE gave notice of the following Motion:—

"That in the opinion of this Honourable Council it is desirable that the general Railway Harbour Tariff Policy to be carried out by the Railway Board should be laid down for the guidance of that Board and that the Policy should be one directed towards the promotion by means of cheap transport and transport facilities of agricultural and industrial development."

THE ESTATE DUTY (AMENDMENT) ORDINANCE, 1921.

THE HON. THE ATTORNEY GENERAL moved that a Bill intitled "An Ordinance to amend the Estate Duty Ordinance, 1918," be read a second time.

THE HON. THE ACTING TREASURER seconded.
The question was put and carried.

THE HON. THE ATTORNEY GENERAL moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING TREASURER seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read Clause by Clause and minor amendments made.

The Council resumed its sitting.

THE HON. THE ATTORNEY GENERAL moved that the Bill as amended be reported to Council.

THE HON. THE ACTING TREASURER seconded.
The question was put and carried.

THE HON. THE ATTORNEY GENERAL gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE GENERAL LOAN AND INSCRIBED STOCK ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intitled "An Ordinance to declare the terms and conditions applicable to Loans authorised to be raised by the Government of the Colony of Kenya and to provide for the creation of Inscribed Stock" be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER moved that Council resolve itself into Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read Clause by Clause and minor amendments made.

The Council resumed its sitting.

THE HON. THE ACTING TREASURER moved that the Bill as amended be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE TRUSTEE INVESTMENT IN KENYA GOVERNMENT SECURITIES ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intitled "An Ordinance to enable Kenya Government Loans to be treated in England as Trustee Securities," be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read Clause by Clause and minor amendments made.

The Council resumed its sitting.

THE HON. THE ACTING TREASURER moved that the Bill as amended be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE INCOME TAX AMENDMENT ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intitled "An Ordinance to amend the Income Tax Ordinance, 1920," be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read Clause by Clause and minor amendments made.

The Council resumed its sitting.

THE HON. THE ACTING TREASURER moved that the Bill be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE WIDOWS AND ORPHANS PENSION
ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to make provision for granting Pensions to Widows and Children of Deceased European Public Officers" be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE POSTMASTER GENERAL said there was one point which had struck him in connection with the Bill and that was that officers of the age of 49 or upwards were debarred from participation in the arrangements framed in the Bill. He quite realised that in a Bill of this sort there must be an age limit, but he pointed out that the question of pensions to widows and orphans had been under consideration for a long time. He himself had been a Member of a Committee appointed to consider this question 15 years ago, and he thought that some consideration should be given to those who would have been able to participate in the arrangements if the legislation had been introduced earlier.

HIS EXCELLENCY informed the Honourable the Postmaster General that the matter he referred to could be brought up in the Committee stage.

THE HON. THE POSTMASTER GENERAL explained that the reason why he had brought the matter up then was because he thought it was a point of principle.

THE HON. THE COMMISSIONER OF LANDS said he thought the Bill was an entirely new thing in this country and there were certain difficulties which he thought affected the principle of the Bill which in his own observation and in reading the Bill he thought certainly would crop up. One was the administration of the Bill. The Fund was not like a commercial fund. There were a certain number of people in the service and they had to make certain contributions. The uncertainty was the death rate. The profits of a fund like this one were going to be big. That naturally became connected up with the question as to who administered the fund. Under the Bill the Secretary of State did so. He only wished to point out these problems at the outset so that they could be dealt with later on.

HIS EXCELLENCY said he thought the Council could better consider the Honourable the Commissioner of Lands' remarks when in Committee.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

Consideration of the Bill was commenced, but on certain difficulties being pointed out it was decided that before the Bill was further considered it would be better if it were published in the *Official Gazette* for criticism and sent to the Civil Servants' Association for comment.

THE HON. THE ACTING COLONIAL SECRETARY referred to widows and orphans of late Officers and said that as matters stood pensions could only be granted by special sums being voted. He gave the basis on which calculation was made and said he hoped the principle would be accepted so that future cases would not be hung up.

The principle involved was approved.

Council adjourned till 9 a.m. Wednesday, 2nd February, 1921.

SEVENTEENTH DAY

Held at Nairobi on the 2nd day of February, 1921.

The Council assembled on the 2nd day of February at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
THE HON. THE POSTMASTER GENERAL (J. T. GOSLING).
THE HON. L. COLLINGS WELLS.
THE HON. W. J. MOYNAGH

CERTIFICATE OF EMERGENCY.

HIS EXCELLENCY signed Emergency Certificates to enable the following Bills to be introduced and proceeded with:—

The Nairobi (Rating of Unimproved Site Values) Ordinance, 1921.

and

The Customs Tariff (Amendment) Ordinance, 1921.

SUSPENSION OF STANDING ORDERS.

THE HON. THE DIRECTOR OF EDUCATION moved that the Standing Orders be suspended in order that a Bill intituled "An Ordinance to enable the Corporation of Nairobi to impose and collect Rates assessed on unimproved Land Values" may be introduced and considered.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE NAIROBI (RATING OF UNIMPROVED SITES VALUES) ORDINANCE, 1921.

THE HON. THE DIRECTOR OF EDUCATION in pursuance of notice given introduced and moved the first reading of a Bill intituled "An Ordinance to enable the Corporation of Nairobi to impose and collect Rates assessed on Unimproved Land Values."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE DIRECTOR OF EDUCATION gave notice that he would move the second reading of the Bill at a later stage of the Session.

SUSPENSION OF STANDING ORDERS.

THE HON. THE COMMISSIONER OF CUSTOMS moved that the Standing Orders be suspended in order that a Bill intituled "An Ordinance to amend 'The Customs Tariff Ordinance, 1909,'" may be introduced and considered.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE CUSTOMS TARIFF (AMENDMENT) ORDINANCE, 1921.

THE HON. THE COMMISSIONER OF CUSTOMS in pursuance of notice given introduced and moved the first reading of a Bill intituled "An Ordinance to amend the Customs Tariff Ordinance, 1909."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE COMMISSIONER OF CUSTOMS gave notice that he would move the second reading of the Bill at a later stage of the Session.

THE NAIROBI (RATING OF UNIMPROVED SITE VALUES) ORDINANCE, 1921.

THE HON. THE DIRECTOR OF EDUCATION moved that a Bill intituled "An Ordinance to enable the Corporation of Nairobi to impose and collect Rates Assessed on Unimproved Land Values" be read a second time.

He said that in accordance with the desire of the Municipal Council and His Excellency that the Municipal Council should proceed with the development of Nairobi as soon as possible, the sum of £100,000 had been inserted in the Schedule of the draft Estimates and to meet the charges on that Loan it was necessary that additional funds should be found for the Municipality. The Municipality had, therefore, considered the question of the system or rating and they had come to the conclusion that the system of the rating of land values was the most modern. This system was incorporated in the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE DIRECTOR OF EDUCATION moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council, HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read Clause by Clause, when certain amendments were made.

The Council resumed its sitting.

THE HON. THE DIRECTOR OF EDUCATION moved that the Bill as amended be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE DIRECTOR OF EDUCATION gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE CUSTOMS TARIFF (AMENDMENT) ORDINANCE, 1921.

THE HON. THE COMMISSIONER OF CUSTOMS moved that a Bill intituled "An Ordinance to amend the Customs Tariff Ordinance, 1909," be read a second time.

In moving the second reading he explained that a recent examination of the Treaties of Zanzibar in connection with their possible abrogation it was discovered that a peculiar error crept into the legislation some time ago. The Treaty gave the right to the Sultan to demand in cash the payment of duty in kind. Their legislation provided the Importer should have the option of paying duty in kind. It had been thought desirable to amend the law so as to put the matter right. It was now proposed that they should exercise their right under the Treaty and it was thought desirable the best thing to do was to cut out the proviso altogether.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE COMMISSIONER OF CUSTOMS moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council. HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read clause by clause.

The Council resumed its sitting.

THE HON. THE COMMISSIONER OF CUSTOMS moved that the Bill be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING COLONIAL SECRETARY gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE CUSTOMS TARIFF (AMENDMENT) ORDINANCE, 1921.

THE HON. THE COMMISSIONER OF CUSTOMS moved that a Bill intituled "An Ordinance to amend the Customs Tariff Ordinance, 1909," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE ESTATE DUTY (AMENDMENT) ORDINANCE, 1921.

THE HON. THE ACTING COLONIAL SECRETARY (for Attorney General) moved that a Bill intituled "An Ordinance to amend the Estate Duty Ordinance 1918," be read a third time and passed.

THE HON. THE ACTING TREASURER seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE GENERAL LOAN AND INSCRIBED STOCK ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to declare the Terms and Conditions applicable to loans authorised to be raised by the Government of the Colony of Kenya and to provide for the creation of Inscribed Stock," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE TRUSTEE INVESTMENT IN KENYA GOVERNMENT SECURITIES ORDINANCE 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to enable Kenya Government Loans to be treated in England as Trustee Securities," to be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE INCOME TAX AMENDMENT ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to amend the Income Tax Ordinance, 1920," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE APPROPRIATION ORDINANCE 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to apply a sum of money for the Service of a period from 1st April to 31st December 1921," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

REPORT FROM SPECIAL COMMITTEE.

THE HON. THE DIRECTOR OF AGRICULTURE, Chairman of the Committee appointed to report and make recommendations on the Agricultural Products Export Ordinance 1920, presented the Report to Council and asked permission to read same.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Report was read and adopted by the Council.

MOTIONS.

SUSPENSION OF STANDING ORDERS.

THE HON. THE DIRECTOR OF AGRICULTURE moved that the Standing Orders be suspended in order that the Council may have an opportunity of dealing with the Memorandum presented by the Special Commissioner of Railways on the Railway Policy.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE DIRECTOR OF AGRICULTURE proposed the following Motion:—

"That in the opinion of this Honourable Council it is desirable that the general Railway, Harbour, and Tariff Policy to be carried out by the Railway Board should be laid down for the guidance of that Board and that the policy should be one directed towards the promotion by means of cheap transport and transport facilities of agricultural and industrial development."

Speaking to the Motion he said that in his opinion, with all due deference to the Right Hon. the Secretary of State, there was an important omission in the conditions of the Railway Board as presented in the Memorandum by the Special Commissioner of Railways. He considered it was essential and very desirable that a general policy should be pursued and in the absence of general directions it seemed to him conceivable that the Railway Board might vary from time to time according to the views held by the Special Commissioner and the personnel of the Board. As far as one could forecast, this Colony and also Uganda, would for all time be dependent for their progress and prosperity on the Agricultural industry. In every way it seemed to him that there should be continuity of policy. There was a very valuable precedent for the action he proposed. In South Africa at the date of Union the matter was considered of such vital importance that the Railway Policy to be followed was laid down in the Act of Union the terms of which were read by the Hon. the Director of Agriculture. There in South Africa the principles of Railway and Harbour administration were so defined. The control and authority was exercised by the Governor General in Council through the Minister of Railways acting with the advice of a Railway Board while the management and working of the Railways and Harbours were carried out by the General Manager. He recommended that the worthy example of South Africa be followed with advantage here when at this stage so important a step was being taken in the general ownership and control of their Railway and Harbours. He wished it to be understood that he did not in any way suggest that the Special Commissioner would be opposed to the adoption of this policy which he advocated nor of the Railway Board which had yet to be appointed. He further considered that it was likely to be helpful to them in carrying out their functions. Again he thought it would assist in preventing a conflicting opinion between the Urban and Rural communities of this country. He did not anticipate there would be any difference of opinion amongst these two sections of the community by the adoption of his proposal. The Rural community were protected in the proposal and the Urban section of the community recognise that they are dependent upon the producers for their prosperity and again when industry should become established in these territories their interests would also be served. He expressed the hope that his proposal would be regarded as constructive and that it would be favourably received by the Council.

THE HON. A. C. HOEY seconded the Motion.

HIS EXCELLENCY said he proposed to allow a latitude in this debate to allow Honourable Members to ask questions with regard to the Memorandum written by the Railway Commissioner and laid on the table. It also brought to his mind that the sooner the two Kenya representatives on the Railway Board were appointed the better. He could see nothing but advantage in passing such a Motion as the one proposed but from conversations he had had with the Railway Commissioner he was quite sure the intention was that the Railway Board should be run on these lines and their hands would be strengthened by any such Resolution.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY said he was not quite clear from the remarks made by the Hon. the Director of Agriculture whether he proposed to lay down the policy of the Board. The Secretary of State had already stated that the Railway Board would have the general direction of Railway Policy, and it seemed to him that it would be impossible for the Legislative Council to lay down the Policy

because they must remember that the Railway Council also represented Uganda at the same time. His opinion therefore, was that the Policy would have to be laid down by the Secretary of State.

HIS EXCELLENCY pointed out that the Council could pass a Resolution and send it to the Secretary of State.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY said there was no doubt the Railway Board would consider the interests of all communities. He was not prepared to speak on the subject that day as he thought it would have come up for discussion the following day.

HIS EXCELLENCY asked the Honourable General Manager if he agreed that the policy outlined in the Resolution was the correct one.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY replied in the affirmative.

HIS EXCELLENCY asked the Hon. the Director of Agriculture whether it would not be better if a word or two were added to his Resolution as it stood it referred to no one in particular.

THE HON. THE DIRECTOR OF AGRICULTURE replied that when he had drafted the Motion he took it for granted that it would refer to Kenya.

HIS EXCELLENCY said he had asked the Hon. the elected Members of Council to propose one of themselves as the elected unofficial Member on the Railway Board and they had told him that they were unanimously of opinion that no one of themselves could give the time and they recommended the Right Honourable the Lord Delamere and would ask the Hon. the Director of Agriculture if he would stand as the Official Member if he could possibly see his way to give his time to it.

THE HON. SIR NORTHRUP McMILLAN suggested that if the Right Hon. the Lord Delamere could not see his way to accept, that the name of Sir Frederick Sprott be considered.

THE HON. THE DIRECTOR OF AGRICULTURE said he appreciated very highly His Excellency's nomination to serve on the Railway Board and he desired to serve Kenya as far as he could, but without committing himself he would like to have an opportunity of discussing the matter with His Excellency later.

The Motion was then put to the vote and carried unanimously.

HIS EXCELLENCY said there was one other Motion to be proposed by the Honourable Member for Nyanza on the subject of contracts. He understood that after consultation with the other Members the Member who had given notice of the Motion wished it to stand over till a later date.

THE NAIROBI (RATING OF UNIMPROVED SITE VALUES) ORDINANCE, 1921.

THE HON. THE ATTORNEY GENERAL said the Council while in Committee decided that there ought to be an appeal from the Magistrate's decision on assessment and accordingly he had deleted Clause 10 in the Bill and substituted a new Clause 10. The Council must understand that the question of appeal was rather a technical one and he thought it was best to leave the question of details to be dealt with by rules of Court. He had been looking into the question a little more closely during the interval and he found that in this particular class of case the right of appeal was generally limited in some way. It was very obvious that one could not go on fighting about assessment rights all through the Courts as is only led to undue delay. Accordingly he had made the decision of the High Court final.

He moved that the Bill be recommitted to Council in order that Clause 10 might be amended.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council. HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

Clause 10 of the Bill was duly amended.

The Council resumed its sitting.

THE HON. THE DIRECTOR OF EDUCATION moved that the Bill as amended be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE DIRECTOR OF EDUCATION gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE NAIROBI (RATING OF UNIMPROVED SITE VALUES) ORDINANCE, 1921.

THE HON. THE DIRECTOR OF EDUCATION moved that a Bill intituled "An Ordinance to enable the Corporation of Nairobi to impose and collect Rates assessed on Unimproved Sites Values," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

HIS EXCELLENCY said that all the work before Council this Session had been completed. There were a few Bills which had not yet reached a final stage. Those to be read a third time were the Public Health Bill and the Native Liquor Bill. Contentious matters had already been thoroughly thrashed out and he did not see any reason why the two Bills referred to should not be read a third time by a quorum of the Council when they were ready as he did not think it was necessary to bring Honourable Members into Nairobi for that purpose.

The Bill awaiting to be read a second time was the Widow and Orphans Pension Bill. This Bill had been thoroughly considered by Council in Committee the previous day and they had come to the conclusion that they could not pass the Bill until very close consideration was given to it. The Bill would be published for comment and would be considered as soon as it possibly could be. They were in a difficulty about that point as it did seem essential that they should pass the Bill at once in order that it could be applied but they had decided that it was more important to publish it for comment and get information on it even at the risk of the postponement of a few weeks. They would be able to finish the business of that Session with a quorum later on. Before adjourning he said he was very grateful for the trouble, hard work and attention given by Honourable Members during the last two weeks; at the beginning it looked as if it would take them five weeks to finish the business.

Council adjourned *sine die*.

EIGHTEENTH DAY.

Held at Nairobi on the 10th day of February, 1921.

The Council assembled on the 10th day of February at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.

THE HON. L. COLLINGS WELLS.

THE HON. W. J. MOYNAGH.

COMMUNICATION FROM THE CHAIR.

HIS EXCELLENCY said that before Council started to debate, and he hoped to come to some satisfactory decision after debate on the question of the currency of Kenya and of East Africa, it was hardly necessary for him to recall the whole history. They would remember that something over two years ago the Indian Rupee which was the ordinary standard coin of this country, and which had been looked upon as a 1s. 4d. piece, owing to the price of silver started to rise in value. About the time he went home it had been at 1s. 6d. going up to 1s. 7d. and 1s. 8d. about the time he got home. There had been an almost unanimous demand from the people of the country for the fixation of the standard current coin that they were using. It looked at one time to him as if it would have been possible a year ago to fix the standard coin by introducing a new token coin of East Africa at 1/15th to a £ sterling, but finally in conversation with the Committee of which the Chairman was Colonel Amery, the Under Secretary of State for the Colonies, it was finally decided at the last meeting at which there were present Sir Humphrey Leggat, Chairman of the East African Section of the London Chamber of Commerce, and the three heads of the London branches of the banks that were operating out here, that the idea of going back to a 1s. 4d. rupee was abandoned chiefly on the advice of the gentlemen he had named, and the fixation at 2s. had been finally settled one night when the Indian Rupee had shot up to 2s. 10d. Personally he had protested against the fixation at 2s. because he did not believe the rupee would remain at that high value. He believed that the Indian rupee would before long return to its normal value, but his protests had been overruled and the fixation had been made at 2s. What had happened now was exactly what he himself and a good many other people expected. The price of silver had gone down and having fixed this coin at 2s. they now were faced with the extraordinary position of using a coin belonging to another country at something like 7d. or 8d. above its intrinsic value, and above the value which it was in its own country. The result was that it had been impossible to carry on with a coin valued at 2s. in this Colony and 1s. 5d. in India. With the enormous coastal and border fronts the prevention of illicit importation was practically impossible, and was going on the whole time. With regard to the Indian rupee note, more especially had it been going on. Packets of 20,000 to 27,000 notes at a time had been illicitly imported into this Colony, and had been found, and in some cases, confiscated, and the offenders punished. For this reason the question of our currency had cropped up again acutely. Added to that he had been during the last 2 or 3 weeks approached by all sorts of communities urging different points of view and they had all read the various suggestions made in the local newspapers.

As far as he could see the bulk of the producers of the country were urging that even now that this coin had been fixed at 2s. they should bring it back to 1s. 4d. Against that he had the strongest protests from the Banks and business men, that a pledge had been given that the rupee or other coin was fixed at 1/10th of the £ sterling and that it would be wrong for the Government to consider any alterations to be made.

Having made these points clear it was obvious that something had got to be done and the quicker it was done the better in order to bring back to investors and producers and exporters, etc., the security without which no Government could carry on. Drastic measures might be necessary but he hoped they might avoid them. Before they started the debate he wanted to make the position of Official Members quite clear in this matter. The first Motion which was in the Order of the Day was put forward by the Government in order that they may at once get to the clear cut issue as to whether this country should remain on the fixed 2s. basis or whether it should go back to the 1s. 4d. or 1/15th of the £ basis. It was no Government measure in the sense that he was going to ask the Members of the Government to vote for it or to say anything for it or to feel themselves tied down in any way. He impressed upon the Official Members that the question at issue did not affect their salaries or that of their Departments. It was a vitally big question which might affect, and he hoped would affect rightly, the future prosperity of the country and from that view alone he wished them to look at it. It had been suggested that instead of this matter being settled there and then it would be better for Council to adjourn and hand the matter over to a local Committee of experienced men who were experts and for them to recommend to Council who would make a decision later. Before this was done it would be better to put the first Motion which was the clear cut issue as to whether they wanted to stay on the 1/10th of a £ basis or revert to the 1/15th of the £ basis. If that Motion was lost the meaning of that would be that the country wanted to remain on the present basis, and there would be immediately restored that sense of security required, and there would be no difficulty of a local Committee advising him as quickly as possible as to the best method of dealing with the situation described and demonetising the Indian rupee. If, on the other hand, after most careful consideration, the Motion was passed and it was decided to make a reversion or alteration in the currency then he would hope for advice during the course of the debate as to whether it would still be advisable to have a local Committee to make any recommendations.

MOTIONS.

THE HON. THE ACTING TREASURER proposed the following Motion:—

"That in view of the inflation of the cost of production by the arbitrary fixation of the

standard coin of East Africa at the rate of ten to the pound sterling:

And in view of the fact that the present low exchange value of the Indian rupee imperils the position of the East Africa Currency Board:

The fractional relationship of the standard coin in East Africa should be altered to its previous basis of one fifteenth to the pound sterling.

In speaking to the motion the Hon. the Acting Treasurer said the position was, he thought, well understood. The smuggling of one rupee notes, which increased the liabilities of the Currency Board, would now cease, as they had been demonetized. The smuggling of the rupees would cease if their local value was reduced below their exchange value. That consideration he proposed to dismiss then. It was the larger question of the effect on the country of the maintenance of a 2sh. rupee florin which they had to deal with. It would, he thought, be admitted that while each section of the community, producer, banker, merchant, and professional man, was a necessary part of the body politic, the producer must come first. If conditions be such that he must suffer ruin, ruin of the majority of others, and of the country as a white man's country, must inevitably follow. The fixation of the sterling value of the rupee at 2sh. had to-day had the effect of artificially inflating the sterling value of the rupee by 50%, whereas the other countries with which they were in competition had suffered no such inflation. That was to say that while the sterling value of the unit in which local labour was paid had been heavily inflated, the sterling value of the unit in which labour was paid by their competitors had not been inflated; it had he believed, in some cases, depreciated. It was, he thought, admitted by all producers that in such circumstances successful competition was impossible, and that if the ruin of the whole community was to be avoided, a labour purchasing unit of a much lower value than 2sh. must be adopted.

The end which the resolution he had read had in view was the immediate adoption of a standard coin of the sterling value of 1/4d. to be used as a means of transition on the shillings and cents at a later stage. If shillings were available immediately, which they were not, and the change were made direct to shillings at once at the rate of 2sh. to the rupee, the native would regard the shilling as a half rupee, and demand double the number of shillings than the florins he had been receiving. It was considered that if a coin of the value of 1/4d. were used for a time, and then redeemed at one shilling and 33 cents of a shilling, the native would realise that the shilling was worth very much more than half a rupee, and would demand very few more in number than the rupees he had previously received. Particularly would this be the case, it was contended, if the native Hut and Poll tax were adjusted so that he paid tax in an increased number of coins proportionate to the increased number of coins he received in wages.

He referred here to a matter which had been made very much of, and that was the pledge given by the Secretary of State and repeated here last year. The pledge was given, it was useless to deny, and he had no intention of suggesting that it should be broken. He suggested that the correct view of the position was that a pledge had been given which it had been thought would help the credit and prosperity of the country. Circumstances had arisen in which it was contended that the strict maintenance of the pledge would mean the ruin of the whole country. The high official who made that pledge came to them and said, "I suggest it is to the interest of all that we agree to abrogate the pledge by mutual consent, and

settlement of any claims for compensation that may arise as a result in a similar way." It had been stated that the pledge had already been broken. That he denied. If that were so he ought to be able to buy or sell rupees at a rate other than 2sh. Would anyone sell him to-day rupees at 1/4d., or buy them from him at 2/6d. He thought not. All that had happened so far was that the operation of certain machinery which had been set up to support the pledge—he referred to Currency Board transfers—had been suspended pending reconsideration of the position.

The resolution he had moved did not debar the initial redemption of rupees at 2sh. neither did it debar consideration of compensation. He would draw their attention to the second motion on the Order of the Day. The intention was, as he understood, that the carrying of his motion should indicate that Council asserted that the adoption of a coin of the sterling value of 1/4d., until metal shillings could be introduced, was essential to the welfare of this country. And the second motion meant that all questions arising out of the first motion, including the standard coin to 1/4d. should be referred to a Committee to investigate and report to Council. Any debate on details by the House would be abortive and merely serve to waste time and obscure the issue. The multitudinous questions which arose in matters of detail were so complicated and difficult that it was impossible for the House in Council to deal with them. He did not, therefore, propose to deal with the position of bankers, merchants, etc., but since the object of the motion was primarily to benefit the producer it was necessary to consider in how far the use of a standard coin of the sterling value of 1/4d. would have the desired effect. He proposed, therefore, for the information of Hon. Members who might not have all the details at their fingers ends, to trace the cycle of the producer's dealings, and in doing so he would have to touch, incidentally only, on other sections of the community. He assumed that the producer had his produce ready to be placed on rail. The first effect he might feel might be an increase on downward railway rates. He did not know—possible the Hon. the General Manager would be able to tell them—the question was whether the reduction in the sterling value of his revenue would be compensated for in the reduction of the sterling cost of native produce and labour used by the Railway. The second effect would be an immediate increase of 50% in the rupee cost of Ocean freights, and although that might later be compensated for by a fall in Ocean freights, the producer would have to pay 50% more for his freight than he would have to do if the rupee remained at 2sh., until the rupee eventually gave place to shillings. The produce was then sold, they would say in England, and the producer received locally 50% more rupees than he otherwise would do when the money was remitted to East Africa. The next effect that the producer would feel would be a rise of considerably more than 50% in the rupee cost of all imported commodities, including machinery which he might use.

The purchase price of goods landed in East Africa would automatically rise 50% in rupee value. Ocean freights from England to East Africa would have risen 50% in terms of rupees, which would still further increase the rupee cost delivered into store in Kenya. Upon this increased cost a merchant would base his gross profit, the percentage of which would also probably have to be increased to cover the merchant's own increased cost of living and overhead charges. Here again the heavy immediate rise might be counterbalanced later by falling prices generally, and increased competition, but the producer would, until the rupee gave place to the shilling, have to pay much more in 1/4d. rupees than in 2sh. rupees.

When the producer or members of his family wished to go out of the country on leave or business, he would find that he would have to pay 50% more of the lower value rupees than he would of the higher, for his passage ticket and for the whole of his expenses while away from the country. The same would apply when he had occasion to consult a doctor, lawyer or other professional man, for the fees of all would, he thought, undoubtedly be increased. Life Insurance Premiums would also be increased 50% and if he employed a European in any capacity whatever he would, he thought, find that he had to pay a greater number of lower rupees than higher. If he had children at school outside the Colony the cost would also be increased 50% in lieu of lower value rupees. Having dissipated some of the producer's 50% increase in rupees, they now came to the point where he gained. He hoped to cut down his working cost, in so far as it was represented by native materials and labour, by 33 and 1/3rd per cent. Whether or to what extent his hopes would be realised he was not in a position to state. He doubted if he would find, after say 12 months, that his native boys would continue to accept the same number of lower value rupees as they received of the higher. As an instance of what would happen, two days ago all the Treasury boys demanded a large increase of wages, because, as they said rupees were now no good. That there would be a margin of advantage to the producer he firmly believed. That that margin would be as great as some hoped he very much doubted.

To summarise the position he might say that the immediate effect of the increase would be a heavy increase in the cost of living for all Europeans and Indians in a country where the cost of living was excessively high, and a reduction in the costs of production for the settler, which ought to help forward the general prosperity of the country. The fall in Home prices which was now taking place might in time, and to some extent, counterbalance the enhanced cost of living due to altering the value of the rupee. Conversely, the probable knowledge of the native in time when he found that he had got a lower value rupee would, to some extent, counterbalance the improved position of the settler. There were two other points of importance which he just wished to touch upon. One was the loan, and in that connection the Colony would reap an advantage. Assuming that three millions of the loan were spent in local produce and labour, they would, for £3,000,000 obtain 45,000,000 rupees, instead of 30,000,000, a gain of 15,000,000 rupees, assuming that the price of native labour did not rise and swallow it up. But here, as in other cases, the position was not at all in their favour. In three years the charges for interest and redemption would fall due. If they had saved 15 million rupees on the loan it would be wise, probably, if they set that aside to meet the redemption charges later on. The interest and sinking fund on the railway portion of the loan would be increased by Fls. 3,000,480 and on the Colony's portion by Fls. 572,560.

As regards the Colony's budget, it would be a little difficult to try and re-compile a budget which took four months to compile. The local allowance paid to civil servants would disappear, assuming that no compensation would be given to them for the increase in the cost of living. The sterling value of revenue would equal the sterling value of expenditure, and on that basis it would not be necessary to increase the Native Hut and Poll Tax. The Currency Board would redeem rupees and accept liabilities for the difference, and recoup themselves year by year by the profit on coins minted. They would, in meeting this debt and redeeming the rupees, be mortgaging, possibly, the future revenue of the Colony. He thought that

was all he had to say on the subject at present. He did not conceive it his duty in so vital and difficult a matter to attempt to persuade them to any point of view, but to place the position before them as clearly and concisely as possible, so that they might exercise their judgment uninfluenced by any special pleading or rhetoric.

HIS EXCELLENCY said the country he believed, wanted shillings, and the result of the motion would decide whether those shillings should be introduced as two (or the present florin) or as four shillings to three rupees.

THE HON. THE DIRECTOR OF AGRICULTURE rose on a point of order and asked whether the motion was in order without the suspension of Standing Orders.

THE HON. THE ATTORNEY GENERAL in reply said he understood the Council had been specially summoned to debate this Motion and that it was a Motion the urgency of which was admitted by Honourable Members and it came under Standing Order No. 18 (7).

THE HON. THE ACTING COLONIAL SECRETARY seconded the Motion.

THE HON. K. H. RODWELL moved the following amendment to the Motion:—

"That this Honourable Council resolve that the pledge given by the Secretary of State for the Colonies, gazetted on March 31st, 1920, stand good and that a Committee be appointed to devise ways and means of introducing sterling currency at the earliest possible date and the making of sterling coinage or one of similar denomination the standard coin of the country."

HIS EXCELLENCY pointed out to the Hon. Mr. Rodwell that the Motion proposed was not an amendment but an entirely new Motion. It did not amend or delete any words.

THE HON. K. H. RODWELL maintained it was extremely difficult to amend the text of the Motion and at the same time maintain the clear cut issue.

HIS EXCELLENCY said he could not accept the Honourable Member's Motion as it was not in order. What the Honourable Member should do was to oppose the Motion now before the House. When the Motion before the House had been put and if there was a majority against and the Motion lost then he would allow a new Motion to be put.

THE HON. K. H. RODWELL pointed out that he had had no chance of giving notice of his Motion to the Clerk of Council.

HIS EXCELLENCY pointed out that they wanted the fullest debate on this Motion; but at the same time there were rules and regulations to conform with in these matters, and that he must rule the Motion as out of order. There was a Motion now before the Council and until that Motion had been dealt with he could not accept any other. The simplest way to overcome the difficulty would be for Honourable Members to give their views and debate on the Motion before Council. When that Motion had been put and lost a new Motion could be put. The Honourable Mr. Rodwell could now rise and explain his objections.

THE HON. K. H. RODWELL said his point was that he would like Honourable Members of Council to know what Motion he would put up in the event of the original one being lost.

The Hon. Mr. Rodwell's Motion was read to Council by the Clerk.

HIS EXCELLENCY said it was perfectly clear that the Honourable Member wished to put his Motion if the original one was defeated. He wished to make it quite clear that any Member who spoke to the original Motion would also be allowed to speak again to the Motion of the Honourable Member for the Coast.

THE HON. THE COMMISSIONER OF CUSTOMS said it appeared to him that the clear cut issue was whether they were going to get down to the 2/-sh. or sterling basis or stick to the rupee. The Motion before them talked of a 1/15th basis to the £. He had read the Order in Council very carefully and he found that it provided for sterling currency. Unfortunately it made the Florin the standard coin. That he thought was a very great mistake. The pledge was merely to the effect that the Indian rupee should be accepted here at the value of 2/-sh. He had spoken very strongly the previous afternoon on the pledge and he had read that pledge again and could find nothing in it to prevent them from demonetizing the rupee. With regard to labour, there was nothing to prevent them minting a coin of the 1s 4d value and paying their labour at the rate of 1/4d. With regard to salaries; these would be paid on the sterling basis. If they could get rid of that standard coin of 2/-sh., and get down to a sterling basis, shops would sell their goods in sterling and remittances from Home would be in sterling. A great deal was said of the loss to be caused by a sterling basis and the drop to 1/4d. He submitted that the profits being made by people were purely false. They ought not to have it. He did not see why because they had fixed this coin at 2/-sh., that he should be able to remit Home at a profit. They had got to come down to a normal state of affairs and they wanted to get away from the Indian rupee.

HIS EXCELLENCY said he would like the Honourable Member to clear up two points. He said they wanted to get on to a sterling basis. They were already on sterling with the Florin. Did the Honourable Member mean the Shilling. Also was it clear that the Honourable Member opposed the Motion or was in favour of it.

THE HON. THE COMMISSIONER OF CUSTOMS said he meant the Shilling. He was not in favour of the Motion.

THE HON. A. C. HOEY said in speaking to the Motion and not supporting it he would like to state clearly that he had been a great advocate of reducing the rupee to 1/4d. He strongly supported it in Council and out of it by any action which he thought would bring about the desired end. It would mean a very considerable reduction in liabilities which carried the arbitrary increase of 50% owing to the action of the Secretary of State. It would remove the unjust imposition of 50% on debtors prior to March 1920. In his mind he always considered some adequate scheme of compensation should accompany such action and so compensate those who would be injured, especially those who had imported capital into the country since March 1920. The reason that he was not supporting the Motion was, whilst being in complete agreement as to the immediate urgency of reducing the sterling value of the Standard coin of the country, he considered that by voting for the Motion he was definitely committing himself to a reduction of the rupee to 1/15th part of a £ without embracing any definite scheme of compensation. Again there was the pledge given by the Secretary of State which would be broken if the Motion now before the House were carried. He always maintained that by giving a pledge outside this country against the express wishes of everyone from His Excellency downwards a great injustice was done. The 2/-sh. rupee never originated in this country. The action of the Secretary of State had already cost the country thousands and thousands of pounds. Also such action of the Secretary of State had placed a crushing handicap of 50% on the producers of this country, a responsibility which alone rested on the shoulders of the Secretary of State. A solemn pledge had been given and capital to the amount of nearly four Million Pounds had been brought into the country.

That pledge was the credit of the country. Break that pledge and he asked what would be the position of the Country. The answer was obvious. He did not pretend to understand the intricacies of finance. He was a producer. As regards compensation he believed it was impossible to embrace any scheme of compensation at the conversion of 1/4d. It would involve a sum approaching two million pounds. Therefore he favoured conversion at 2/-sh with compensation to debtors prior to March 1920. It was secure and maintained their credit. An immediate change in their currency was a vital necessity to the country and should be made. What they demanded and must have was a standard coin of lower value than the rupee or florin. That coin was the shilling. The time had come when they should break away from the Rupee and establish themselves on a sterling basis with a sterling guarantee. A sterling currency for a British Colony such as this was essential. He believed it could be done with notes at present in the possession of the Government, by a surcharge, and if they could make that change they should make it at once without breaking any pledges, and above all, reserving their honour and credit.

THE HON. T. A. WOOD said that if there was any danger of the original Motion going through in view of the inability to put up any amendment he thought it would be safer if he proposed an amendment to the 3rd paragraph in the Motion which he thought would be allowed as an amendment. His amendment was an alternative to the third paragraph and read

"That the rupee be demonetized by redemption as soon as possible, and that pounds, shillings, and cents be adopted as currency."

If he was allowed to put that as an amendment he would like to say he did not wish to go into details on the subject. He would like to see the Honourable Mover of the Resolution . . .

HIS EXCELLENCY said the Honourable Member was in order to make the amendment and could speak to it as it had been proposed and seconded.

THE HON. T. A. WOOD, continuing, said he wanted first of all to say that judging from what the Honourable Treasurer said in respect of his Motion that the many arguments which he had produced had been in point of fact arguments against it. He might be entirely wrong in that assumption, but in tracing the course of the change the Treasurer made out they had gained nothing. They lost something on the other hand. They lost reputation, which was a very important thing from a British point of view. He understood the British constitution was based principally on a foundation of justice, and correct discrimination between right and wrong. Even if they had the old debtors (he had a considerable overdraft at the time, and he could fairly class himself as an old debtor) was it right to introduce a system in which the burden was transferred from the old debtors to a new debtor or to a collection of new debtors, because that appeared to him to be the result of the original Motion. It would penalise the new importers of capital and new business houses to an extent that it would be impossible to bear and he did not think the result would be what was hoped for by a certain section of the producers. He said "certain section" because the previous day he thought "all" producers, but he found himself in a better position that day. He found a settler like the Member for the Uasin Gishu opposing the conversion of the rupee. There was another point of view. They had made one mistake originally by fixing an arbitrary value on the rupee. It would be clearly a mistake to fix another arbitrary value on it. As a matter of fact he understood that some people in this country held the view that the rupee had been fixed at 1/4d. in India, but he was told by experts that it had been fixed by an artificiality

—some system of finance with which he was not conversant. If they fixed the rupee at 1/4d. as in the terms of the original motion whilst the rupee was 1/5d. in India, the main result would be that the rupee would disappear altogether because it had got a greater value in India. Supposing on the other hand the rupee went down to 1/4d. the Currency Board at Home appeared to him to be placed in exactly the position as they were to-day. He understood that was the real reason which had initiated the Motion. The Currency Board said our liabilities were being increased so that apparently there was no necessity for them to consider the question of taking over the liabilities and transferring them from Smith to Jones, which did not appear to him to be the proposal to revert to a 1/4d. rupee. The only just method he could see was to adopt the suggestion in his amendment, which he thought was productive of the same result as the Motion standing in his name to appoint a Commission, which he hoped to be able to move later. He had no wish to go into details at this stage but would content himself with moving that amendment.

THE HON. SIR NORTHRUP McMILLAN seconded the amendment.

THE HON. THE DIRECTOR OF PUBLIC WORKS said he must vote against the amendment. The reason why he objected to this amendment and the only reason was that they all understood that it was likely that a Commission of experts would be constituted to advise them as to the course of action they should take in substituting sterling currency for rupee currency. The amendment as it stood did not give a free hand to the Committee. Personally he was an out and out advocate of a decimal system of coinage and he hoped the final result would be the adoption of a decimal system of coinage consisting of decimal parts of the £ sterling. He thought that in the eyes of financial experts in other countries they would be liable to make themselves ridiculous if they departed from this decimal system based on the pound which the country already possessed. He believed there was behind this recommendation for Pounds, Shillings and cents, a view which he regarded himself as a delusion that it would be possible, by altering the standard coin of the country to affect in the long run the amount of labour which would be obtainable for a given sterling outlay. He was quite convinced that that was economically unsound. If they desired to have a coin of the 100th part of a shilling in circulation, and he believed they had in Uganda such a coin in the form of the half cent, it was quite competent for them to have such a coin in circulation but he hoped they would arrive at a decimal system based on the sovereign and tenths, hundredths and thousandths of it. He thought they recognised that a question of principle had intervened. There was a scrap of paper in the way, and of all the scraps of paper that had become famous in recent years this was probably the smallest—single column "Official Gazette" one and a half inches deep. That scrap of paper had to be adhered to and honoured. The question they were approaching was the demonetization of the rupee and the introduction of sterling currency and the Commission of experts to which this was referred should have the broadest remit possible. If they there and then agreed to the recognition of the Secretary of State's pledge he understood the banks would be in a position to go forward with normal business on the following morning or that afternoon and business would proceed as before. All that was required was for Council to decide on the demonetization of the rupee in the Protectorate and Colony and that the rupee should be redeemed at the present value, in accordance with the Secretary of State's pledge.

The Nairobi Political Association were he believed of opinion that no decision should be come to until the Commission had reported.

HIS EXCELLENCY said Honourable Members were speaking to the amendment and when finished he would put that amendment and after that he would put the original Motion. There was nothing whatever to prevent the original Motion being lost and thus the Motion which had been given notice of by the Honourable Member for the Coast would be taken. Personally, if he could give any advice to the Council he thought this was the best course to pursue.

THE HON. T. A. WOOD said if he could be satisfied that that was going to be the ultimate result he would rather withdraw his amendment. The only reason he had put his amendment was that he was afraid the original Motion might go through.

HIS EXCELLENCY said he had already stated that supposing the amendment and the Motion before the House were lost he had accepted notice of the Motion of the Honourable Member for the Coast. He thought the original Motion was the best method of getting at what the country wanted. Personally he quite believed the original Motion would be lost.

THE HON. T. A. WOOD said he would leave his amendment as it stood.

THE HON. THE COMMISSIONER OF CUSTOMS said he was very glad to hear the Member was not withdrawing his amendment. In the remarks he had made he did not say that he did not contemplate compensation. He thought they must do it. In his own mind he had the idea for the appointment of a Compensation Board to go into the whole thing and enquire as to what compensation should be paid. He still maintained that because a pledge had been given that the rupee should be at 2½sh. that they could not change it in any way.

HIS EXCELLENCY pointed out that neither in the Motion as amended nor in the Original Motion as in the Order of the Day was there any mention of compensation at all. Neither did it lay down that there would be compensation or that there would not be. If the Motion was carried there was nothing to prevent the Government continuing afterwards to decide what should be done about compensation.

THE HON. THE COMMISSIONER OF LANDS asked the mover of the original Motion whether under the circumstances he would be prepared to withdraw his Motion in which case the amendment would lapse and the Motion of the Honourable Member for the Coast could be proceeded with.

HIS EXCELLENCY said it would be a pity to withdraw the Motion as they wanted the opinion of the elected Members who represented the country.

THE HON. THE ACTING TREASURER did not withdraw his Motion.

THE HON. R. B. COLE in speaking in support of the Motion said he felt he was against great opposition. He represented a section of the producers who lived a long way out and their expenses to-day were very much more increased than the people who lived near the Railway line. He personally would vote for the original Motion set forward by the Hon. the Treasurer. He would like to have seen embodied in the Motion some form of compensation. With reference to labour, the way they felt about it out there, they were paying 2s. for every 1s. 4d. that they ought to be paying and the fact was that they could not produce stuff at a figure to compete with the rest of the world, and for that reason the sooner they had a conversion at 1s. 4d. the sooner they could carry on in the hope of meeting competition. The whole of the country was built up on the rupee. Debts had been contracted and so forth right from the very beginning at 1s. 4d. With the coming in of the 2s. many people lost very heavily. As far

as the commercial part of the community were concerned he contended in saying that the commercial communities, the banks, and others, were entirely dependent on what they, the producers, were going to do in the country. There was tremendous distress at the present moment, and it was essential that the Motion should embody some form of compensation. They must have a coin of a lower denomination and a conversion of 1s. 4d. or 15 to the £. They had had a pledge that the 2s. piece must remain permanent. That pledge, as far as he knew it, was a pledge that the rupee in this country should be 2s. and that it should be 2s. in India. Their pledge in that was only half a pledge. If the Indian rupee had remained at 2s. it would have been all right but now they had to compete with the 1s. 5d. rupee in India. He urged the conversion of the rupee at 1s. 4d. and the withdrawal of the florin altogether. That stage was entirely transitory and that as soon as the shilling could be minted they should go down to a shilling basis. By this he meant shillings and pence. He submitted that there was a strong desire for the conversion to 1s. 4d. or 15 to the £ and that was what the people of the country wanted. In the town the people heard everything that was going on but they did not do so in the country. He had great pleasure in supporting the Motion.

THE HON. K. H. RODWELL said he was going to vote against the amendment not because he did not agree but because he was almost confident that the original Motion would be lost and that the Motion which he had put forward was clearly set forth and in plain English.

THE HON. COL. S. H. CHARRINGTON said nothing could induce him to vote for the Motion put forward by the Hon. the Treasurer. He said it was too narrow in every way and that there was nothing in the Motion to make good the pledge that had been given. He could not vote for it on that account. For the same reasons stated by the Honourable Member for Mombasa he would vote against the amendment in the hope that the Hon. Mr. Rodwell's Motion would be passed. He did not think there was any fear of the original Motion being passed. He did not propose to go into details as he thought that should be left to the Committee which he hoped would be appointed. It was a question of principle they were discussing now. The Motion proposed by the Honourable Member for Mombasa was the best one and gave a free hand to the Committee which would be appointed. The principle of sterling and the shilling coin had come before Council before and had also come before the country. Unfortunately the shilling coin had not been passed. On the 8th July 1920 he brought forward a Motion himself to have the shilling as the coin but it had been turned down. On December 31st last year the Convention of Associations brought forward a Motion, proposed by Captain Anderson and seconded by Mr. Buchanan, "That this Convention is of opinion that the retention of the florin as the standard coin of the country must be detrimental to the further development thereof, and advocates the introduction of shillings in quotations of prices in that coin." That Motion had been carried by 17 votes to 4. No scheme had been contemplated by which the present obligations in rupees in this country should not be made good at 2s. and after that had been done he considered they should go on to a sterling currency as soon as possible either with the shilling as the standard coin or if the Committee thought better some coin called, say, a "mba" such as a 1s. 4d. piece. The Hon. the Treasurer had a point about the cheapness of labour and how this coinage would affect them. That was from the farmers point of view and a very important point, but it seemed to him that there would be a transitory period during which

there would be some form of dual currency. Rupees were not going to be collected and demonetised in a few days and he thought during that transitory period there would be a dual currency and he thought the labour of the country would come to realise that the rupee would be only worth 1s. 4d. or 1s. 5d. according to the current rate of exchange at the time. There was one point which he hoped would be taken cognisance of by the Committee, which was indemnification to those people who borrowed money before the rupee had been stabilised at 2s. and since had to pay it back at 2s., when they only borrowed it at 1s. 4d. or 1s. 6d. He considered that all financial transactions which took place before the stabilisation of the rupee at 2s. should be open for settlement at the current rate of exchange and not at the arbitrary 2s.

THE HON. E. A. PHELPS said he would vote against both the Motion and the amendment. He was to a very great extent in sympathy and his only reason for voting against it was because he thought the Motion put forward by the Hon. Member for Mombasa was put in such a way as would restore confidence throughout the whole country. As he thought, everyone was aware that he had always wanted the 1s. 4d. rupee but at the same time a pledge had been given by the Secretary of State against the considered opinion of this country and of His Excellency and he felt they had to abide by that pledge. In order to fulfil that pledge they would have to redeem rupees worth about 1s. 5d. at 2s. and he did not quite know who was to foot the bill.

HIS EXCELLENCY informed the Honourable Member the Currency Board would meet the bill.

THE HON. E. A. PHELPS said he understood from that it would fall on the country.

HIS EXCELLENCY said that the redemption of the rupee in the country of 1s. 5d. at 2s. would be borne by the Currency Board, but would be recovered by profit made on minting coins. It would eventually fall on the country.

THE HON. E. A. PHELPS continuing said they would have to face it and make payment but it seemed rather hard that they should have to incur that debt by the decision given by the Secretary of State and he thought they must still adhere to the pledge given. With regard to the original resolution, he had always wanted a 1s. 4d. rupee, at any rate for a time. He submitted the only possible way to introduce the 1s. 4d. rupee was to redeem rupees already in circulation at 2s. and then re-issue them at 1s. 4d.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER in speaking to the amendment of the Honourable Member for Nairobi South said there were one or two points he wanted to bring out with regard to the original Motion of the Government. He thought he would be right in saying they all wanted the currency of Pounds, Shillings and cents. From their own point of view and from the Imperial point of view they wanted to go into the currency area which included the greater part of the British Dominions. At present they were in the currency area of India, but their future lay more with South Africa, Nyasaland, Rhodesia, etc., and they wanted to adopt the currency of Africa, or of the greater part of Africa. They would want 100 cents to the shilling, and there they came to the first of their difficulties, because as His Excellency had said, they were already on a sterling basis, and their present value was 100 cents to 2s. It was not an easy thing to do, deal-

ing as they did with a illiterate population, to say that a coin which hitherto had been worth 100 cents should become 200 cents or that the familiar half rupee which had always been regarded as 50 cents should be worth 100 cents. Whether it would be possible or not was a matter of opinion but it had been one of the factors which had influenced the Government in deciding that it would be desirable first of all to have an interim period whilst during that interim period it would be possible to collect a certain number of shillings for circulation in the country and then the rupees could be recalled and thus the mind of the native gradually divorced from the difference in value of the existing coinage and the coinage they proposed to introduce. He submitted therefore, that the original Motion of the Government which had been introduced by the Hon. the Treasurer was chiefly a matter of ways and means, and they could not decide in a Council like that whether it was entirely possible to do that during the interim period which had been suggested. He proposed to vote against the amendment that had been proposed simply on the ground that it was, in his mind, too definite, and as the Hon. the Director of Public Works had said, it tied down the Committee which was to be appointed. That Committee should have as free a hand as possible.

THE HON. THE GENERAL MANAGER proposed speaking to the original Motion entirely from a Railway point of view and how that Motion would affect the Railway financial position which was so closely tied up in the interests of this Colony. The Railway purchased a large amount of stores from home. These amounted to approximately about £150,000 per annum. To purchase this he required 1,500,000 standard coins. If the alteration took place he would require an extra 750,000 coins. With regard to the Loan. It had been said that the money sent out to this country would be increased by 50%, but he was of opinion that for some time at least the cost of wages, food, etc., would not be decreased, because it appeared to him that nobody who had been selling an article and getting 2s. for it would be content to get only 1s. 4d. for it. In the loan for the Railway a large proportion of the money would be spent at home in the purchase of rolling stock, locomotives, machinery, etc. With regard to the interest. The Sinking Fund and Interest charges of the Railway loan amounted to a sum of 5,814,000 rupees or florins. If the change took place a further 2,907,000 rupees or florins would be required and this would not be a charge for one year, it would be a charge against the Railway during the time that loan was not redeemed and the burden of that would be borne by the users of the railway and that being the case he did not see how the cost of exports on the railway was going to be reduced. A pledge had been given to this Colony. It was a pledge to the British Empire that the present standard coin would not be reduced and he did not think it competent for Council to recommend that the pledge should be broken unless and until they had the opinion of the inhabitants of the country. Taking into consideration the foregoing remarks he considered that a Committee should be appointed to deal with the whole question and he was certain that if they took evidence that they would in time be able to meet the difficulties outstanding without having to break the pledge given to the Colony.

THE HON. THE DIRECTOR OF AGRICULTURE said he had hitherto refrained from addressing Council on matters of which he did not possess some, if only a little knowledge, and he did not propose to depart from that practice. It was not necessary to possess a knowledge of currency in order to make a decision as to how to exercise one's vote in the Motion before them. It was clear to him that he should strongly oppose the Motion of the Hon. the Treasurer. In his opinion there

had been a very serious omission in that Motion. It was an error of omission rather than of commission. If it had been the intention of the Government that there should be reparation in some form or another then he thought there should have been included in the Motion some assurance to the Committee which it was proposed to appoint. In the absence of some assurance of that kind he did not doubt that the passing of the Motion would result in consternation and commotion in banking and commercial circles. Having regard to the guarantee given by the Secretary of State, and he thought it should be remembered that the Secretary of State spoke for the Crown, that the rupee should be stabilised at 10 to the Pound and that it was fixed and permanent, he would not be a party to what he considered would be the perpetration of a grave injustice to a large number of people in this country helping to develop—producers and non-producers alike. It might be expected that he should make some reference to the first part of the Motion. Whilst he agreed that the cost of production had been inflated very considerably by the stabilisation of the rupee at 10 to the Pound he was afraid he could not support the view that the cost of production had been increased by 50%, nor could he support the view that if the rupee reverted to its former value that *ipso facto* the cost of production in this country would be reduced by 50%. He would like to put it to Members that labour only represents a percentage of the cost of production. It was true that the percentage of the cost of labour with regard to certain products was relatively higher than others. If a Motion of this kind was passed by Council the result would be that in other costs there would be considerable increases. The cost of European staff in respect of salaries, of living, etc., would mount up. All costs in respect of importation of machinery and plant to run an agricultural holding would go up permanently 50%. He was afraid that there would be no reduction in the labour cost. He thought it would not unlikely happen that the protectors of native interests would put it to the natives that they were entitled to and should demand an increase in wages. He also agreed that something should be done to remove the handicap which had been imposed on this country on the higher cost of production on its export products. He was of opinion that this could be secured by devising less drastic means than those proposed by the Motion. With regard to the amendment he regretted he could not support it because he would not like to see the hands of the Committee tied up.

THE HON. W. J. DAWSON said the Motion of the Acting Treasurer suited him and the people he represented up to a certain extent but he asked the Acting Treasurer whether the Motion as it stood did not debar the keeping of the pledge. He would like to have some distinct undertaking at the end of this Motion that the Government intended to keep the pledge. The trade of the capital of this country had reached a stage of gravest tension as a result of what had happened in the last week, and if it was the intention, as apparently it was, of the Treasurer and Government to keep the pledge, there should be a distinct understanding here that the pledge would be kept. That would relieve the banks and everybody connected with business. He could not be a party to legislation which would alter the finance of this country, and create injustice to a great number of people in the country. This was a British Colony and as such must abide by any pledges given by the British Government. If it was possible to be honest with these people why not be honest. He would like to see the Motion passed if it were made distinct that the Government pledged themselves to keep the pledge of March of last year. He could not support the Motion and be a party to rectify one injustice by creating another.

HIS EXCELLENCY said that if this Motion in the Order of the Day was carried which meant a conversion from 1/10th to 1/15th it would not be a breaking of the pledge.

The amendment of the Hon. T. A. Wood was then put and lost.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER said he understood from a remark made by the Hon. the Director of Agriculture that it was necessary to guard against the possibility that those who were protecting native interests would assist the native to combine to demand higher wages. On behalf of himself and the administrative officers, he wished to intimate that they all desired to benefit the Colony, and that during the whole course of his experience he knew of no case where administrative officers had in any way advised the native against the interests of the Colony.

THE HON. THE DIRECTOR OF AGRICULTURE in reply, said that he had no intention of suggesting such an implication as the Chief Native Commissioner had mentioned. It was only a natural conclusion to arrive at that those people in the country—he did not think particularly of administrative officers—who had the interests of the native at heart would naturally feel it their duty to explain the position to natives with respect to the reduction in the value of the rupee.

The original Motion as in the Order of the Day was then put and lost.

THE HON. K. H. RODWELL then put the following Motion:—

"That this Honourable Council resolves that the pledge of the Secretary of State, gazetted on March 31st 1920, must stand, and that a Committee be appointed to devise ways and means of introducing such currency on a sterling basis, at the earliest date, as will make the shilling, or a coin of similar low denomination, the standard coin. The Committee for this purpose to consist of:—

- 6 Producers.
- 6 Bankers.
- 2 European Merchants.
- 2 Representatives of the Indian Community.
- 1 Chartered Accountant.
- The Hon. the Attorney General.
- The Hon. the Chief Native Commissioner.
- The Hon. F. W. Major.
- His Majesty's Trade Commissioner.
- The Hon. the Treasurer as Chairman."

In speaking to the Motion he said he would endeavour not to go into details or over old ground. He must however say a few words because he wanted to get a unanimous vote that would once more restore confidence in the country and a unanimous vote to His Excellency to show that they were absolutely determined to stand by that pledge, and to show the country they were not going to break faith with that guarantee. There was one point he would like to criticise which had been brought up by producers. People who argued that they should be stabilised at 1s. 4d. had brought up arguments about the producer. It was invariably the producer. If the producer went down the country went down also. If they analysed the arguments they would find that the producer only benefited by the labour. It had been proved that to go back to 1s. 4d. would increase everything the producer wanted. Going further they would discover that the means of getting cheaper labour by going back to 1s. 4d. was based on the hope that the labourer would be satisfied in taking the same coinage and was ignorant of the fact that it had been demonetised. The effect of this

Resolution was in three principles. Firstly: that they stand by the pledge. Secondly: that the rupee be redeemed at 2s. demonetised, and finally abolished from Kenya. Thirdly: that sterling currency be adopted.

THE HON. T. A. WOOD seconded the Motion.

HIS EXCELLENCY said that one of the arguments used was that something like four million pounds of new capital had been brought into the country on the fixation of the rupee at 2s. He would be glad if the Honourable Member for Nairobi South would furnish further information.

THE HON. T. A. WOOD said it was a statement of fact. He had not imported £4,000,000 and did not suppose he would ever be in a position to do so. He was however perfectly satisfied that it was a statement of fact, and he had it from very responsible people.

THE HON. THE DIRECTOR OF PUBLIC WORKS asked the mover of the Motion, in order to secure a unanimous vote, to make an alteration in clause 2, and not insist on the adoption of a standard coin of a shilling or similar adoption. He would like to see it put in the following terms:—

"To consider and report as to the lines of action to be adopted with local coinage in substituting sterling for rupee currency."

In supporting this the Hon. the Director of Public Works said nothing could be more general than that.

No one seconded the amendment of the Hon. the Director of Public Works which was dropped.

HIS EXCELLENCY then put the Motion of the Hon. K. H. Rodwell which was carried *nem. con.*

SEGREGATION.

HIS EXCELLENCY said that with regard to the question of the Town Planning of Nairobi, there was a question at issue which the Right Honourable the Secretary of State had asked him to put before the Council. As no notice of the motion had been given he proposed under Rule 18 (vii) of Standing Orders, that any motion the urgency of which was admitted by the majority of Members present might be brought up without notice. The matter was extremely urgent and the Secretary of State considered that the health of the whole community in the country may depend on it and he proposed that a motion should be put as to the urgency of this measure.

THE HON. THE ACTING COLONIAL SECRETARY moved that the motion standing in his name on the Order of the Day be considered as a motion of urgency.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE HON. THE ACTING COLONIAL SECRETARY moved the following motion:—

"That in view of the impracticability of either expropriating or recovering from Non-European ownership, within a reasonable period, by other methods, the Indian Bazaar area running West from Swamp Road to Ainsworth Bridge, the area coloured blue and marked with the figure "2" on the Map of the Nairobi Township marked "C" shall be an Asiatic Commercial area.

(2) That the area coloured red and marked "1" shall be a European Commercial area.

(3) That the area coloured yellow and marked "3" shall be an Asiatic Commercial and Residential area."

THE HON. THE ACTING COLONIAL SECRETARY explained with the aid of Maps placed on the wall the exact details to Hon. Members.

Speaking to the resolution the Hon. the Acting Colonial Secretary said the areas referred to were those areas marked blue on the Map which it was proposed should be set aside as an Asiatic Commercial area. The area marked (1) and painted red was to be set aside as a European Commercial area. That marked yellow to be an Asiatic Commercial and Residential area.

He thought it would simplify matters if he read the précis which had been prepared and which was in possession of Hon. Members.

THE HON. THE ACTING COLONIAL SECRETARY here read the précis, attached, of Professor Simpson's Report on the Sanitation and Town Planning of Nairobi.

(1) The removal of the Indian Bazaar, and the inclusion of the site in the European quarter.

(2) The recognition of that portion on the North side of the river as the Asiatic quarter, leaving a protection zone at least 300 yards wide between it and Parklands.

(3) The offer of encouragement to Asiatics to move in the direction indicated so that in the course of years the majority of Asiatics would occupy the Asiatic zone on the North side of the river, and the majority of Europeans the European zone on the South side.

The effect of his proposals is indicated in Map A.

Professor Simpson's proposals were generally adopted in principle by this Government in August 1914, when it was considered that the new Indian Bazaar should be on the North side of the river and that its establishment on that site should be effected gradually as opportunity offered. It was, however, recommended that the expropriation of the present bazaar should be deferred in anticipation of the voluntary retirement of residents to the more attractive sites which would become available in the new area. It was not considered advisable to treat the River Road area otherwise than as an Asiatic area.

The Municipal Committee gave their views on the Report in April 1915. They were of the opinion that the idea of expropriating the bazaar should be abandoned. Expropriation was impracticable on financial grounds, was not essential provided an efficient sanitary control was established, and, if effected would entail the expenditure of money which could be more advantageously spent elsewhere.

The Indian Bazaar was to remain in its present site, it was impracticable to convert the River Road area into a European area. All the arguments against expropriation of the Indian Bazaar applied with equal force against this conversion, a scheme which, besides being unfair to Asiatics was unnecessary, as the proposed European commercial area was ample for the purpose without the addition of River Road.

As a result of the recommendations of the Municipal Committee, Sir Henry Belfield came to the conclusion that the complete compulsory expropriation of the present Asiatic Bazaar was out of the question and that the addition of the River Road area to the European commercial division was neither necessary nor desirable.

In commenting on this opinion, Professor Simpson reiterated his conviction that expropriation of the present Bazaar was essential on sanitary grounds and would be highly beneficial to the health of Asiatics. The Secretary of State decided that expropriation must be effected but funds were not available to carry out this decision. Action was therefore deferred.

The Advisory Medical and Sanitary Committee for Tropical Africa discussed the question in 1916 and recommended that no native or Asiatic shops or

houses should be permitted in the area between the Indian Bazaar and Ainsworth Bridge to the North-east of Government Road, containing the Land Office and other offices, the Norfolk Hotel, etc. Action was taken accordingly to retain this area in the European commercial area but transfers from Europeans to Asiatics were permitted in the River Road area.

Little further progress was made until November 1919, when the Governor took to England proposals modifying Professor Simpson's schemes in regard to Nairobi. These proposals slightly extended the area in which free transfer between Europeans and Asiatics was to be permitted and varied the neutral zone to the North of the River in the neighbourhood of Swamp Road. The Governor discussed these proposals at the Colonial Office and on August 31st Executive Council, having considered the matter with the assistance of Map B. which shows the ownership of various plots, recorded a decision defining the boundaries of the various areas and including the present Bazaar the tongue of land stretching to Ainsworth Bridge and the River Road areas in the Indian commercial areas. These proposals are illustrated in Map C.

In reply to these recommendations the Secretary of State telegraphed to the following effect:—

"It appears that area intended to be either European or better class Asiatic or free transfer areas are now proposed to be purely Asiatic, and that there is no intention of ever moving the present Bazaar. If the area marked blue is to be Asiatic, the result as compared with the Map originally prepared by Professor Simpson is that the Asiatic commercial area is increased in the proportion of seven to four and commercial Nairobi would be three-fourths Asiatic. Are you satisfied that this re-distribution is required?"

"The strip running West to Ainsworth Bridge would leave Parklands unprotected by any neutral zone. The Bazaar area is a dangerous spot of the first importance and I hope you will consider whether it cannot be expropriated either at once or in sections. The cost is no doubt great but it would be greater later. Is your Medical Adviser in agreement with the proposal for the extension of the Asiatic commercial area?"

The Governor's reply dated the 17th of January last was as follows:—

"I consider that the idea of moving the Indian Bazaar nowadays is quite impracticable and that it should remain Asiatic. The intention is to increase the Asiatic area in the proportion of seven to four, making commercial Nairobi three-quarters Asiatic. The remainder will be sufficient for Europeans, especially in consideration of the fact that the site of the present Railway quarters will eventually be available.

"I consider that River and Swamp forms a sufficient practicable zone for Parklands without reserving the tongue of land between Swamp Road and Ainsworth Bridge. The Principal Medical Officer who was fully consulted throughout agrees. The Public Health Act and the enforcement of Sanitary Rules will safeguard health."

The Secretary of State has now telegraphed to the following effect:—

"I have consulted with Professor Simpson who advised as follows:—

"A" As long as the Bazaar area remains Asiatic, it will be the distributing centre for disease, especially plague, for the whole town.

"B" As regards the tongue running to Ainsworth Bridge, I am satisfied that the River and Swamp would be insufficient protection

against the spread of disease to Parklands and the European residential area generally.

"C" If these two areas were made European I would have no objection to the Eastern blue area being Asiatic provided that only better class shops are allowed.

As the matter is of grave and permanent importance to the Colony I consider that the Legislative Council should be consulted and should be furnished with Professor Simpson's Report of 1914 for this purpose."

Continuing the Hon. the Acting Colonial Secretary said he would like to impress on the House the recommendations contained in the resolution before them. They were as he had already explained set out in the Memorandum. They had been arrived at after very full consultation with the Executive Council and with the delegates of the Municipal Council of Nairobi. The points at issue were whether or not this area (the old Bazaar) and (the point West of Swamp Road to Ainsworth Bridge) should remain Asiatic or not. The Secretary of State for reasons given says that should not be so. He would like to impress upon the Council the necessity of an early decision on this matter. As Members for the Government and for Nairobi knew well the sale of plots in these areas and all transfers were at present held up awaiting this decision and he trusted that the proposal now before Council would meet with unanimous support.

He would like to refer Hon. Members to page 24 of Professor Simpson's Report which read as follows:—

"I shall refer later to the condition of the Bazaar at the time of my inspection in 1913. But it may be stated that it is a menace to the town. A glance at the map showing the distribution of plague in Nairobi, excluding the epidemic of 1902, plainly indicates that the Indian Bazaar is the plague centre in the town, and from there the disease spreads to other parts occupied by Asiatics and Natives. Mr. Bransby Williams, advocated its destruction and removal in 1907 in the interests of the town, but his advice was not accepted on the score of expense. There is, however, no other solution worth considering. The Bazaar should be vacated, demolished and cleared as an insanitary area and the inhabitants and shopkeepers removed to the North of the River, where land belonging to the Government, which should be laid out, drained, and divided into building plots, could be given for building on according to type plans and under such control that a repetition of the Bazaar experiences of Nairobi would never be permitted."

In support of his recommendations Professor Simpson quotes as follows on page 51:—

"I propose that the Bazaar should be expropriated. I do so on the following grounds:—

1. That it is a source of danger to the Nairobi inhabitants.
2. That plague has been spread from this Bazaar to other localities in the neighbourhood.
3. That the enforcement of sanitary laws may ameliorate the present conditions, but its condition structurally is so bad that it is an insanitary area which only demolition, cutting out and clearance can remedy.
4. That, unlike many insanitary areas, no sites that are cleared require to be given up afterwards for roads. There is accordingly no loss as regards sites.

5. Even if the acquisition of land and compensation came to what is given in the Estimates, there is the fact that the Bazaar is located in one of the best situations in the commercial part of Nairobi, it is on land which would easily sell, and if the real value has been stated the possibility of loss by outright sale in plots would be very little."

With regard to plague no doubt the Hon. the Principal Medical Officer could give them some information. The expropriation would cost much money because it was one of the best parts in which the Asiatic could trade.

HIS EXCELLENCY said that at the meeting of the Executive Council after which on their advice he made the recommendations in question, there had been present not only a deputation of the Municipal Council but also representatives of the Indian Association. The representatives of the Indian Association would not agree to the proposals on principle, as they were opposed to any form of segregation or reservation, though they agreed that the proposals were liberal. He was in disagreement with the Secretary of State because he thought the great point of the arguments which he would support urged by the Indian community was why after years in developing their shops they should be picked up bodily and removed.

THE HON. THE ATTORNEY GENERAL seconded the motion.

THE HON. T. A. WOOD said he had intended to second the motion. He thought he was entitled to do so being a Member for Nairobi. The Hon. the Acting Colonial Secretary had presented the case very clearly.

HIS EXCELLENCY informed the Hon. Member that the Hon. the Attorney General withdrew his secondment.

THE HON. T. A. WOOD thereupon seconded the motion and continuing, said the Secretary of State's proposal provided for expropriation. These views were considered by a certain section to be impracticable. The position had got worse very rapidly from a financial point of view and there was another objection to expropriation which had been referred to by the Hon. the Acting Colonial Secretary. Why should the Indians be expropriated? They wanted them to have from the European point of view even a better area. There was nothing on the part of the European to push Indians out. The Europeans would prefer to have them in the better part of the town. The Secretary of State called attention to the fact that they proposed to give them three-quarters of the area. The remaining portion was quite sufficient for the European population. He submitted that the principal contention raised by Professor Simpson on page 51 was not in point of fact relevant to-day. The Bazaar area was not a plague centre of to-day according to modern plague statistics. He would invite the Hon. the Principal Medical Officer to contest that point if he considered it a misstatement. Various improvements had been made in the Indian Bazaar in recent years. There were several excellent buildings already constructed and he would suggest it was quite possible more would have been erected were it not for the feeling of insecurity as this problem had been before the Secretary of State so long without any finality. On page 24 to which the Hon. the Acting Colonial Secretary had referred, he drew attention to a reference in italics further up the page. "Its complete removal or wholesale remodelling is, in my opinion, a matter of urgency." There Professor Simpson gave an alternative which was impossible now. The section of land between the Government Road and the Ainsworth causeway behind the strip marked No. 2, Professor Simpson objected to that on the grounds that if it went into European

hands it would be a menace to Parklands. The Municipal Committee were in agreement that that was not the position. As far as he could understand the situation it was likely to remain a neutral zone. At the present moment that strip was a market garden site and he did not suppose the authorities would let it be kept unless an elaborate system of drainage, etc., were gone into. He claimed that it was to-day a neutral zone for practical purposes. The Secretary of State referred in his despatch to the word 'redistribution.' He submitted he did not locate it in his despatch but it referred to the reallocation of these areas. It was not redistribution. The whole of the river area was in the occupation of Asiatics and had been for many years. He could not agree to the term redistribution. He had no further remarks to make except strongly to support the motion and he agreed with the Hon. the Acting Colonial Secretary that it was necessary to take some action at the moment as the sales of plots and transfers were hung up and the question of any further progress in the Township was also hung up.

THE HON. THE PRINCIPAL MEDICAL OFFICER said he was not going to contest what the Hon. Member had said with regard to the small area in question being a centre for plague. They had had plague in the town for three and a half months and during that time there had been 86 cases discovered. 67 of these probably only originated in the town and of these 67 not more than two or three cases came from the area referred to. He was sorry he had not got all the figures to hand. In the outbreak which occurred at the end of 1916-17 he had got the figures from the outbreak to the end of February 1917. The total was 266. Of that 266 there were only 24 cases from that particular area. In these two principal outbreaks to which he was referring there had been other areas which were certainly more heavily infected than this particular area of which they were speaking and it did not show that plague originated in that area. His own point of view of the present outbreaks of plague was that it had been brought into Nairobi by rats coming in from outside. For a long time past there had been plague in the Kikuyu Reserve and certainly a week before they discovered plague here there had been an enormous influx of rats from somewhere. He would remind Members that in the Public Health Bill in addition to very strong powers as regards ordinary sanitation measures, His Excellency had powers to make rules regulating the size of the plot which might be built upon; the size of the plot could be regulated and the area of the plot which could be built upon could be regulated; the number of buildings which could be built upon a plot and not only could this be done but the rules could be applied to any part of the Township.

THE HON. THE DIRECTOR OF PUBLIC WORKS said he thought Hon. Members might feel themselves in a difficult position on this question because they would recollect that at the sitting of Council when the question of segregation had been debated His Excellency had asked the Hon. the Principal Medical Officer to put up a memorandum for His Excellency giving reasons which prompted himself and any other Members of the Select Committee in suggesting that segregation was not necessary as a sanitary measure in the commercial areas.

HIS EXCELLENCY said that had been the opinion of the Select Committee but it had not been introduced by the Legislative Council.

THE HON. THE DIRECTOR OF PUBLIC WORKS said he did not know whether that memorandum was still going forward.

HIS EXCELLENCY asked the Hon. Member to keep to the point. He reminded him that Council had overruled that opinion.

THE HON. THE DIRECTOR OF PUBLIC WORKS said that they all remembered that His Excellency declared from the chair that he was entirely convinced that segregation in a commercial area was impracticable.

HIS EXCELLENCY said he must call the Honourable Member to order. The question had been decided by a large majority that the principle of reservation where required should remain.

THE HON. THE DIRECTOR OF PUBLIC WORKS said he wanted to lead up to the point that all that the Legislative Council had suggested was that power be given to His Excellency to deal with these matters; it did not insist upon the application. Now they were apparently invited to insist upon European occupation only of a certain area and Asiatic occupation in another area only. He felt that in spite of the information they had from the Hon. the Principal Medical Officer they were now being asked to enforce a suggestion which had been made in Legislative Council and which had not been given Legislative sanction to back it.

HIS EXCELLENCY said that in this case the Governor in Council had seen fit to make the recommendation. He was not quite clear whether the Hon. the Director of Public Works opposed the Motion.

THE HON. THE DIRECTOR OF PUBLIC WORKS opposed the Motion.

HIS EXCELLENCY pointed out that the effect of proposing this Motion and supporting the Right Honourable the Secretary of State's contention in the matter was to narrow down the reservation still more. What they were proposing was to be as liberal as they could be to the Asiatic and the Honourable Member opposed that.

The Motion was then put to the vote and carried, the Hon. the Director of Public Works alone opposing it.

HIS EXCELLENCY said that before adjourning Council he wished to inform Honourable Members that during the interval he just had time to look at two cables on the currency question from the Secretary of State instructing him to take a certain course, but practically the whole of these instructions had been carried out already. He (the Secretary of State) had asked His Excellency if he had published in the Press or otherwise and whether he had taken care that everyone interested in the question had been consulted and pointed out very strongly that this Honourable Council should understand that any final decision did not lie with them and he also added in so many words that if it was decided to go back to 15 to the pound it would not be approved by the Home Government. The final decision lay with the Secretary of State and he hoped that the Committee which had been appointed would report very quickly. Council would adjourn until such time as it might be again reassembled.

THE HON. A. C. HOEY asked for an explanation of the terms of reference to the Committee. He asked if the question of indemnification prior to the date of the stabilisation of the rupee at 2s. had been included in the terms of reference to the Committee.

HIS EXCELLENCY replied stating that it had not.

THE HON. A. C. HOEY said he understood that the Committee would go into the question of indemnification and he said he must there and then give notice of a Motion.

HIS EXCELLENCY explained that the matter had received the full consideration of the Government at the time the Florin was fixed at 2s. and he himself had pointed out to the Secretary of

State the hardship that would be created thereby, but hitherto the Secretary of State had not seen his way clear to do anything of the sort at all.

THE HON. THE ATTORNEY GENERAL said that in order to enable the Honourable Member to bring forward his Motion he moved the suspension of standing orders.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

HIS EXCELLENCY said he was afraid the question of indemnification would delay the Committee very considerably and he did not think it would be approved. He pointed out that the Motion to be proposed by the Honourable Member would be contrary to the Motion passed that morning. He had the greatest sympathy with the suggestion.

THE HON. A. C. HOEY then moved "That the Committee appointed to consider the Currency problem shall consider and make recommendations on the question of indemnification of debtors up to the date of stabilisation.

HIS EXCELLENCY said that if this Motion was pressed and passed the Committee could have instructions to do what was wanted but he repeated it would be contrary to the previous Motion. He did not think there was any hope of the Home Government agreeing to any alteration.

The Motion was not seconded and was therefore dropped.

Council adjourned *sine die*.

NINETEENTH DAY.

Held at Nairobi on the 25th day of February, 1921.

The Council assembled on the 25th day of February at 9 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. THE DIRECTOR OF AGRICULTURE (A. HOLM).
 THE HON. THE COMMISSIONER OF CUSTOMS (F. W. MAJOR, C.M.G., I.S.O.).
 THE HON. H. C. KIRK.
 THE HON. A. C. HOEY.
 THE HON. K. H. RODWELL.
 THE HON. W. J. DAWSON.
 THE HON. L. COLLINGS WELLS.
 THE HON. W. J. MOYNAGH.
 THE HON. LT.-COL. S. H. CHARRINGTON, C.M.G., D.S.O.

MOTIONS.

THE HON. THE ACTING TREASURER proposed the following Motion to the Council as a matter of urgency and asked that it might be dealt with under paragraph 18 (7), of the Standing Rules and Orders.

“That this Honourable Council approves the Report of the Currency Committee.”

HIS EXCELLENCY said the Committee had been appointed by the Legislative Council practically to carry out and settle certain details on the lines of the Resolution passed by Council. There was no actual necessity for that Committee to report to the Legislative Council, but it seemed to Honourable Members of the Government that it would be better to do so (he had already cabled the contents home) so that if necessary further debate could be allowed.

The question that this emergency Motion be brought in was then put and carried.

THE HON. THE ACTING TREASURER then placed on the table a copy of the Currency Committee's Report and proposed the following Motion:—

“That this Honourable Council approves the Report of the Currency Committee.”

THE HON. THE ATTORNEY GENERAL seconded the Motion.

HIS EXCELLENCY said there would now be opportunity to speak on this matter before he put the question as to whether the recommendations in the Report be approved.

Before considering the Report of the Currency Committee he wished to refer briefly to paragraphs of passages from his telegrams to the Secretary of State which had been published in Uganda. In making recommendations to the Secretary of State on the subject of Currency he was supported not only by the unanimous vote of his Executive Council but by His Excellency the Governor of Uganda and his Executive Council.

The strongest representations had been made to him unanimously by elected Members of Council for whom Mr. Hoey had acted as Spokesman. These gentlemen, who were elected representatives of the people, pleaded that it was essential in the interests of the country to revert to a 16 penny standard and that they wished to leave it to him to take the necessary action.

THE HON. R. B. COLE said that in view of the unwarranted attack on His Excellency he would like to explain the attitude taken by the elected Members of the Council. He must corroborate every word His Excellency had said. On the 10th of January the elected Members asked His Excellency to give them a hearing on the subject

of the 16 penny conversion. They had all met and agreed after some time that they would leave the matter entirely in His Excellency's hands. Whatever His Excellency did to gain that end they would back His Excellency up to the very end. Many Members had made that remark during the discussion. What subsequently turned their minds he could not say. Up to about 48 hours before the sitting of Council in the Railway Institute every Member was of the opinion that the 16 penny conversion was the best. Personally he had not changed his mind from that moment to this. His own idea of right and wrong had been rudely shaken over the publication of the cypher telegrams. He could not see how anything could be effected if all wires were going to be published in the newspapers. Further, not being a professional politician in any way, he could not understand how unanimous support given to a policy could be thrown overboard in such a manner. He believed the attack he referred to was a gross injustice to His Excellency. He wished to give notice of a vote of confidence in His Excellency.

THE HON. THE ACTING TREASURER said it would be interesting to know whether His Excellency the Governor of Uganda had obtained His Excellency the Governor of Kenya's concurrence for the publication of the telegrams referred to.

HIS EXCELLENCY said there was no correspondence on that subject between them but perhaps to help the Hon. the Treasurer he might suggest that what he thought had been done was that the Secretary of State had instructed the Governors both of this country and of Uganda that in order to enable debate to take place as it had in this country and as had recently taken place in Uganda, the various schemes that were proposed in the telegraphic correspondence should be published. The only difference that had occurred in the publication here and Uganda was that in the publication of the whole of the schemes locally he did not label them. He thought it would be far better if the Government Motion were put up and debated without prejudice and without bias on the part of the Government and that the alternative schemes should be put as schemes. The only difference in Uganda was that they had been published as three schemes, one from the Government of Uganda, one from the Secretary of State, and one from someone else. The Motion put the way that he had put it allowed free debate.

With regard to official cables—cypher telegrams between the Secretary of State and the Government—it was perfectly obvious that such telegrams could not be published at the time and it was only a question whether portions or paraphrases of telegrams might be published. He thought the Governor of Uganda went a little

further than this Government did. The whole of such cypher telegrams could not be published because there would be an end to the cypher itself.

THE HON. T. A. WOOD said he would like to take the opportunity of stating publicly his share in the responsibility of the movement. He took it that the big headlines 'We are unanimous' which they had seen referred to a meeting of the Executive Council. They had advised His Excellency to take the steps he did. He personally had not very great belief in it. He had had no opportunity of going out and consulting the principal interests according to the evidence which had been put up. Without any personal knowledge of that he recognised the view as a sound one that with the rupee on an artificial basis this country could not compete with other silver countries on a silver basis without any artificiality. They had made a mistake undoubtedly. He did not intend to take any responsibility for that. They had advised His Excellency to press for the stabilising of the rupee and he said he had objected very strongly to seeing the class of article in the Press blaming the Governor for having 'let the cat out of the bag.' He did not know what the Press were driving at. It was necessary that the initial movement should be conducted secretly but it was deplorable it was so. It would have been much better if they could have gone out in the open and consulted expert opinion. He did not think it was right after all. There was a very old saying that a man who never made a mistake never made anything else, and he was not certain in his own mind yet that it was a mistake after all. He had seen these complaints in the papers about the action of the Governor yet simultaneously there were other letters in the papers crying out for a conversion to the 1s. 4d. rupee. He knew what the feeling of the different sections of the community was but he did not know the feeling of the country as a whole, and he made bold to say that if they put up a referendum to the country on a straight issue asking them if they wanted a 1s. 4d. rupee there would be a majority in favour of the 1s. 4d. rupee. In the light of later information it was impossible to conduct these operations without penalising some section of the community very considerably and the view he gathered was that a large section of the community would be penalised under this conversion to 1s. 4d. and for that reason he had supported the Motion for the rejection of the rupee, and for that reason only. The reversion to 1s. 4d. did not suit him personally but he understood it was the view of the majority. If there was a system by which they could have retained the rupee without hardship to anyone, he believed it would be in the best interests of the country, independently of any particular section. The recrimination did not seem to him to be a fair thing. His sympathies went out to His Excellency sitting in a very invidious position trying to work for the best interests of this country and then because some suggestion of his had gone wrong he had to be subjected to criticism of the very worst type.

HIS EXCELLENCY in reply to the last speaker said that in speaking of himself and Governor in Council the word 'I' was used or 'I' with the advice of my Council.' On this particular occasion the word 'We' was used because at that time His Excellency the Governor of Uganda was with him, and his action, the same as theirs, was supported by the Executive Council and the word 'We' had been used.

THE HON. E. A. PHELPS said with regard to certain remarks made in the previous day's paper he would like to say that he considered them entirely unsupported by fact. He would like to reiterate what the Honourable Member for West Kenya had said. He thought what had really

happened was that at a meeting very shortly before the meeting of the Legislative Council other points of view were rather brought forward almost all the Members unanimously changed their opinion and therefore had to take the blame. He wished to say publicly that His Excellency was supported in all he did by the elected Members. The elected Members must therefore take the blame for having changed their minds.

THE HON. THE COMMISSIONER OF LANDS then referred to the minority Report. He said they had a report signed by three Members, one of whom was the Chief Currency Officer, another probably one of the best known Bankers in the country, and another a very well known producer. On the subject of currency the question of reversion to the 1s. 4d. rupee, known as 'breaking the pledge question,' they voted one way and stated, "Under the circumstances we are unable to accept the Resolutions passed by the Committee as anything but an unsatisfactory and ineffective solution of an impossible position created by the stabilising of the rupee at 2s. and the pledge that such stabilisation was fixed and permanent. We are thus forced to the view that the only solution is to break the pledge and revert to rupee currency," and in explanation these Gentlemen state "We beg to state that in the course of our efforts to carry out the wishes of the Council it became evident that there was no direct way of doing so on account of the lack of the proposed Shilling."

Continuing, the Commissioner of Lands pointed out that if they adopted the main report, they would not adopt the minority report, but he did think they needed some explanation from the Chairman of this Committee as to what exactly the difficulty was that induced these three Members, very responsible Members, to sign the minority report. The difficulty was very directly stated in the last line of the report urging the breaking of the pledge. He thought the personality of these three Members was a very important item, and as the reason given was merely the lack of Shillings and the impossibility of getting them out for a long time, he did think the information given by both the Banker and the Chief Currency Officer should be forthcoming. It was an extraordinarily important matter and they ought not to oppose that report without very careful explanation from the Chairman on the full reason that actuated this Minority Report.

THE HON. THE ACTING TREASURER stated he did not speak on moving the Motion as he did not know what the question was which he had been given to understand arose on the report, and before answering the Honourable Commissioner of Lands he would like to say, as financial adviser, for the time being, to His Excellency that he took his part in sharing the responsibility in the action taken to reduce the rupee to 1s. 4d. The initial move in that direction did not come from this country at all but arose from a telegram from the Secretary of State on a question of smuggling at the Coast. The proposal to reduce the rupee to 1s. 4d. was considered in Executive Council, and he was very much opposed to it. He produced every possible argument against it, every argument that had since appeared in the local Press.

HIS EXCELLENCY had gone on safari and had had opportunities of ascertaining the feeling generally in the country. In view of the fact that all the unofficial Members of the Legislative Council had requested His Excellency to endeavour to reduce the Rupee to 1s. 4d. and that His Excellency was convinced that this was the only means of saving the country from ruin, he and other Members of Executive Council felt that in agreeing they were doing what the country wanted. He further stated that before agreeing to the course proposed he had stated in Executive Council that he did

not believe the Secretary of State would take action on the matter without consulting the banks and he felt certain the banks when consulted would frustrate the proposal if they had a good case. In view of the fact that so many producers induced His Excellency to take the proposed action he regarded the attacks on His Excellency as most unjustifiable.

THE HON. THE ACTING COLONIAL SECRETARY said that as a Member of His Excellency's Executive Council he would like to endorse very fully the remarks made by the Honourable Member for Nairobi South. This matter had been very fully considered by His Excellency's Executive Council and looked at from every possible point of view and as a result the Motion which was before this House was put up for consideration. It was not as His Excellency had said put up as a Government Motion for the reason that if it had been so put up it was considered by His Excellency that it might influence the votes of official members and thereby an actual free vote would not be obtained. As far as he was concerned he was satisfied and was still satisfied in his own mind that the reversion to 1s. 4d. would be the best thing for this country. On the other hand it was a matter which particularly concerned the unofficial members and after having previously advised, almost exhorted, His Excellency to take the action which was taken in open Council they almost to a man went back on their previous advice. It would have been very wrong for the official Members not to accede to their wishes. He found it necessary to support the views of the unofficial Members at the last Council Meeting.

HIS EXCELLENCY said the attitude of the majority, if not all, the Official Members of Council had been to wait upon the wishes of the eleven elected Members who were the representatives of the people. Had the unofficial Members voted in favour of a 1s. 4d. rupee he had no doubt the majority of the official Members would have done so as well.

THE HON. THE ACTING TREASURER replying to the Hon. the Commissioner of Lands said two of the Members who signed the minority report had first favoured the 1s. 4d. rupee, changed their vote and then went back again. He thought he should be excused the fathoming of minds so unstable as this. As regards Mr. Toogood his attitude seemed to him to be obstructive throughout, he continually put up opposition Motions which received little support. His own view was that the report was not worth the paper it was written on.

HIS EXCELLENCY explained that throughout the whole currency question the Hon. the Commissioner of Customs had been present at every Meeting as Currency Officer. He had been brought into the Executive Council as an extra advisor.

THE HON. THE COMMISSIONER OF LANDS rising on a point of explanation, said he did not think the Hon. the Treasurer's statement as in the least satisfactory. They had the Chief Currency expert, presumably changing his mind, and there must be a definite reason. He thought it quite obvious that there was some practical difficulty, and it was up to the Chairman of the Committee to give some information. He was supposed to be impartial, and whether he agreed or not he should give some explanation of that difficulty. It was set down as lack of the proposed Shillings. The reason looked as if it was perfectly impossible to bring shillings into the country or put them into circulation. He thought it was a pity that not one of the signatories to that Report was present. Not one of these gentlemen would have written a report like that without some sort of explanation.

THE HON. R. B. COLE said he would like to ask the Hon. the Treasurer if it was a fact that the

Honourable Member for Machakos did change his mind at the Meeting. He was under the impression that the Honourable Member did not.

THE HON. THE ACTING TREASURER in reply said that the report he saw afterwards showed that only one Member voted which was himself (Mr. Cole).

HIS EXCELLENCY in further explanation said that the resolution which was carried, which was to abide by the pledge, was not carried unanimously. With regard to the remarks made by the Hon. the Commissioner of Lands, he knew that it would take anything from six to nine months and perhaps more before they could get a sufficient quantity of new shillings into the country to replace existing coins.

THE HON. THE COMMISSIONER OF LANDS said it seemed to him to be very curious that that was the only ground for complaint.

THE HON. THE ACTING TREASURER in reply said he was afraid he could not give the Hon. the Commissioner of Lands any further information. There had been nothing put up to him as Chairman of the Committee as to why they should go back to the 1/4d. rupee.

THE HON. THE ATTORNEY GENERAL said that in the absence of Sir Northrup McMillan he thought it was only fair to say that when the Committee sat Sir Northrup McMillan raised the question of going back to a 1/4d. rupee but this had been ruled out of order as not being in the terms of the motion. He then said he had not understood the effect of the motion carried in Council. He had understood that the question was still open for discussion by the Committee as to whether they should go back to a 1/4d. rupee.

THE HON. THE ACTING TREASURER said that that was so.

THE HON. THE PRINCIPAL MEDICAL OFFICER stated that as another of the Members of Executive Council he would like to take his share of the blame. The evening before the meeting of the Legislative Council he had been perfectly certain in his own mind that an almost unanimous vote would be passed for a 1/4d. rupee. The reason he had voted was because that at a meeting of Producers and others at which he had been present he had been swayed by the arguments of one or two gentlemen who definitely said they were prepared to lose anything as long as they did not lose everything. They said the return to the 1/4d. rupee would ruin everyone.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER referred to the remarks made by the Hon. the Commissioner of Lands. He pointed out that Mr. Toogood was not a Banker; he was a Producer in an area of considerable European settlement and in speaking as he did he thought Mr. Toogood was voicing the opinion of the area from which he came. As a Member of His Excellency's Executive Council he would like to associate himself with those who had taken their share of the blame. The blame which had been put upon them by the papers harped round the words "without compensation." He believed it was the wish of the majority of the Producers of the country that there should be no compensation. It had been the wish of the country to revert to a 1/4d. rupee without incurring enormous liability. However, some sort of a loss had to be incurred in making a change, and the whole question was the distribution of the loss. He associated himself very fully with the action of the Executive Council, and he could not see how the Executive Council, with the evidence it had before it, could have acted otherwise.

THE HON. THE DIRECTOR OF PUBLIC WORKS asked if they were going to be asked to debate or deal otherwise with the report. He had not had an opportunity of reading it through even once. It had not even appeared in the Press.

HIS EXCELLENCY informed the Hon. Member that the copies in the Council had only been available the previous night. If the Hon. Member thought that further consideration was necessary the matter could be adjourned, especially if the Hon. Member for West Kenya pressed his motion it would be necessary for the Council to meet again in a few days time. He thought the pith of the whole matter had been published in the Press but not in its present form.

THE HON. THE DIRECTOR OF PUBLIC WORKS said a vote taken involved their giving an opinion one way or the other for the whole of these resolutions which appeared on page 3 of the Report. He would therefore have to oppose. He was in the position of feeling that the whole of the six resolutions should not be adopted and the ones he objected to appeared under Nos. 3 and 5. He had not the slightest objection to the shilling being introduced into the country as soon as it could be. He did object, however, to having the cent as the 100th part of a shilling, and also that the Government and Mercantile Houses should keep their accounts in shillings and decimal parts of a shilling. He thought the country would be liable to involve itself in a certain amount of ridicule from other countries and currency experts if they deliberately adopted a decimal system based on 10ths, 100ths and 1,000ths of a half-sovereign. He was in favour of a system based on pounds and 100's and 1,000ths of a pound sterling. He could not vote in favour of the complete adoption of the majority report, nor could he vote in favour of the complete adoption of the minority report.

HIS EXCELLENCY again stated that he had no objection to the matter being postponed for a few days.

THE HON. THE DIRECTOR OF PUBLIC WORKS said he was quite prepared to have a vote taken if other Members agreed.

THE HON. E. A. PHELPS moved that the adoption of the report be postponed till another meeting in two or three days time. The reason he wished to put this motion was that he had himself not seen the report till that morning and he had had no opportunity to study the report.

THE HON. R. B. COLE seconded.

THE HON. T. A. WOOD asked what was the objection to having a system of shillings and cents. What was the difference between that and the French Franc, which was divided into 100 centimes.

THE HON. THE DIRECTOR OF PUBLIC WORKS admitted French currency was kept in Francs and Centimes, but British currency throughout British possessions was based upon Pounds, and a decimal system based upon the fraction of a Pound was altogether superior to similar divisions based on similar fractions of the half-pound.

HIS EXCELLENCY said he supported the motion for postponement. It would be a pity to pass such a motion as this without taking further time to consider it. He had received a long cable from the Secretary of State but he was not allowed to publish it.

THE HON. R. B. COLE asked what the probable length of the adjournment would be.

HIS EXCELLENCY said the adjournment would not be later than the following Tuesday.

THE HON. SHEIKH ALI BIN SALIM said he wished to go to the Coast and read the report to all the Arabs and Swahilis, and if the Council adjourned till Tuesday or Wednesday it would give him no time at all. He would like a longer adjournment.

THE HON. R. B. COLE supported what the Hon. Sheikh Ali bin Salim had said as it would allow them to see their constituents and give them an opportunity to know what they wanted.

HIS EXCELLENCY said he must ask Hon. Members not to lose sight of the fact that a resolution was definitely carried, which left the working out of the details to the Committee and for them to report on.

The question was then put and carried that the Council adjourn the Debate till 9 a.m., Tuesday the 8th of March, 1921.

THE HON. T. A. WOOD proposed the following motion:—

“Subject to agreement that after 31st March, 1921, no further surplus Railway revenue shall be absorbed into Colonial revenue this Honourable Council is of opinion that the proposal to divest the local Government of control over the Railways and Harbours of the Colony and Protectorate should be deferred until opportunity has been given to study the Report shortly to be presented to the Right Honourable the Secretary of State by Colonel Hammond, Railway Commissioner.”

In speaking to the motion the Hon. Member said he would first of all refer to a criticism he had heard and which was probably relevant which was that the motion had been brought in too late. The reason why it had not been brought up before was because at that time Members were too busy with other important matters. At a later stage when he had an opportunity to study the report he noticed that it contained quite a number of provisions which to his mind appeared to be very inimical to the future of this country in relation to the control of its most essential public service. The one public utility they had in the country was the State Railway. The whole development of the country rested on the State Railway. Under the proposal they appeared to lose all authority over the Railway. It was all very well to say that matters could be referred to the Legislative Council but a study of the report showed them that that was hardly so. Uganda had equal representation on the Council. He did not see the justification of the claim that Uganda should have equal representation, but he would pass over that for the moment. The suggestion of the report resolved itself into an autocratic management of the Railway. The Railway Commissioner was going to run the whole of the Railway because the report said that if he did not agree with his Council he disregarded them and applied to the Right Honourable the Secretary of State for the Colonies. He had lived in this country for over twenty years and had taken part in public affairs and if there was one conviction in his mind it was that they wanted to get away farther and farther from control by the Right Honourable the Secretary of State for the Colonies and not hand over their most important public utility to him. He was quite convinced that the Secretary of State would say that he must be guided by his expert adviser. The expert adviser was the Chairman of the Railway Council. He was certain that that would be the reply of the Secretary of State and therefore the Railway Commissioner was master of the situation. The Railway Commissioner might be a heaven born genius in Railway matters but he did not think it was right to leave such powers in the hands of any one man. He asked what was the reason for the appointment of the Railway Council. It was the result merely of a complaint from Uganda because they were receiving unfair treatment from the Colony of Kenya. They were definitely agreed that that was wrong and they were definitely agreed that that would cease and having arrived at that definite agreement he claimed there was no necessity for any Council excepting perhaps in an advisory capacity. There was no necessity for a Railway Commissioner except in an advisory capacity. He pointed out that they were jumping from the frying pan into the fire. He had no objection to the Railway Com-

missioner coming into the country and advising. It was general knowledge that there was considerable room for improvement on the Uganda Railway and therefore it was quite in order to import outside authority to advise.

HIS EXCELLENCY informed the Hon. Member that there would also be four Commissioners to whom it was proposed to pay four pounds a day and allowances.

THE HON. T. A. WOOD continuing, said he thought possibly they might get a few people to work for the benefit of the country for nothing. He pointed out that some of them had had experience of the working of the Uganda Railway as an independent unit. He was afraid he was in a hopeless position as he could not see anyone present in Council except the Hon. the General Manager and the Hon. the Director of Public Works who had experience of the working of the Uganda Railway and left it to the officials he named to say whether it was a successful position. The other criticism was that the motion was too late because the Railway Council had been appointed already. His view was that the Council was to be advisory and he saw no objection to that. He believed in getting outside assistance wherever once could. He hoped that he would get a majority to support the motion.

THE HON. E. A. PHELPS seconded the motion.

THE HON. THE ACTING TREASURER supported the motion of the Hon. Member for Nairobi South. In doing so he said he would like to review very shortly the events leading up to what he regarded as a most astonishing attempt upon the rights of this Colony. As the Council was aware the Colony had contended for elective representation in regard to unofficial Members for some time, and this had been granted the previous year. In the June Session last year the Council asked that expenditure of public funds should not be authorised without the sanction of this Council. In other words, that it should be given full financial control or the power of the purse. This had been granted only recently. On the return of His Excellency from England His Excellency had explained in Council that it had been arranged by the Secretary of State in consultation with the Governors of Kenya and Uganda, that the Railways of the two countries should be placed under the Government of Kenya for financial and administrative purposes, but that the Railway policy and Executive should lie in the hands of a Railway Commissioner and Inter-Colonial Railway Board or Council, the Commissioner sitting as Chairman of the Board. A despatch from the Secretary of State, dated 27th May, 1920, set out fully and clearly the intentions stated by His Excellency.

Matters remained like that until January of this year when further despatches, dated December 2nd and 8th were received, in which it was stated that Colonel Hammond had been appointed temporary Commissioner to enquire into and report upon the Administration and working of the Uganda Railway system, and that he had prepared a scheme dealing with the powers and scope of the Inter-Colonial Railway Council and its relationship to the Government of Kenya and Uganda. Copies of the despatches and scheme had been laid upon the Table of Council at a recent meeting.

It did not appear that the Secretary of State had approved Colonel Hammond's scheme, but it did appear that he had rather given it his blessing as a matter for local consideration and report. If they now studied Colonel Hammond's scheme they would find one essential difference between it and the original scheme agreed to by the Secretary of State and the Governors of Kenya and Uganda

which was that the control of the Railway, Steamer service, and ports should be entirely removed from the Government of the Colony and rest in the hands of a permanent Commissioner or Chairman, and a small Inter-Protectorate Railway Council. If they considered the proposal for a moment he thought they would realise that it involved the setting up of an independent Government, with a sort of super-Governorship and the withdrawal of the elective representation and powers of the purse so recently granted, in so far as the largest and most important Department of the Government was concerned, a Department moreover which was to be very greatly enlarged by the construction of new railways and large port at Kilindini in the very near future. It might be argued against him that the Hammond scheme definitely contemplated the election of one Member of the Railway Council for Uganda and one for Kenya and that, therefore, elective representation was not withdrawn. In reply to such an argument, he asked them to consider the constitution of the Railway Board which was to consist of one Commissioner, one Official Member for Kenya, one Unofficial Member for Kenya, one Official Member for Uganda and one Unofficial Member for Uganda. Even if two Unofficial Members were elected he failed to see how it was proposed to represent by election the four most important interests in the Colony. The European producing interest, the Native producing interest, the European commercial interest, and the Indian commercial interest. The scheme was a mere travesty of elective representation.

The four interests he had mentioned were interdependent and vital, and although the producer must come first the others could not possibly be ignored. He took the Native interests as probably the least recognised in connection with Railways and Ports.

He had before him an analysis of imports and exports and although it was impossible to give any definite figures it was clear that the native was a very large producer, and quite a considerable consumer of imported goods. His interests were such as to entitle him to representation in the person of his official representative the Chief Native Commissioner. Then again, it might be argued that the native sold his produce and bought his imports through the middle man, but the cost of Railway freights and port dues must affect the price he gets for his produce or pays for his imported requirements, and the progress and support of native producers was a matter of great importance to the country.

With regard to the power of the purse, there could be no question that Colonel Hammond's scheme would cause it to be entirely removed from the Government of the Colony as far as Railways and Ports were concerned. The question would here arise why should the scheme agreed to by the Secretary of State in consultation with the two Governors who know the country and its requirements, be thrown over in favour of a scheme prepared by Colonel Hammond who had never seen the country, and who, when he prepared his scheme, obviously knew nothing of the requirements. The only answer he had heard was that the people of Uganda would never agree to the original scheme, because they considered that Kenya had exploited the Railway for its own benefit, to the prejudice of Uganda interests. It was he believed, contended that rates had been maintained at a higher level than necessary in order to bolster up the finances of Kenya, and that a surcharge had been imposed, all of which went into the revenue of Kenya. He ventured to think there had been a good deal of exaggeration in the matter.

Against ordinary revenue derived by this Colony from the railway must be set off the specific services rendered by this Colony to the railway such as Medical, Legal, Analytical, etc., etc., and the general services such as Military, Police, Judicial, etc. Again it had to be borne in mind that a good deal of the revenue so derived had been obtained by starving the railway (a policy which he believed no one would attempt to support) and that that starvation was now to be made good by a loan for which this Colony was to be held responsible. Against the surcharge derived from Uganda traffic should be set off the fact that the staple produce of Uganda, that is cotton, had for years been carried at a loss. No surcharge had been levied on raw cotton. But quite apart from these points, which he merely mentioned in passing the Secretary of State's original scheme safeguarding Uganda's interests equally with those of Kenya, both in the constitution of the Railway Board and in the stipulation that all railway revenue must in future be applied to railway purposes, working expenses, lean charges, maintenance and betterment, and if any surplus was likely to be obtained, to a reduction in rates. The only point on which Uganda might have possible cause of complaint was that financial and administrative control would lie with the Government of Kenya on which Uganda was not represented, but he thought there was very little in that point. In consideration the question of representation as between Uganda and Kenya, some regard must be had to the relative importance of the two countries. When the Customs Departments of the two countries were amalgamated it had been agreed that Uganda should take one-third of the Import and Export duties as representing her proper share. There was considerable reason to believe that Uganda made a very good bargain indeed, and that she was receiving a larger proportion than she should, be that as it might, she acknowledged that her importance in this respect was half that of Kenya's. Another point he made in this connection was that of the European and Asiatic population of the two countries. Uganda had 847 Europeans and 3,516 Asiatics, whilst Kenya had 5,570 Europeans, and 17,427 Asiatics. The figures given were not up to date; they had been taken from the Colonial Office List of 1920 and he was convinced that when the Census was completed in April next the difference in favour of Kenya would be found to be much greater than was shown by the figures he had given. Finally, he mentioned that practically the whole of the railways, and certainly the whole of the new Port lay within the territory of Kenya.

He then turned to the Hammond Scheme from the point of view of representation, in the light of the facts he had mentioned. What did they find. That Kenya was to have the same representation as Uganda on the Inter-Protectorate Railway Council, and nothing else, for the Council was not to be subject to the Government or Legislative Authority of Kenya. No allowance was to be made for the greater interests of this country. They were to be merely equal, which, in effect, would mean subordinate to the far smaller interests of Uganda. If this was not an example of the tail being allowed to wag the dog he did not know what it was. He then turned to the original scheme of the Secretary of State, which was the only scheme that had been agreed to by the Secretary of State and the Governors of Kenya and Uganda, and they would find that while Uganda was to have equal representation on the Railway Council, that Council was, for administrative and financial purposes, subject to the Government of Kenya. He submitted that this was a perfectly reasonable and equitable arrangement, having regard to the relative im-

portance of the interests involved. There was, however, another alternative which he would like to suggest for consideration.

- (1) That the number of Members of the Railway Council be increased, and that the representation of Uganda and Kenya should be more in proportion to their respective interests.
- (2) That for the purpose of Railway Legislation, etc., the Legislative Councils of Uganda and Kenya should sit as a Joint Council, His Excellency the Governor of Kenya presiding.

He confessed that he had not had time to study his suggestions, but if it was thought they were likely to offer a possible solution he would propose a Motion on the subject, merely to the effect that the Railway Council should consider them. In order to demonstrate the danger which faced the country, and the urgency of the Motion which was before Council, he would carry the history of recent events slightly further. A study of the correspondence on the question showed conclusively that Colonel Hammond was a temporary Commissioner, whose authority was solely to enquire into and report upon the administration and working of the Uganda Railway System. It did not contemplate the appointment of a Railway Council or Board until he had reported, although it did state the composition of the Council could be decided upon at once. A Council or Board had, however, been nominated and there had been, he believed, a preliminary meeting.

In view of Colonel Hammond's astonishing Scheme he thought it very wise that Colonel Hammond alone should not be entrusted with the preparation of a report, but that he should be assisted by a Board, although he did not consider that the Board, as nominated, was sufficiently representative, even for that purpose. It was clear to him that both Colonel Hammond and the present Board were purely temporary, yet they found Colonel Hammond making a definite attempt to take over the Railways, etc., and enforce his Scheme on April 1st next, without a shadow of authority for so doing as far as he could find, and before he had even done the work for which he had been sent out—that was, preparation of a report, and before the Government and country had had an opportunity of considering that report. He did not wish it to be understood that he was in any way blaming Colonel Hammond. He admired a man of nerve, but he would blame the country if it allowed Colonel Hammond, without authority, and without the country's consent, to bluff it out of rights only recently acquired. The first step necessary to prevent this was unanimous support of the Motion of the Honourable Member for Nairobi South, which was before the House.

There were many other points arising out of this matter which he did not propose to deal with then, but there was one he would like Honourable Members to bear in mind. It was that the salary of the Commissioner of Railways was to be £4,000 to £5,000 per annum, and that while a Commissioner having knowledge, balance and judgment was probably essential during the next three years of reorganisation and reconstruction, it did not follow necessarily that after that period a General Manager, and a Commissioner, on a colossal salary, would both be necessary. This was an important point, and if Colonel Hammond's present intentions were not frustrated by the passing of the Motion, the Railway might find itself saddled with a permanent Manager and a permanent Commissioner.

THE HON. THE POSTMASTER GENERAL said he did not entirely share with the Honourable Member for Nairobi South the distinction or indistinction of having been in the country twenty years previously but he was in the country quite early enough to see the result of individual control on the Railway and could corroborate what the Honourable Member had said when he pointed out that that control was inimical to the best interests of the country. One had only to look at the Railway subordinate quarters which had been left as a remnant of the result of individual control. It occupied the best area of the town from the commercial point of view. Dealing with the question from the point of view in which he was interested he pointed out that the telegraphs of the Post Office and Railway were bound up together and he foresaw a great deal of difficulty, unless the Government of Kenya Colony maintained some sort of control over the Railway.

THE HON. THE ACTING COLONIAL SECRETARY strongly supported the Motion. In the first place it removed the principle complaint of Uganda namely that the Kenya Colony had been taking for years past the revenue of Uganda Railway largely derived from traffic which came from Uganda. The Hon. the Treasurer had traversed the whole position as it now stood. The whole situation had been discussed by His Excellency and the Governor of Uganda at Home when it had been decided that the financial control and administration of the Railway were to remain in the hands of Kenya but that a Railway Commissioner was to be sent out to East Africa to report on the conditions. It had been pleaded at that time that the Railway Commissioner would not have time to sit as Chairman of a Council and that any question of a Council was to remain in abeyance till the Commissioner had made his report to the Secretary of State. That situation had now entirely changed. It was proposed that the financial control should be removed from the Government of Kenya and from the control of the Legislative Council. Moreover, no legislation was to be passed by the Legislative Council of Kenya affecting the Railway unless it had the approval of the Railway Council first. On that particular point they would be in difficulties very quickly. In order to raise the proposed Loan it would be necessary to introduce legislation. From what he could see that legislation could not be approved. The legal position at that moment was not at all clear. It had been considered by the Hon. the Attorney General who had advised that under the present circumstances His Excellency in Council could not agree to the proposal to deprive the Colony of its control over the Railway. He said it would be very wrong to do so and only a direct order to that effect from Home would make him support it, but in the meanwhile he would oppose it as strongly as he could. There was no objection to delaying the matter as it would give time for the country generally to realise the position. Apart from the question altogether he entirely agreed with the Hon. the Treasurer. He did not see why the Colony and Protectorate of Kenya should be controlled in any way by Uganda. There were many questions affecting Kenya, particularly the question of what rates were to be adopted for the Branch lines. It seemed to him very doubtful whether Uganda would agree to uniform rates being adopted on lines which they knew would not pay. Uganda would say that each branch line must pay for itself. Further there was a very important point referred to by the Hon. the Treasurer—Control of the Port. The Port was in Kenya and he considered it should be controlled by Kenya and no one else. There were many other points on which information was necessary. He could not see so long as this country did not

apply revenue obtained from the Railway to its own use, and so long as there were no prohibitive tariffs against produce going to or from Uganda, that Uganda had any good grounds for complaint. Control over the Railway in this Colony was exercised by this Colony.

THE HON. THE COMMISSIONER OF LANDS wished to deal with the question from a different point of view. Personally he thought that the Motion on the proposals put forward by the Commissioner of Railways which formed the subject of the Motion put them into cross-roads with regard to the development of the country. It was quite obvious to anyone that East Africa was growing in many ways and going forward with bounds. Uganda and Kenya had got common railways, common Customs and common Post and Telegraphs. He had seen the same problem at a very much later stage elsewhere. They had need of some central control. As he had seen it the question had been whether that authority was to be a local authority controlling everything or whether the whole thing was to be thrown back to the rather nebulous authority in London, the Secretary of State. The choice as he had seen it made was the choice of a local authority but what he wished to point out was that it was extraordinarily difficult and dangerous to have a very states which only controlled some important powerful central authority in a federation of department. They were proposing to create an authority greater than any authority in Kenya Colony and there would be no Governor General or federal council to refer to the Secretary of State who only followed his most expert adviser. It was dangerous to commence such an authority as it was almost tantamount to making the Railway Commissioner Governor of East Africa. They certainly needed an adviser who had had a wide experience elsewhere. If they were going to create an autocratic authority for the country it seemed to him that what they needed to do was to have an authority which would be the general administering authority.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER supported the Motion on the grounds as stated by the previous speakers. Others had pointed out the anomaly of the Colony raising Loans and constructing railways and then having no control over them. He concurred with the Hon. the Commissioner of Lands that what they wanted was some central authority.

THE HON. THE GENERAL MANAGER, UGANDA RAILWAY said that the Motion being brought forward a few weeks before the commencement of a new financial year was rather upsetting to him as he had worked on the assumption that the Railway Council would have full power before the ensuing year. Otherwise he would have presented to this Council and also to the Uganda Government his estimates for the year. Unless he could get authority to continue expenditure, next year Kenya and Uganda would wake up one morning and find that they had no railways running. Doubtless some means would be found to prevent that contingency. On the 10th July last His Excellency gave out the future railway policy and clearly stated "The expert sent out temporarily as Commissioner of Railways will have no leisure to preside at Meetings of the Railway Council and the formal creation of the Council must await the appointment of a permanent Commissioner. There is, however, no reason why its composition should not be decided upon at once."

Since that date, he had in January laid on the Table of the House the Memorandum prepared by the Special Commissioner of Railways which went much further than the Policy laid down in June last year and then on the 2nd of February His Excellency gave out the names of those who were

desirous of sitting on the Council. Uganda followed suit and the Council held its first sitting at Nakuru the previous Friday. It had astonished him that no questions had arisen about the new Railway Council and he was extremely pleased that the Honourable Member for Nairobi South had brought the Resolution before the House before the Railway Council had been given executive powers and the Resolution had his entire support. He thought they should consider how the matter was going to affect Uganda as he was sure that country had been depending upon the Railway Council for equitable treatment. As no surplus of Railway revenue would be absorbed in colonial revenue, he took it to mean that Uganda would have to make up any deficit on the working of the railways in her territory, nor could she claim any of the surplus revenue. He therefore proposed the following amendment, "after the words 'Colonial Revenue' insert 'And that the Railways in the Uganda Protectorate shall be absorbed by the Uganda Railway for the purpose of having one combined Revenue and Expenditure Account.'" He did not think Uganda would have anything to say and it would relieve her of the Loan charges on her two railways and would be in conformity with the Policy referred to by His Excellency in July last year. He had not looked into all the details, however—he thought that would more properly be discussed when they had Colonel Hammond's proposals before them. Before concluding he said he must refer to one statement made by the Hon. the Postmaster General when he referred to the Railway Quarters in Nairobi. If the Honourable Member had been in the country in 1899 he would have found Nairobi consisted of nothing else except Railway Houses.

THE HON. T. A. WOOD said he had an open mind on the subject and if Honourable Members agreed to the amendment he would agree to it as well. However, he thought it was a detail which did not require incorporation at that moment.

HIS EXCELLENCY pointed out to the Hon. the General Manager that his amendment had not been seconded.

THE HON. THE ATTORNEY GENERAL said he was rather a new comer to Kenya and he did not profess to know what the reasons for the proposed change were. As far as he knew it, Uganda's claim was that her produce was carried over the railway and that she helped to support the Railway but in spite of that no profits went into Uganda Revenue. He thought that unfairness could be got over in a much easier manner by giving Uganda reduced rates and as a matter of fact he understood from the resolution passed by Council at its last Meeting that the Colony pledged itself to raise on its own responsibility a large sum for Railway purposes and the whole of the Railway revenue for years to come was likely to be pledged to meet the interest and sinking fund charges from the Loan. It followed that the Railway revenues had to go into the Colonial Revenue for that particular purpose and not for general revenue. He remarked on the proposals of the Railway Commissioner. As a lawyer with some experience of railway principles of Government, and constitutional law, the proposals seemed to him most extraordinary ones. He did not know of a precedent. As a general rule a country was most careful to keep very stringent control, legislative control, over its communications especially when those communications were of the nature that they were in this country, the main arteries of its commerce of the country. To hand them over to a body over which the local people who were vitally interested had no control seemed to him a very unconstitutional proposal and would create a state of affairs which he felt perfectly confident could not last. He had had some experience of dealing with

a private Railway before. In law that Railway was in the usual position of private Railways that is to say there was a Railway Ordinance providing for very stringent Government control but in spite of that the Railway Administration, being independent, made all kinds of obstructions. He strongly supported the Motion for the reason that he considered that all powers of the Government should be vested in the Legislative Council of the country. Other questions had been raised and he thought one could not help thinking that the trend of events was towards some sort of federal system for East Africa. They had already amalgamated several services and one felt that sooner or later some sort of federal control would come about.

The Motion was then put and carried unanimously.

THE NATIVE LIQUOR ORDINANCE 1921.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER moved that a Bill intituled "An Ordinance to Regulate the Manufacture and Sale of Native Intoxicating Liquor," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE PUBLIC HEALTH ORDINANCE 1921.

THE HON. THE PRINCIPAL MEDICAL OFFICER moved that a Bill intituled "An Ordinance to Make Provision for Securing and Maintaining Health," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

SUSPENSION OF STANDING ORDERS.

THE HON. THE ATTORNEY GENERAL moved the suspension of the Standard Orders in order to be able to introduce and move the three readings of a small Bill to amend the War Restriction Amendment Ordinance. It had been necessary to bring in this Bill owing to an error in the original Bill and which was rather vital. During the progress of the Bill through Council certain alterations had been made in the renumbering of sections and the renumbering had not been carried out in a certain section.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE RENT (WAR RESTRICTION AMENDMENT No. 2) ORDINANCE 1921.

THE HON. THE ATTORNEY GENERAL in pursuance of notice given introduced and moved the first reading of a Bill intituled "An Ordinance to Amend the Rent (War Restriction Amendment) Ordinance, 1921."

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a first time.

THE HON. THE ATTORNEY GENERAL gave notice that he would move the second reading of the Bill at a later stage of the Session.

THE RENT (WAR RESTRICTION AMENDMENT No. 2) ORDINANCE 1921.

THE HON. THE ATTORNEY GENERAL moved that a Bill intituled "An Ordinance to Amend the Rent (War Restriction Amendment) Ordinance 1921," be read a second time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ATTORNEY GENERAL moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council. HIS EXCELLENCY THE GOVERNOR, presiding.

In Committee.

The Bill was read clause by clause without amendment being made.

The Council resumed its sitting.

THE HON. THE ATTORNEY GENERAL moved that the Bill be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ATTORNEY GENERAL gave notice, that he would move the third reading of the Bill at a later stage of the Session.

THE RENT (WAR RESTRICTION AMENDMENT No. 2) ORDINANCE, 1921.

THE HON. THE ATTORNEY GENERAL moved that a Bill intituled "An Ordinance to amend the Rent (War Restriction Amendment) Ordinance, 1921," be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

THE WIDOWS AND ORPHANS PENSION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to make provision for granting Pensions to Widows and Children of Deceased European Public Officers," be read a second time.

He said that before going into Committee he would like to mention that the Bill had been referred to the Civil Servant's Association and the general opinion and desire was that it should be passed as it stood and that any amendments should form the subject of an amendment Bill at a later stage. He further read a letter received from the Association in which several minor suggestions had been made but he thought it would be in the interests of the whole service that the Bill be passed at once as suggested and that any amendments be made the subject of an amending Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER moved that Council resolve itself into a Committee to consider the provisions of the Bill.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The Council resolved itself into a Committee of the whole Council. HIS EXCELLENCY THE GOVERNOR, presiding.

In Council.

The Bill was read clause by clause when certain minor amendments were made.

The Council resumed its sitting.

THE HON. THE ACTING TREASURER moved that the Bill be reported to Council.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

THE HON. THE ACTING TREASURER gave notice that he would move the third reading of the Bill at a later stage of the Session.

THE WIDOWS AND ORPHANS PENSION ORDINANCE, 1921.

THE HON. THE ACTING TREASURER moved that a Bill intituled "An Ordinance to make provision for granting Pensions to Widows and Children of Deceased European Public Officers," be read a third time.

THE HON. THE ACTING COLONIAL SECRETARY seconded.

The question was put and carried.

The Bill was read a third time and passed.

Council adjourned till 9 a.m., Tuesday, 8th March, 1921.

TWENTIETH DAY.

Held at Nairobi on the 8th day of March, 1921.

The Council assembled on the 8th day of March at 10 a.m., HIS EXCELLENCY THE GOVERNOR (MAJOR-GENERAL SIR EDWARD NORTHEY, K.C.M.G., C.B.), presiding.

Absent:—

THE HON. THE COMMISSIONER OF LANDS (H. T. MARTIN).
 THE HON. SHEIKH ALI BIN SALIM, C.M.G., C.B.E.
 THE HON. SIR NORTHRUP McMILLAN, K.B.
 THE HON. H. C. KIRK.
 THE HON. W. J. DAWSON.
 THE HON. L. COLLINGS WELLS.

MOTION.

THE HON. THE ACTING TREASURER proposed the following motion:—

"That this Honourable Council approve the Report of the Currency Committee."

HIS EXCELLENCY said he thought perhaps the best way to start the continuation of the debate would be, especially for the information of Hon. Members who had not been present at the previous sitting, to ask the Hon. Treasurer to shortly put before Council the state of affairs up to date.

THE HON. THE ACTING TREASURER said that on February 10th last a motion had been passed *nem con.* The Committee appointed under that motion had met and prepared a report which had been placed before Council for adoption. The recommendations of the Committee had been telegraphed Home to the Secretary of State who had asked several questions in regard to the recommendations made. He thought the best way to give an idea of the situation would be for him to read the following telegram in reply to the Secretary of State's telegram, dated the 23rd February, 1921, recommended by the Currency Advisory Board on February 26th, 1921.

1. Immediate demonitization of Indian rupee coin and redemption by florin notes is agreed to.

2. Period of redemption. The reason for the extension in the case of natives is that if, say, Kavirondo natives are working in the Thika district under contract and hear that their rupees are to be redeemed, and if not redeemed within a certain time will fall largely in value, they will all leave their work and return to their homes to redeem their buried savings. If, however, their District Officers assure them that their rupees will be redeemed whenever they finish their contract they will be content to wait.

3. & 4. Arrangements for issue of notes and receipt of redeemed rupees. No difficulty is anticipated locally in this connection. Quick distribution of notes can be effected.

5. Dilution of notes with coin. It is desired to divorce the native mind from the florin or rupee coin by a period between the withdrawal of the rupee and a half rupee, with 100 cents to a shilling, in order to facilitate a legitimate reduction of wages when shillings are available and falling prices justify a general reduction in wages. Producers are very anxious that for reasons stated florin coins similar in size and appearance to rupee should not be issued to illiterate natives but it might be left to local discretion to issue florin coins if found unavoidable.

6. Possibility of loss on redemption of rupee coins by florin notes and subsequent redemption of notes at two shillings sterling. This is realised but contingency is remote. Total ultimate redemption would be required only if country absolutely ruined which is unthinkable. History shows that in normal circumstances demands for currency must increase with growing population and development.

7. Colour and composition of new shillings. No objection provided colour and substance permanent under tropical conditions. Previous experience was that aluminium cent fell to dust when buried. Light colour necessary otherwise composition immaterial.

8. Regarding 1 cent, 5 cent and 10 cent pieces. Banks raise no objection to conversion of existing coins to cents of a shilling, when new shillings are introduced, without notice or compensation, and Chief Native Commissioner considers that conditions are such that natives would suffer no wrong by adopting this course.

9. Regarding 50 and 25 cent pieces these would remain current as fractions of a florin until new shilling issued when 50 cent pieces would be redeemed by shillings, 25 cent pieces redeemed by a new 50 cent of a shilling piece. A quarter shilling would not be necessary. Other alternative suggestion in your telegram are not considered desirable.

10. Provided sovereign standard coin and pound notes legalised in place of sovereigns provided also Currency Board will redeem shillings from banks to unlimited extent if necessary no local objection to temporary unlimited legal tender of shilling pending experience.

"NORTHEY."

The above, he said, was the position as it now stood.

HIS EXCELLENCY said that there were several Honourable Members who were not present at the last debate who might wish to speak. Those Hon. Members who had already spoken might speak again on any new question which might arise or on a point of explanation.

THE HON. THE COMMISSIONER OF CUSTOMS said in the first place he wished to state that as far as he personally was concerned he took full responsibility with the other Hon. Members who had advised His Excellency on currency. Although not a Member of the Executive Council he was present at the meetings of Executive Council when these matters were discussed. Up to the day prior to Council meeting in the Railway Institute he was certainly

under the impression that the elected Members were in favour of the scheme "B" i.e., 1/4d. It was not until the day before they met that he learnt that the elected Members were not united on this point. He then took the line which he thought was the best. He had previously thought in his own mind of the desirability of getting on a sterling currency and he thought possibly there might be a means of getting on to sterling currency immediately. He therefore supported and even went so far as to say he was not in favour of the Government motion because he knew one of the Hon. elected Members was moving a resolution to get on to sterling.

HIS EXCELLENCY asked the Hon. Member if by sterling he meant shillings.

THE HON. THE COMMISSIONER OF CUSTOMS replied in the affirmative. Continuing he said the reference to that Committee as far as he remembered was to devise means by which they could get on to sterling currency as soon as possible. He did not look upon that as final in any way. He understood that a Committee was appointed to see whether they could get on to sterling. The Committee had sat and the more and more they debated the question the more and more it became apparent to him that it was impossible to get on to sterling currency for at least 9 months. For that reason they had been so tied up with the rupee by the action of the Colonial Office by stabilising the rupee at 2s. and also by the Colonial Office giving a pledge that it was fixed that he had come to the conclusion that the only way was to get back to the rupee. They had got plenty of rupee notes in the country and they had got plenty of florin notes as well. The Government scheme proposed that the florin and the rupee should be made of equal value. They had the coin there and the 50 cent piece. For that reason he signed the minority report.

He had been referred to in various ways and he had been called many names. He had been referred to as the Chief Currency Commissioner. He was nothing of the sort. He had been referred to as the Currency Expert. He was simply a Currency Officer who held the key of the safe and issued and received notes and coins. He had nothing really to do with policy but he gave advice whenever he could. He had also been referred to by the Hon. the Acting Treasurer as being unstable and a turncoat. He confessed that these remarks left him cold. He further confessed he was not particularly impressed by the Hon. the Acting Treasurer's powers of criticism or his views. If by changing one's mind after debate one renders himself liable to be called a turncoat he thought it was unfortunate. He could only say that he deeply regretted he had not been clear sighted enough to support throughout the proposals of the Government which he considered were the best. He referred to the remarks made by the Hon. Member for Mombasa at a meeting at which he had been present. Mr. Rodwell said at that meeting that the meeting he had attended had been an informal discussion; that the discussion had been so uninteresting that he left before it was over. All he could say was that at that meeting the matter had been discussed and the Hon. Member, as far as he could remember, did not speak nor did he try to make the discussion interesting by making any suggestion or by expressing his opinion in any way. He seemed to have thought that in a matter of this sort all that he had been called upon to do was to leave it.

THE HON. K. H. RODWELL arising on a point of order said he would like to draw the attention of the House to the fact that several Members who had spoken at the previous Session had referred to the debate which took place in the Railway

Institute and not to the Report of the Currency Committee. In fact some of the Member's speeches did not refer at all to the Report and he asked the Hon. the Attorney General how that debate was allowed under Standing Orders. The Hon. the Acting Treasurer referred to the motion as being carried *nem con*. He disputed that fact and also pointed out that these minutes had never been read in Council and not wishing to be out of order himself he was not going to go into any debate then.

HIS EXCELLENCY referred to what the Hon. Member had said. He took full responsibility for what had taken place. At the time he thought it was a matter on which the fullest debate should be allowed.

THE HON. K. H. RODWELL said he had received a telegram announcing the meeting held the previous week but he did not know that the currency debate would be allowed. That was the reason he did not attend and as a result he had not been able to answer the charges brought against him.

HIS EXCELLENCY again repeated that he took full responsibility for allowing such a full latitude for the debate.

THE HON. K. H. RODWELL then queried whether the vote given in the Railway Institute was a unanimous vote or *nem con* vote.

HIS EXCELLENCY said that as far as he knew one Hon. Member voted against it.

THE HON. THE ACTING COLONIAL SECRETARY stated that he thought the Hon. Mr. Rodwell's motion had been passed with one dissident and that dissident had been the Hon. the Director of Public Works. The Hon. the Director of Public Works had said that if the Hon. Member for Mombasa wished for a unanimous vote, if he would change the wording a little, he, the Director of Public Works, would vote in favour. The Hon. Member for Mombasa did not change the wording and therefore the Hon. the Director of Public Works voted against it.

THE HON. K. H. RODWELL said that His Excellency had asked the question whether anyone was against the Motion and there had not been a sound.

THE HON. THE DIRECTOR OF PUBLIC WORKS supported the Hon. the Acting Colonial Secretary and said there had not been a unanimous vote.

HIS EXCELLENCY said that particular point could be looked up and corrected. It had been perfectly clear that the majority of Honourable Members voted for the Motion though some did not vote at all.

THE HON. K. H. RODWELL pointed out that if a Member wished his vote recorded he must say so.

HIS EXCELLENCY said what he wished to be satisfied on was, was the Honourable Member for Mombasa in agreement with him when he said that the majority voted for the Motion, some against it, and some did not vote at all.

THE HON. K. H. RODWELL answered in the affirmative.

THE HON. R. B. COLE pointed out that since the alteration of the Standing Orders one need not vote at all. Previously they had to record a vote.

THE HON. K. H. RODWELL asked if the Honourable Member for Kenya had said that he declined to vote.

HIS EXCELLENCY said he was satisfied that most of the Members in Council had voted in favour of the Motion.

THE HON. THE ATTORNEY GENERAL referred to the Section of the Standing Orders which governed the matter, which he read to Council. It appeared to him that His Excellency had put the question correctly and as there had been no answer from any dissident he had said it was carried unanimously. In a case of this sort he thought it was open to any Member who objected to a unanimous vote to ask for a division and if that Member did not ask for a division there was no reason why it should not be regarded as a unanimous vote.

THE HON. T. A. WOOD said he wanted to refer to a point which appeared in a newspaper of March 8th. If the reference was not in order he would not be able to refer to it. It was a reference to his position as a Member of the Executive Council.

HIS EXCELLENCY told the Honourable Member it might be taken as an explanation.

THE HON. T. A. WOOD continuing, said he had said a good many things on the Currency question and he had been subjected to a good deal of criticism, but he would like some explanation from the Honourable Gentleman who was reported to have said this thing. He was quite aware that his name was 'Wood' and he was quite aware that he was supposed to have a constitution of iron, but in point of fact he was only flesh and blood, and like everyone else, somewhat sensitive. He had tried to make it clear that as a Member of the Executive Council and in advising His Excellency on the currency question he did so on what he considered to be the wishes of the community generally, and it was nothing to do with his Constituency. The people to blame for the result were the elected Members of the Executive Council. These persons were invited from outside to advise His Excellency and he made it perfectly clear that the advice he had given them had not been his own personal opinion but the view that it was the best for the country and he had been quite prepared to sacrifice himself. He would like to ask the Honourable Member for Mombasa on what grounds he charged him with being responsible for this particular movement.

THE HON. LT.-COL. S. H. CHARRINGTON said that in order to open the debate so that everybody could speak it would perhaps be well if he put an amendment to the Hon. the Treasurer's Motion. He could not agree with the Report of the Currency Committee. He quite realised they had a very difficult task to perform but as representative of the Planters and Producers he did not think that they had carried out the terms of reference as laid down in the Motion by the Hon. the Member for Mombasa. That was 'To provide sterling basis at the earliest possible date.' His amendment to the Motion of the Hon. the Treasurer to approve the Report of the Currency Committee was as follows:—

"That in view of the impossibility of obtaining sufficient shillings with which to convert to a sterling currency in the immediate future, this Honourable Council is in favour of the following temporary measures being adopted until such time as sufficient shillings shall be available for issue:—

1. That the retention of florins and florin notes from circulation be continued for the present.
2. That all existing commitments in rupees incurred subsequent to date of stabilisation be redeemed at two shillings with one month's notice.
3. That after the final date of redemption rupees be allowed to circulate at their free value.

4. That as soon as sufficient shillings become available for issue, the rupee cease to be legal tender."

Continuing, he said he would not be out of order in going back over the history of this currency problem. He had not been present at the last Meeting of Council but he felt that an explanation was due both to His Excellency and to his constituents with regard to the part taken by himself during the recent currency question. When His Excellency discussed the matter with the Unofficial Members, as far as he could remember, all of them had been unanimous that it was in the best interests of the country that the 2s. standard coin should be abolished and that they should revert to a 1s. 4d. coin. Speaking for himself he had always been in favour of a smaller standard coin than the 2s. or rupee. Now came the crux of the whole question. Either owing to lack of imagination he had never entered his head that it was contemplated to reduce the value of the rupee or florin without compensation and indemnification of existing obligations. If proof were needed of his statement in spite of assurances which appeared to the contrary, they had only to refer to a letter he wrote to one of the papers in January. The very morning after the discussion with His Excellency he had started to write a letter to the "East African Standard" giving his views. His first point in that letter had been "redemption of the existing obligations at 2s." That letter had been published in the "East African Standard," he thought, on the 26th January. The two Honourable Members for the Plateau, Mr. Hoey and Mr. Kirk, and, he believed, the Hon. Member for the Rift Valley, were shown that letter and he had discussed it with them and he thought he could safely say their opinion had been the same as his and they were under the same impression as he was. It had not been until the evening of the 9th February that he first saw the Motion by the Hon. the Treasurer, and when he had seen it he saw it was impossible for him to vote in favour of it as there was no promise in it that compensation would be given. To him the whole issue appeared to have been confused. As far as he was aware all unofficial Members had been in favour of a 1s. 4d. coin. The Honourable Members he had mentioned took it for granted that redemption would take place at 2s. It was this that had brought about the unhappy result of recriminations which had been entirely caused by indefinite talk of reverting to a 1s. 4d. coin with or without compensation. They had seen over and over again both in the public Press and in Council the same lack of definition of expression. He had been reading the remarks made at the last Session and over and over again the rupee had been referred to without any qualifying phrase whatever. The blame for all that had happened did not attach to His Excellency but to those unofficial elected Members who gave His Excellency a blank cheque without considering the amount to be filled in. He deprecated the attacks very much which had been made upon His Excellency. There was no doubt that the unofficial Members, with the exception possibly of the Honourable Member for Mombasa, gave His Excellency the impression that they were one and all willing to revert to a 1s. 4d. coin without compensation, if necessary. He took the full responsibility for his lack of imagination at the time. That was all he had to say with regard to the past history as far as he was concerned in the currency problem.

He then referred to his amendment. To his mind the lack of shillings for the next 6 or 9 months had opened up an entirely new situation. The producers of the country could not afford to wait another 6 or 9 months and he maintained that