

PROOF.

COLONY AND PROTECTORATE OF KENYA.

Minutes of the Proceedings
of the Legislative Council
of the Colony of Kenya.

(Extraordinary Session)
1922.

Held at Nairobi on the 27th September, 1922.

Nairobi,

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Kenya Colony.

Minutes of the Proceedings of the Extraordinary Session of the Legislative Council, 1922.

Held at Nairobi on the 27th day of September, 1922.

The Council assembled on the 27th September, 1922, at 9 a.m. HIS EXCELLENCY THE GOVERNOR (SIR ROBERT THORNE CORYDON, K.C.M.G.), presiding.

Present:—

THE HON. THE COLONIAL SECRETARY (SIR C. C. BOWRING, K.B.E., C.M.G.).
THE HON. THE ATTORNEY GENERAL (R. W. LYALL GRANT).
THE HON. THE TREASURER (J. GOSLING).
THE HON. THE CHIEF NATIVE COMMISSIONER (G. V. MAXWELL).
THE HON. THE PRINCIPAL MEDICAL OFFICER (DR. J. L. GILKS).
THE HON. THE GENERAL MANAGER, UGANDA RAILWAY (S. COUPER).
THE HON. THE COMMISSIONER OF LANDS (H. T. MARTIN).
THE HON. THE ACTING DIRECTOR OF AGRICULTURE (E. HARRISON).
THE HON. THE DIRECTOR OF PUBLIC WORKS (W. MCGREGOR ROSS).
THE HON. THE ACTING COMMISSIONER OF CUSTOMS (G. WALSH).
THE HON. THE SOLICITOR GENERAL (I. L. O. GOWER).
THE HON. THE OFFICER COMMANDING TROOPS (COL. G. F. PHILLIPS, C.B.E., D.S.O.).
THE HON. THE SENIOR COMMISSIONER (C. B. W. LANE).
THE HON. THE POSTMASTER GENERAL (T. FITZGERALD).
THE HON. LIWALI ALI BIN SALIM, C.M.G., C.B.E.).
THE HON. E. POWYS COBB.
THE HON. CONWAY HARVEY.
THE RT. HON. LORD DELAMERE.
THE HON. MAJOR E. S. GREGAN, D.S.O.
THE HON. CAPT. J. E. CONEY.
THE HON. SIR NORTHRUP McMILLAN, KT.
THE HON. H. E. SCHWARTZ.
THE HON. SIR F. L. SPROTT, KT.
THE HON. E. A. EVANS.
THE HON. SHAMS-UD-DEEN.
THE HON. B. S. VARMA.
THE HON. J. B. JOSHI.

Absent:—

THE HON. THE DIRECTOR OF EDUCATION (J. R. ORR).
THE HON. CAPT. H. F. WARD.
THE HON. A. C. ROSS.
THE HON. A. A. VISRAM, M.B.E.

PRAYER.

HIS EXCELLENCY opened the Council with Prayer.

PROCLAMATION.

THE CLERK TO COUNCIL read the Proclamation convening the Meeting.

CERTIFICATE OF EMERGENCY.

THE CLERK TO COUNCIL read the Certificate of Emergency signed by His Excellency.

COMMUNICATION FROM THE CHAIR.

HIS EXCELLENCY made the following communication:—

Before the Hon. Member introduces the Bill I wish to comment briefly upon the Bill which Hon. Members are invited to pass. The Hon. Commissioner of Customs will deal with technical points.

The first and main point is that unity has been obtained with the Government of Uganda. It is possible that the public of Uganda may not welcome duties higher in some cases than the finances of

Uganda may require, but I have the confident hope that the public will recognise that it is very important that there should be unity of machinery in customs questions; second, the benefit of a common tariff both as to imports and exports, and last, that a sense of stability and security in customs matters should have a better effect upon customs revenue to both countries than a tariff with so close a margin either way as to necessitate frequent alterations.

On 1st January, 1923, a new Customs basis with Uganda will come into operation, and with Uganda's consent. It is that each country will derive its custom revenue from its actual imports and not an arbitrary assessment of the total of the imports of both countries, as in the past. This is a more businesslike arrangement, and is much less open to friction and argument.

I cannot make promises as to a future which none of us can foresee, but I realise the value to merchants and contractors, both in England and East Africa of the sense of stability, and I hope this Hon. Council will assist me to keep this tariff which is to be passed to-day as stable as possible.

I trust also that there will be no combination of events, such as increase in the railway rates, for instance, to vitiate the benefits to the commercial community of the sense of stability. I see to-day no reason why such a combination should arise. I do not know the conditions of this country very intimately as yet, but I think it might pay the Government to make good for a time from revenue any small loss on railway traffic at the present rates, in order to secure the sense of stability for future contracts at home and abroad; for any such loss should be made good by a steady increase in the customs revenue.

This Customs Tariff will be submitted at once to the Government of Tanganyika Territory, and I cordially hope that that Government will accept it, and so create a solid and I hope, a permanent basis for a Customs Union for the three territories.

THE RT. HON. LORD DELAMERE said that on behalf of all Unofficial Members he would like to voice the pleasure they felt in welcoming His Excellency as President of the Council.

HIS EXCELLENCY thanked the Rt. Hon. Member for the welcome accorded him.

SUSPENSION OF STANDING ORDERS.

THE HON. THE COLONIAL SECRETARY moved that the Standing Orders be suspended in order that (1) the Minutes of the last Meeting might not be read and (2) to enable the Bill as detailed in the Order of the Day to be passed through its three readings at one sitting.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.

THE CUSTOMS TARIFF ORDINANCE, 1922.

THE HON. THE ACTING COMMISSIONER OF CUSTOMS in pursuance of notice given, introduced and moved the first reading of a Bill intitled "An Ordinance to Consolidate and Amend Customs Tariffs."

In support he stated that the Bill had received very full consideration from all parties and was the outcome of a Tariff Committee which sat in October last after which their recommendations were referred to a Conference of the Commissioners of Customs of Tanganyika, Nyasaland, Kenya, and a representative from Uganda, and they had put forward a draft tariff which had been referred to the various Governments. At the end of May the abolition of the Income Tax

Ordinance necessitated further amendments to the Tariffs before the recommendations of the Customs Conference could be properly gone into; that amendment Ordinance was in the nature of an emergency measure. It had been found that Uganda would not agree to the new duties and after some time it became evident that the revenue expected did not eventuate so that it became necessary to put the tariffs on a permanent basis.

The recommendations of the Customs Conference had been referred to the Economic and Financial Committee and eventually an agreement had been reached and was incorporated in the Bill before Council.

The principle changes were reductions rather than increases in duty as the maximum amount of revenue would not be forthcoming if the high rates continued to be imposed.

SCHEDULE 1.—*Specific Duties*.—It had been found in many countries that specific duties were preferable to ad valorem duties.

In the case of spirits the basis was now on proof gallon by Sykes' Hydrometer. It had gone down from Sh. 60/- per gallon to about Sh. 35/- per Imperial gallon.

There had been a considerable increase in the duty on matches.

TABLE 2.—Timber remained as before—50%.

Tobacco came down from 90% to 50% and wines 60% to 50%.

TABLE 6.—Had been thoroughly overhauled. The exemptions were found to be out of date and had been revised on a much more satisfactory basis. With regard to Passengers baggage a considerable difference had been made there in that household effects were allowed in free.

Another important alteration was the elimination of the export duties. He was sure that would be a very great improvement to the trading community and would make the work of the Customs Department much more easy in addition to which passengers leaving the country would not have to have their baggage examined.

THE HON. THE TREASURER seconded.

The question was put and carried.

The Bill was read a first time.

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

THE CUSTOMS TARIFF ORDINANCE, 1922.

THE HON. THE ACTING COMMISSIONER OF CUSTOMS moved that a Bill intitled "An Ordinance to Consolidate and Amend Customs Tariffs," be read a second time.

THE HON. THE TREASURER seconded.

THE HON. H. E. SCHWARTZ said that the Hon. Member for Nairobi North who could not be present had asked him very briefly to state on his behalf the Commercial Community's view on the general principles of the Bill. The first point had already been dealt with by His Excellency when he had pointed out the great advantages of the Bill where stability and unity were obtained. The Commercial Community accepted the Bill in principle although they said the duties were higher than was necessary. The other point was the question of protective tariffs and he had been asked to state (although he was

not in agreement himself) that the protective duty on timber was bad and it was not true protection because it was increasing the price of an article to the general consumer in favour of a small portion of the community. Protective duty on timber was not necessary in that imported timber was protected by the old rates. The same thing applied to sugar. The Hon. Member for Nairobi North considered that to put a high duty on sugar before they knew what the capabilities of sugar producing in this country were was wrong.

THE HON. SHAMS-UD-DEEN stated that if it was not owing to the remarks made by His Excellency he would have certainly opposed the Bill for the reason that speaking on behalf of the Indian community there was a sense of great insecurity on account of constant changes of the fiscal policy of this country and the Customs Tariffs. He thought he was correct in saying that during the last five months this was the second or third time it had been changed. People in commercial circles had no security whatever that the customs duties would not be changed again in another four or five months. The last occasion on which the duties had been changed the excuse had been made that instructions to that effect had been received from the Secretary of State that on the abolition of the Income Tax the equivalent of money should be found from the Customs Tariff. They had been specific instructions that the tax to be levied should not affect the natives of the country. He hoped that this would be the last change made; some sort of finality should be reached. The feelings of the Indian community were that sufficient time had not been given for the present tariff to prove whether the estimated revenue could be raised and that the present Inter-Colonial tariff should not be rushed.

THE HON. THE TREASURER in reply to what had been said by the Hon. Member for Nairobi South that the Bill assisted only a small portion of the community, he pointed out that that small portion of the community was the portion on which the whole country depended.

The Hon. Shams-ud-Deen had said that the Bill had been more or less rushed upon the Council. He did not remember in all his service any Bill which had been more carefully considered and where the views of every section of the community had been given so much consideration as in the case of the Bill before Council.

THE RT. HON. LORD DELAMERE supported the Bill and congratulated the seconder of the Bill, on the fact that it was largely owing to his going to Uganda that agreement had been reached with the Government of Uganda. He was sorry, as were all the Hon. Unofficial Members, that this was presumably the Hon. Treasurer's last appearance in Council.

With regard to the Bill there was nothing to be added. He thought Hon. Official Members knew that the Hon. Member for Nairobi North had very peculiar views on the position of the producing community, but apart from that what His Excellency had said was the governing factor in one way that agreement had been reached at last on a basis satisfactory to Uganda and Kenya. If the Bill was passed Tanganyika Territory would possibly see its way to come into line as well later. He hoped Hon. Members would remember that if they had got agreement between two or three bodies like the Nairobi Chamber of Commerce and the Mombasa Chamber of Commerce, etc., they must give up something.

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

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

THE HON. THE 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 passed with certain minor amendments.

The Council resumed its sitting.

HIS EXCELLENCY reported that a Bill intitled "An Ordinance to Consolidate and Amend Customs Tariffs," had been reported to Council with certain amendments.

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

THE CUSTOMS TARIFF ORDINANCE, 1922.

THE HON. THE ACTING COMMISSIONER OF CUSTOMS moved that a Bill intitled "An Ordinance to Consolidate and Amend Customs Tariffs," be read a third time and passed.

THE HON. THE TREASURER seconded.

The question was put and carried.

The Bill was read a third time and passed.

HIS EXCELLENCY informed Council that a Bill intitled "An Ordinance to Consolidate and Amend Customs Tariffs," had been read a third time and passed.

HIS EXCELLENCY said that before the Hon. the Colonial Secretary moved an adjournment he would like on behalf of Council to pay a tribute to the Hon. the Treasurer for the manner in which he had done his work in the Council. The Rt. Hon. Member for the Rift Valley had already paid a tribute on behalf of the Hon. Unofficial Members and he knew that Mr. Gosling's colleagues on the official side of the House wished him all good wishes on his well-earned retirement.

THE HON. THE TREASURER replying thanked His Excellency and Hon. Members very cordially for the kind remarks made and for the manner in which those remarks were received. One could not leave a country like this after so many years' service without many feelings of deep regret but he felt his regret at leaving had been very greatly softened by the kind expressions of good will.

ADJOURNMENT.

THE HON. THE COLONIAL SECRETARY moved that the Council stand adjourned until the 23rd October or such date as His Excellency might by proclamation notify.

THE HON. THE ATTORNEY GENERAL seconded.

The question was put and carried.