

Despatch from the Governor of Kenya

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

No. 333

17th February, 1956.

Sir,

I have the honour to address you upon the Report of the Royal Commission on Land and Population in East Africa and to enclose an exposition of the views of the Kenya Government upon the recommendations made by the Commission.

2. The Report has been examined in great detail during the past six months, and before embarking upon the subject matter of this despatch I would like to express the Government's feelings of indebtedness to the members of the Commission for the care and skill which they have devoted to their study of the many sides of the Colony's economic life and for the penetrating way in which they have come to the root of those major difficulties which stand in the way of the economic expansion of the three East African territories. The solutions they suggest follow a coherent and consistent pattern and, although there may be divergencies of view on certain points or on the timing of any changes which are advocated, no one in Kenya would wish to deny their immense value as an aid and guide to economic policy, or as a work of reference for future planning.

3. My Government's comments which form Appendix I to this despatch are set out in such a way as to deal with each chapter of the Report individually. They fall into three parts. First, an introductory note commenting on the general argument of the chapter; secondly, detailed comments on the various observations made in the text; and, thirdly, a summary of the recommendations made in the chapter together with the views of my Government on those recommendations. Each chapter is treated in sequence with the exception of a part of Chapter 8 which as a matter of convenience is considered together with Chapter 10. Finally there is a summary indicating the extent to which the Government has accepted or rejected the various recommendations set out in the third part of the comments on each chapter.

4. With regard to the third part of our comments I should explain that although the Royal Commission made no list of their detailed recommendations, and although in the Report they have not separated them from their general observations, arguments and conclusions, we have felt here that it would be helpful if those recommendations which concern Kenya were extracted from the text, listed and made the subject of individual comment. To avoid producing too lengthy a document we have had to summarise each recommendation; but care has been taken to ensure that the wording should follow that of the Report as closely as possible. Some two hundred recommendations have been dealt with in this way, and beneath each one has been set out my Government's views upon the point in question.

5. Our detailed comments on the various observations made in the text of the Report are intended to amplify the views expressed on the recommendations. It may seem that much of what we say in this section is designed to adjust an

impression given by the Commission, and this is to some extent true. Correction has, in many cases, been necessitated by the time which has passed since the investigations were made; for the pace of advance of Africa is now so great that many changes have taken place since the visits of the Commission in 1953.

6. Apart from some three or four points which are dealt with later in this despatch and to which reference is made in our comments, my Government accepts the findings of the Commission.

7. I will not presume to attempt to convey the matter of the Report in a single paragraph. Nevertheless the Commission's approach to East Africa's economic problems is so direct and unequivocal and their findings follow so logically the course of their arguments that a summary of the general sense of the Report can reasonably be presented. At the risk of over-simplification I would say that it is this: that East Africa's natural resources are relatively few and poor; that they are nevertheless capable of a vast expansion and that such an expansion could not fail to transform the whole region; that the key to this expansion lies in encouraging by every possible means a change in the African agricultural areas from a subsistence economy to a modern cash exchange system; that in order to bring about this change every unnecessary restriction and safeguard must be lifted, and the rate of introduction of outside capital and skills must be increased; and, at the same time, that the best possible use must be made of the internal capabilities and resources of the local East African population.

The Kenya Government unreservedly agrees with these five basic conclusions and is beholden to the Royal Commission for the force and clarity with which they have expressed them. Our policy is already aimed at making, or encouraging the natural evolution of, many of the changes which the Commission recommend; but the exposition of the underlying principles and the opportunity given us to re-examine our problems in the light of the Commission's detailed enquiry have been invaluable.

8. Such disagreement as we have expressed with the Commission's recommendations is due, in most cases, to one of two reasons; either we do not consider that their proposals, when judged in relation to the basic aims which they have put forward, are likely to be successful in economic terms; or we feel that the Commission have under-estimated the probable psychological impact of the economic changes suggested and that the time is not yet ripe for the removal of those safeguards which have been developed over the last half century.

9. I now turn to a brief description of our points of disagreement with the Royal Commission.

My Government's reservations concerning the criticisms of state marketing and guaranteed prices made in Chapter 7 and the suggestion that there should be a return to free trading coupled with the declaration of a support price where necessary are based on a difference of view concerning the economic efficacy of the solution they propose.

In Chapter 9 the recommendation that local authorities should cease to make or to guarantee loans is not acceptable on account of the lack of other suitably qualified agencies with local knowledge; we feel that to stop these authorities from undertaking such responsibilities would hamper the advance of their areas. For the same reason a cessation of Government help to new projects, such as is proposed in Chapter 10, might well be detrimental to the country's chance of securing new capital and skill.

Chapter 11 contains the proposal for an East African Prospecting and Mining Leases Board. In our view this arrangement would be less efficient economically than the present system; nevertheless we are of the opinion that an inter-territorial advisory body of some sort or other might usefully be developed.

Chapter 12 is mainly concerned with the conversion of the Railways and Harbours Administration into a Corporation and its recommendations are, therefore, dealt with in detail in the despatch of the High Commission; but my Government endorses the High Commission view that the creation of this new body would be unlikely to attract new capital in the quantity needed, and that it would fail to achieve the object of the recommendation. A similar reservation applies to the proposed East African Road Corporation; I hasten to add, however, that the Kenya Government places great importance on joint road and rail planning and on joint research by the three territories.

With regard to the dual minimum wage proposals of the Carpenter Committee referred to in Chapter 15, we do not share the doubts expressed by the Commission on this matter; the Carpenter proposals have, since the Report was written, been amended in a way which meets the main criticism of the Commission, and are already coming into effect in that modified form. The proposal made in the same Chapter that special villages for agricultural labour should be built in the Highlands is rejected on the grounds of economic inefficiency. The suggestions put forward for a radical change in the status of forest squatter labour are also unacceptable; for we have no doubt that such a change would render uneconomic an industry which is of great value to the Colony.

Chapter 19 proposes separate local authorities for African urban and peri-urban areas; to adopt this recommendation as it stands, again, we consider generally inadvisable. Steps are, however, already being taken in Nairobi to develop a system which closely resembles that recommended by the Commission.

With regard to Chapter 20, we would make the general point that the adoption of the single criterion of a thirty-inch annual rainfall may be somewhat misleading; we recognise, however, that the presentation of the argument demanded the use of some simple yard-stick of this sort.

Chapter 24 includes a recommendation that field specialist officers should not have rule enforcing powers. We feel that if this were accepted it would detract from the authority of those men upon whom will fall much of the direct responsibility for the achievement of the revolution in agricultural economics which is the aim of the Commission.

10. Those recommendations for which we feel that the country is not yet prepared (although they may in most cases be adopted as an aim of policy) are mainly concerned with the abandonment by Africans of their traditional tribal way of life. We have particularly in mind the need to ensure that no step should be taken in the direction of the changes advocated by the Commission which could be interpreted as in any way threatening the security of the native lands. Anxiety over land has, as the Commission point out, always figured at the heart of the old ways, and experience has taught us the danger of sudden reforms or, indeed, of introducing any changes before they have earned the confidence and support of at least a part of the African community.

The Commission themselves refer in several passages to the close web woven by traditional ideas and customs and to the part played by unseen forces in keeping the various tribal units together. These ties have meant, and still mean, much more than merely an economic way of life; indeed the whole structure of African society has been based upon them. Admittedly, in the more sophisticated areas the ties are now beginning to be slackened, particularly amongst those agricultural communities which are in close contact with centres of economic activity; but amongst the remote pastoral communities they are still the subject of passionately held conviction. We are agreed that the development of an outlook which involves a concept of individual rather than of group responsibility and which is accompanied by wider loyalties is inevitable and that participation in the modern world of economics will sensibly hasten the change. In Africa patience is an essential quality of Government. And although we

accept these changes must be made, whether or not the transformation will make the African a happier man is a matter for conjecture; for the circumstances of modern life involve not only the privileges but also a degree of responsibility which is likely to seem burdensome, particularly at first.

This transformation from group to individual responsibilities can hardly do other than intensify the personal loneliness and isolation of the African emerging into modern life. The alleviation of this loneliness is a problem to which we are well alive; but it is a problem which has again and again confronted western man over the centuries. "The troubles of our proud and angry dust are from eternity and shall not fail".

11. For these reasons, although we accept that many of the protective restrictions must eventually be removed, there are many steps which cannot yet be taken.

It would, for instance, be most injudicious for the Kenya Government to try to move faster than public opinion allowed towards the breaking down of tribal and racial boundaries, particularly those boundaries which distinguish the various areas of land assigned to separate communities and separate tribal groups. Any premature move in this direction could only lead to a loss of confidence amongst farmers of all races and to results which would be disastrous for the economy of the country. The most that can be done at present is for the law to provide for the possibility of these boundaries eventually disappearing. The Kenya (Highlands) Order in Council already makes such a provision; and, when individual tenure in the African Land Units is sufficiently developed, the system of land occupation in these lands should place them in a position similar to those covered by the Order in Council.

Similarly, the Commission's recommendation in Chapter 18 that legislation should be introduced to abolish sectional privileges is acceptable only in so far as it will not take away the protection which is still needed by those who are socially less advanced. It is, for example, not yet possible for the Government's loan activities to be on exactly the same lines as those of commercial organisations, as is recommended in Chapter 9. To bring about such an adjustment would have the effect of reducing African credit in many areas rather than of increasing it, and would thus prolong, rather than hasten, the education of the individual in fundamental economics.

12. There are, in addition, some recommendations upon which we have thought it desirable to defer a decision. These include the proposal (Chapter 13) to set up a Water Department, the question (Chapter 15) of rural wages—a matter which is at present being studied by the Rural Wages Committee—and the suggestion (Chapter 24) that there should be a form of single unified field services to serve various Government departments operating in the African areas.

13. Certain economic activities which are vital to the Colony have not been mentioned by the Royal Commission. We should, for instance, have welcomed an examination of the needs of the increasingly important fisheries industry and of air communications; nor can the part played by electricity in the Colony's development, and the economic value of the tourist trade, be overlooked in an assessment of the region's economic strength.

Air communications in particular involve long term capital expenditure on the provision of installations, the maintenance of which entails a heavy demand by way of recurrent expenditure. As is shown by the considerable sums now being spent on constructing our new airport at Embakasi my Government is fully alive to the urgency of this need. Unfortunately, with civil aviation, as indeed with roads and railways, it has not been possible for us to achieve more than a part of what must be done if the Colony is to develop to its full capacity.

14. It is scarcely necessary to say that to put into effect many of the Royal Commission's recommendations will involve investment of considerable new capital both by the Government and by private interests. Remarkable progress has been made, but if we are to continue to keep pace with the Colony's growing needs further injection of capital will be essential. Little of this capital will be forthcoming locally, and in listing those recommendations which the Government accepts it must therefore be taken as axiomatic that, where they involve capital spending, their fulfilment will entirely depend on the money being made available and on the terms upon which such money can be provided. To carry out the Commission's recommendations on such matters as communications, agriculture, and industrial development (including mining development) will require great sums of money which at present are not available to the Government. Nevertheless, full account will be taken of these recommendations in preparing the Development Plan for the period 1957-1960, and, at that stage, the Government will apply where necessary for financial help. The Sessional Paper (No. 51 of 1955) which sets out the Kenya Government's development policy, gives this forecast for the Colony's capital spending during that period (paragraphs 294 and 295):—

“An assessment of Kenya's requirements of capital funds during the quinquennium covered by the five United Kingdom fiscal years 1st April, 1955-31st March, 1960 was taken to determine the likely scale of assistance required under the new Colonial Development and Welfare Act. Total requirements in the three years ending 30th June, 1960, were thus computed as £27·5 million against which only about £17·5 million would be available on the assumption that the availability of loan funds and other monies was not more favourable after July 1957 than before.”

My Government also hopes to borrow on the local market or overseas some £11 million between 1st January, 1956, and the middle of 1957 in order to complete the current development programme, including the Mombasa Water Supply major project. It is evident that, in the present state of the London money market, it is by no means certain that even these sums can be raised at a price which Kenya's economy can afford.

15. In these circumstances any estimate of the money needed to speed up development on the lines advocated by the Royal Commission can only be a general indication of what could be accomplished if enough finance could be obtained at reasonable terms. My Government believes, however, that such an indication would help Her Majesty's Government to assess the cost of transforming the economy of a country as poor in basic resources as is Kenya. We have, therefore, prepared a table which forecasts in broad outline the capital requirements for the period from 1st January, 1954 to 30th June, 1965. This table is enclosed as a further appendix.

You will see that this table, which makes no provision for essential railway and harbour developments or for other inter-territorial services which are administered by the High Commission, foreshadows expenditure on development at the rate of £16 million per annum during the eight-year period from 1st July, 1957 to 30th June, 1965.

The total has been broken down into the four main categories of security services, economic services, social services and general administrative services. The proportions between these main categories are roughly the same as for the current development period although slightly more weight has been given to economic services and slightly less to security services. No attempt has been made to achieve a further break-down since this would involve a great deal of detailed study and would involve anticipating, and to a considerable extent, pre-conditioning the decisions of the Development Committee for the period in question. My Government does not believe that it would be realistic to attempt to do this,

The total annual expenditure envisaged would be rather more than 50 per cent. above that for the present planning period and would add some £8 million to the Colony's annual debt servicing charges by 1965. I have little doubt that, if the funds could be made available, the Colony's spending capacity could be built up to the level required to achieve this accelerated rate of development which is essential if the recommendations of the Royal Commission are to be implemented. My Government also believes that, if this expenditure could take place, the stimulus to development would be such that the Colony should be able to meet the increased Public Debt charges within a reasonable time.

I am, of course, aware that it will be difficult, if not impossible, to obtain the finance required through the normal market channels. The most that it would appear feasible to obtain from local investment and from the London market would be inadequate even to enable development to continue at its existing level. It is, therefore, clear that whatever assistance can be given from less conventional sources than the money market towards raising the finance required will be essential if we are to carry out the formidable task which lies ahead. For example, if on general financial grounds it were practicable or desirable to set up an organization such as the proposed Transport Development Fund, such an organization provided it enabled additional capital to come to the Colony on favourable terms, would give my Government an opportunity to assess specific problems and to make appropriate applications to H.M. Government in the United Kingdom. Another possibility might be to extend the scope of assistance under the Colonial Development and Welfare Acts so as to provide additional sums from that source, as loans at market rates of interest over and above whatever sums may be available as free grants, and loans either interest free or at a special rate of interest. I realise that this would involve a change in the practice so far adopted in the administration of these Acts. It is, however, clear from experience that the absorptive capacity of the market is insufficient to cover the essential requirements for the development of these territories and that it will, therefore, have to be supplemented by some such novel method as that proposed if our aims are to be achieved.

16. May I, in conclusion, make one further point. For the vision of the Commissioners to be translated into firm reality will require the co-operation of all communities and the active support of public opinion. The successful adoption of many of those recommendations which have been accepted will depend not only on the energy with which they are pursued by the Government of the Colony but also on the goodwill and dispassionate judgment of private individuals.

I have, &c.,

E. BARING

Governor.

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This Index is compiled according to the main subjects which are dealt with in the Kenya Government's detailed views on the Royal Commission Report. It is by no means comprehensive, but is designed so as to allow the reader to track down with the least possible delay the main passages dealing with major problems or subjects.

2. The Government's views are set out serially from Chapter 3 to Chapter 25. The only exception to this is that part of Chapter 8 is dealt with under Chapter 10. The comments and recommendations in this section on Chapter 10 are classed A and B, B being the section dealing with the passage in Chapter 8. Thus a reference to Chapter 10, comment B 28, will be found to refer to paragraph 28 of Chapter 8 in the Report, the comments on which can be discovered in the section on Chapter 10.

3. In each case the reference is to the paragraph of the Introduction, the Report paragraph quoted in the Comments, or the number of the Recommendation as noted by the Kenya Government.

4. All references in a single chapter are listed in one line.

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CHAPTER 3. POPULATION

I. INTRODUCTION

The Commission consider that the growth of the African population in East Africa has not been as alarming as many authorities have thought, and believe that there is no immediate problem, especially if obstacles to the development of a modern exchange economy can be overcome. In this event a shortage of labour might even arise owing to the lack of manpower, and this point should be taken into account when examining development plans. The Commission hold that there is not a great need, economically, for knowledge of birth control methods, but believe that access to information should be granted to all who seek it.

2. The Government accepts that there is little factual knowledge of population trends and characteristics, and that this information is vital in planning development and for studying changes in social patterns. The views of the Commission on the need for population studies contained in paragraph 8 of Chapter 17 are relevant, and the Government wishes to start demographic sample surveys so as to keep the position under review. If these demographic plans are to be carried out, the Government will need financial help. It is also hoped to expand birth and death registration systems, in order to obtain gradually a better knowledge of ages and vital rates. A number of African District Councils have for some time been operating by-laws to institute birth and death registration. But this will have to be centralised, and with the emergence of a modern economy birth certificates and the other paper impedimenta of modern society will be needed by the African population. The Government plans to approach Her Majesty's Government to assist in this work; for without this help it will be out of the question financially for such work to be done, and this will affect adversely any examination of the possible expansion of the East African economies.

3. The Government agrees with the Commission that some of the fears which have been expressed at the rise in population may have been exaggerated. Nevertheless, these fears are partly justified, and success in dealing with this problem must depend, especially in certain areas, on land reclamation and conservation, better farming methods, and increased opportunities of employment in industry. The situation will have to be watched with caution everywhere, but with particular attention in these areas.

CHAPTER 4. THE BASIC POVERTY OF EAST AFRICA

I. INTRODUCTION

Although this Chapter contains no specific recommendations, its general thesis and conclusion are that the only solution to East Africa's poverty, in the absence of proved mineral deposits, is an all-out attempt to use to the full the limited resources which the area does possess. This means in particular an expansion of the exchange economy, with specialisation and division of labour.

2. We accept this conclusion and recognise the need to increase Kenya's national income. Much has, of course, already been done, as the Commission point out in paragraph 8, and in commenting on paragraph 3 we give some details of the progress made. The Swynnerton Plan, now being carried out with help from H.M. Government, will cause a notable increase in the national income as a result of increased cash production by African agriculture. But where development has to take place in a poor country the task is greater, and the speed slower, than in more favoured areas. The amount of finance available is small and must be used in those ways which will increase the common good. A major yardstick of this is the extension of the national income, and the methods of increasing this are discussed in the comments upon other chapters.

3. Finally, we would draw attention to one important point. Where for reasons of economics a relaxation of restrictions is desirable, it is sometimes not feasible for social and administrative reasons. We mention this in commenting on paragraph 1, and the Commission recognise it in paragraph 21, but the point cannot be made too often. The Government cannot go faster than men's minds will move. We hope that the Commission's analysis of the situation will encourage that move.

II. COMMENTS

NOTE : EXTRACTS FROM THE COMMISSION'S REPORT ARE IN ITALICS

Para. 1

But we take the view that the effect of this basic poverty has been intensified by the elaborate system of restrictions and inhibitions which pervades the East African economy. . . .

In economic terms this is accepted as generally true. But it has to be recognised that the Government cannot allow these restrictions to be removed at a faster pace than the social and administrative structure of the Colony will sustain.

Para. 3

The conclusion which emerges from an examination of these data is that the per capita net product in East Africa is among the lowest of all those African territories for which statistics are available.

The reason is, as the Commission recognise, that in comparable territories mineral products bulk large in the figure on which is based the analysis in Appendix IX of the Report. But in money terms the Kenya national income has increased by 140 per cent. over the last eight years, and during the same period African wages and cash incomes have increased by 170 per cent. The cash element of the geographical income, excluding subsistence production, rose from £7 per head in 1947 to £17 in 1954.

Para. 4

As a corollary to this it becomes of particular importance that every effort should be made to use to the full the assets of land . . . which are available to the region.

It is important to realise that these assets are in Kenya very limited. The analysis later in the Report, combined with the maps, show that some 60 per cent. of the land is semi-arid and thus offers only limited scope for increased production, but it is accepted that what is there should be fully used.

Para. 7

One of the factors which has retarded the growth of the modern sector of the East African economy has been the inability to discover or exploit the mineral resources which contributed so greatly to the generation of incomes in the Union, the Belgian Congo, the Rhodesias and the Gold Coast.

But the Magadi soda exports represent one of the leading foreign exchange assets of the economy.

Para. 12

In Kenya the lower commercialized production in the indigenous areas has had to be made good by wage-earning outside them. . . .

It is for this reason that the Swynnerton Plan, as part of a long-standing programme, lays such emphasis on increasing the African production of cash crops.

CHAPTER 5. THE DILEMMA OF SECURITY

I. INTRODUCTION

1. The main criticism we have of this Chapter is that the Royal Commission seem to us to have overlooked the beneficial effects of recognising tribal laws on land tenure and other matters as the only practicable basis of administration in the Colony in the early stages.

2. The Royal Commission recognise that the change they propose involves a social revolution among many tribes but they have not given full weight, at least in this chapter, to the point that the change cannot only be one of economics. All the sanctions and social security of the old ways will disappear, as indeed they are already doing, and they cannot be replaced simply by a new form of economy. The task is thus not only to give the African a sense of economic security in the new system, but to reorientate his concepts away from the tribalism which has meant so much to him for so many hundreds of years towards a wider social system.

3. No other way but the recognition of tribal law on this subject was possible in the early stages of developing the Colony. The question set by the Commission in this Chapter must therefore be—"Has the stage now been reached when the customary basis of land tenure has outlived its usefulness in African areas, and can it safely be abandoned?". To that question our answer is that this stage is now being reached in some areas, but not all. In any case it is necessary that before the old is abandoned, the new is ready to take its place.

II. COMMENTS

Para. 2

There was a strongly developed tendency to assume that a guarantee that the local population could not be disturbed in its traditional interests would meet the basic requirements of the situation.

Although the time may now have come to abandon this form of security no other line could have been taken during the early stages of the transition to a modern economy.

Para. 3

They failed to realise that increased African production required a new conception of land rights and tenure.

African production has, however, shown striking increases despite the retention of the old ways and customary laws of tenure. In the past no other course than to preserve these could be taken. It is worth remembering that the power freely to transfer land does not of itself enhance development; only too often, without proper control, it leads to the land lying idle.

Para. 5

It will be some considerable time before many parts of East Africa will be in a position to change over to a modern system of land ownership and tenure. Measures will have to be applied to facilitate the movement

The force of this conclusion is certainly apparent in many areas.

Para. 6

For the security which rests on tribal exclusiveness . . . is the illusory security of the subsistence economy within which no economic advancement is possible.

The security may be limited, but it is not illusory. The subsistence economy and the old tribal ways offer to many a life which they know and value. More than economics are here involved. The security is limited, but so are a man's wants. Cf. Chapter 21, paragraph 17.

Para. 7

None of the tribal units of East Africa can be regarded as viable economic, or even political, units in isolation from each other.

This is true; but it is only in the modern economic sense that they are not viable.

Para. 8

There was a marked tendency . . . to assume that African tribal society would evolve, under guidance, to modern forms of economic organisation This assumption proved to be false

This is not entirely true, for progress has been made in encouraging the transition. But it would probably now be faster if the Commission's attitude were adopted. Free sale and purchase of land has already grown up in the midst of customary tenure, for instance among the Kipsigis and in Kiambu.

Para. 10

Tribal and . . . racial rigidities affecting land have in many parts of East Africa brought about a situation of increasing tension, the basis of which is fear.

The feeling of tension is sometimes based as much on greed as on fear. If men think there is a chance of getting land or anything else as a free present, their acquisitive instinct impels them to press until they get it. The existence of tribal land units encourages tribal demands for more land. The same forces operate inside the tribe; a good example is the way in which the Kipsigis have split up common pasture for enclosure as private holdings. The lack of a law of primogeniture leads a man to try and obtain enough land to be split equally among his sons.

III. RECOMMENDATIONS

Para. 4

1. *The test of land needs must be replaced by a test of land use.*

Accepted.

Para. 12

2. *If modern economic institutions are to evolve, they must be freed from the political authority of the tribe where it is obstructive.*

Accepted.

There are, however, many tribal authorities who are prepared to accept the development of modern institutions.

Para. 12

3. *The support of those members of the tribe who command the confidence of the people must be enlisted to accomplish the transition with the least possible social upheaval.*

Accepted.

The members who are most influential are usually the indigenous elders. Very often these are among the most determined champions of the old order, especially in the pastoral areas. The task is thus a difficult one, and can only be accomplished gradually.

CHAPTER 6. THE KENYA LAND COMMISSION

I. INTRODUCTION

Although there is only one comment on the statements made in this Chapter it must not be assumed that the Government accepts them all. We have not, however, thought it necessary to traverse them in detail.

2. The suggestion is made in paragraph 7 that the breaking down of tribal and racial boundaries must be encouraged, and they must be replaced by confirming and encouraging the acquisition of individual land titles. This is not so much a recommendation as an inverted statement of cause and effect. The Government accepts the principle of progressive development of individual land tenure in African areas and considers that this development is likely, in conjunction with other forms of social evolution, to be conducive to the gradual and voluntary disappearance of tribal and racial boundaries.

II. RECOMMENDATIONS

Para. 6

1. *Tribal and individual grievances over lost claims in the Highlands should not be re-examined.*

Accepted.

Para. 12

2. *The problems of providing improved opportunities on the land can only be solved by the government taking a country-wide view and by adopting a policy based on land use and not on protecting the interests of particular communities.*

Accepted as an objective.

But certain communities will continue to require protection in the foreseeable future.

Para. 14

3. *The government should negotiate with the Masai to lease suitable cultivable areas for resettlement, perhaps on the basis of providing more water and clearing more bush in exchange, but would have in reserve compulsory powers to bring the land into productive use under ordered settlement.*

Accepted with qualification.

The proposal to negotiate for leases is accepted, but in a general sense and not as limited only to land in the Masai Land Unit. The Government does not, however, consider that compulsory measures are wise, unless it be in very exceptional circumstances.

Para. 18

4. *The individual legal security of Europeans in the Highlands in respect of their individual holdings is a fact and it is essential that it should be maintained.*

Accepted.

Para. 19

5. *New land anywhere must be taken up in a form of tenure not inhibiting sound use and the occupiers should be subject to well devised land use rules and proper supervision.*

Accepted.

This is already the practice under the Agriculture Ordinance.

Para. 21

6. *Where forest areas adjoin both European farms and native areas the Highlands Board should not be allowed to advise on the use of areas excised. Their disposal should be for the government to decide, on the merits of each case.*

Accepted with qualification.

Although Crown forest areas contiguous to native land units fall formally within the Highlands, it is proposed that on the disposal of such excisions the Government should be advised jointly by the Highlands Board and the Native Lands Trust Board. The Government will decide on each disposal in the light of this advice.

CHAPTER 7. THE MARKETING AND DISTRIBUTIVE SYSTEM

I. INTRODUCTION

1. This Chapter of the Royal Commission Report has as its main theme the disadvantages of any form of State control over the marketing system, other than the declaration of a support price when prices are falling dangerously. The flexibility of the free trading system and the stimulus which it gives to would-be new entrants into commerce, so the Report claims, make it desirable to abandon the expensive and unwieldy arrangements of State marketing.

2. Controlled marketing of crops in Kenya falls into two types: firstly, control by producer Boards, established by Ordinance (e.g. Coffee, Tea, Pyrethrum, Sisal, Pigs, Meat); secondly, control by the Government of annual crops such as maize, wheat, beans, grams, millets, through the Agriculture Ordinance, 1955, (which replaced the Increased Production of Crops Ordinance, 1942, and various

Regulations relating to maize and produce grown in African areas). The Commission seem to find the first sort of control less objectionable than the second. But the essential reason why the Legislature in all these cases approved of control, whether by Producer Boards or by the Government, is the same. It is not "self-sufficiency", although the Commission concentrate a great deal of their fire on this expression. It is rather the need to foster the relatively weak and immature economy of the country, which is based on agriculture, and to cushion it to some extent from undue shocks, whether due to changes in overseas markets or to internal causes such as droughts, locusts, diseases, etc. While a well-developed and broadly-based economy should be sufficiently strong and flexible to survive without much trouble unexpected severe damage to one or two industries, this does not hold good in a weak and immature economy such as East Africa's. Various disasters in the '20's and '30's are still vividly remembered in East Africa: at the present day the economy of Kenya, for instance, would be seriously injured by the sudden collapse of such industries as wheat or pyrethrum. As a corollary it is obviously in the interest of the national economy to build up agricultural production on a wide basis. It is this purpose, therefore, of strengthening the country's economy by promoting a stable and sound agriculture which underlies such control as is exercised by the State over agricultural marketing in Kenya.

3. The foregoing does not imply that State control over the marketing of certain crops should continue indefinitely. On the contrary it is the general policy of the Kenya Government to keep all such controls under review.

4. As regards the free operation of the market, the Royal Commission's view is that the non-African trading system is efficient and flexible enough to meet difficulties as they arise: but past experience, particularly during periods of recession, showed that a freer trading system, particularly in an economy such as Kenya's, has not been as efficient and flexible in the long-term as is suggested. The Colony is still in a state of transition from a subsistence to an exchange economy, a transition which has reached different stages in different areas. In many areas the private marketing and distributive system is not sufficiently developed nor flexible enough to provide that rapid development of resources which is needed. Further, a freer trading system is not primarily interested in soil fertility and sound husbandry, and thus may encourage farmers to grow crops for which there is temporarily a heavy demand to the detriment of the land.

5. For all these reasons, therefore, the Government does not accept the strictures pronounced by the Royal Commission on the present system of marketing control over certain crops. It is the Government's view that in an economy such as Kenya's, which is based on agriculture, agricultural development and stability is all-important and is not encouraged by the entirely free operation of the market. The Government's view is reinforced by similar practices in most producing countries. Nevertheless, flexibility in method is needed as circumstances require. This conviction is reflected in the Agriculture Bill which became law last year, and in a number of other enactments establishing Boards or other authorities for marketing various agricultural products.

II. COMMENTS

Para. 5

To some extent they (the restrictions) were based upon the desire to protect the African from the bargaining disadvantage under which he lay when confronted with a more sophisticated trader from another race. . . .

One of the most important reasons was the strong need to build up an African commercial middle class; this is not mentioned by the Commission. It is reasonable that such Africans as those mentioned by the Royal Commission should

not be prevented from gaining their experience through hard economic facts. It is still necessary to enable them even to embark upon commerce and for this further help is needed.

Para. 6

A continuance of this state-marketing system is having a deleterious effect on the proper exercise of the commercial system of distribution . . . it is a hindrance to efficient African participation in the commerce and economy of the territories as a whole.

The implication is that if there had been no State marketing during the past ten years African participation would have greatly increased. But the value of African produce marketed through the Maize and Produce Control and the various statutory Boards had risen from £2,800,000 in 1948 to over £6,500,000 in 1954; and this has led to an increasing number of African traders, commercial transporters, etc. Without guaranteed prices and assured markets for so many products they would not have been able to obtain enough capital to start in business.

Para. 7

In their anxiety to achieve security . . . they (the governments) have tended to regard the ordinary mechanism of the market as an obstacle to the solution of their difficulties, rather than as a solvent of the problem. Instead of encouraging specialization and the free sale of surplus production . . . in order to even out shortages in other areas by the use of the normal machinery of the market, government policy has frequently looked upon the normal functioning of the market with suspicion.

The ordinary mechanism of the market operates, for example as in the 1930's, to produce alternating gluts and famines with disastrous effects on Kenya agriculture, both in African and European areas. The change from subsistence to specialised farming has been greatly accelerated since stable prices for the main crops, coupled with organised marketing, has proved a most effective tool in encouraging this change. The ordinary commercial system is little concerned with agricultural betterment, or with improving the land's fertility, both of which are vital to the continued economic development of the country. In Nyanza the marketing system is used to encourage agriculture and general improvement in the following ways:—

- (i) *Guaranteed Prices*
 - (a) Ensuring that the producer gets his fair share of the price.
 - (b) Directing the disposal of surpluses to areas not self-sufficient by an efficient movement control.
- (ii) *Land Protection*
 - (a) Spreading cultivation by means of transport pools.
 - (b) Adjusting price incentives so far as possible towards desirable crops.
 - (c) Creating funds with which good farmers have been rewarded and land rehabilitation and development have been undertaken.
- (iii) *Quality*

Maintaining high quality by inspection, grading and seed distribution.
- (iv) *Storage*

Building and organising a network of storage which co-ordinates the movement from grower to consumer and preserves the grain more efficiently than was possible with free trading before the war.

Para. 10

Official policy unfortunately still seems to cherish the belief that the physical control of supplies, together with their organised distribution through government or government-sponsored agencies, are necessary under the quite different circumstances which now prevail.

The creation of an agricultural marketing system was not designed only as a contribution to the war effort, and there is, therefore, no reason why it should have been destroyed at the end of the war.

Para. 13

This philosophy of restriction of production in order to achieve self-sufficiency in food supplies underlines the whole of the state-controlled marketing system . . . in the three territories.

This displays a serious misconception, as far as Kenya is concerned, since, as is explained above, self-sufficiency is not the aim of the organised marketing system in Kenya, and the result has, in fact, been a great increase in production which would only have been achieved over a very much longer period of time if left to the private marketing system.

Para. 15

Over a period of years government policy has appeared to accept the view that this alleged conflict (between producers and traders) does in fact exist, and that it must be dealt with by the creation of state-regulated producer monopolies

This statement rests on the basic misconception explained in the introduction. It has always been the policy to maintain normal trade channels as far as is compatible with the control necessary to encourage a stable and sound agriculture based on the maintenance of soil fertility. The general strengthening of the country's economy is, of course, in the direct interest of the trading community, and in Kenya there could be no trade prosperity without agricultural prosperity.

Para. 16

The basic function of the commercial marketing system is not merely to promote the physical movement of goods from the places where they are produced to the places where they are to be consumed; it is also to provide a flexible mechanism for the registration of prices whereby production and consumption are equated

The Government intends to introduce a more flexible mechanism for fixing agricultural prices than is used at present. At the same time the Government considers that wide fluctuations of crop prices from season to season do not help the development of the country's economy, and that some control over prices is required; this is provided in the Agriculture Ordinance.

Para. 18

We have also been impressed by the evidence which shows how such organic growth has frequently been checked by official-price-fixing arrangements . . . which have deprived producers of market outlets which would otherwise have been open to them.

While instances of the kind mentioned may have occurred, these are of small importance in relation to the long-term objective of establishing a stable and soundly-based agriculture.

Para. 19

Opportunities to purchase African produce have been severely curtailed by . . . government or government-controlled buying of agricultural and other products.

The present marketing system has always encouraged the sale of African produce by offering the farmer fair prices and fair weight at regular intervals, an advantage which the free system has not systematically given him.

Para. 20

The indigenous populations were not helped to escape from their traditional trading systems and thus fulfil their commercial aspirations.

On the contrary, in the main African areas new opportunities for African businessmen have been created, and the developing co-operatives have provided another way out.

Para. 22

Licence fees are levied at rates which differ as between the African and the non-African.

This is not correct. In Kenya all races have to pay for traders' and hawkers' licences at the same rate without any discrimination, charges being related to the areas in which the trading takes place.

Para. 23

Dr. Chalmers Wright in his report . . . reaches the conclusion. . . .

The situation described in the quotation from this report is not entirely true of Kenya, where there is no obstacle to Africans entering any trading centre on equal terms with non-Africans.

Para. 24

It has been part of public policy in East Africa to prevent the African from acquiring a burden of unproductive indebtedness.

This subject is dealt with in Chapter 9.

Para. 27

It is frequently argued that the prohibition of sale of inferior grades will serve to bring pressure to bear upon producers to improve the quality of their output.

It has for long been Government policy to grade all produce destined for overseas markets, which are particularly vulnerable. There is, however, no policy that lower-grade produce shall be refused, and this is in fact disposed of by the marketing organisations. The only exceptions to this are maize and wheat, for which the local market demands high standards, but even with these the African producer may dispose of his rejected produce privately within his reserve. The marketing inspection and grading of African maize has led Africans to produce high-quality grades fit for export.

Para. 31

There is the policy . . . which requires export crops when supplied to the domestic market to be sold at prices . . . below the prices . . . realised when they are sold abroad. The object of this policy is to restrain the rise in the money cost of living. . . .

There are, however, other considerations. In Kenya the tea and coffee industries, bearing in mind their obligation to meet the local market, have subsidised their domestic prices at the expense of their export prices. There is no Government policy of this kind; such measures are decided upon by the producers themselves or the statutory Boards, which generally control only wholesale prices.

Para. 34

The elaborate network has been evolved principally with a view to ensuring a fair and reasonable return to the producer . . . To that extent the policy has been well-intentioned. But it has been more concerned with the distribution or disposal of the available income than with the task of increasing that income.

As explained above, the aim is to develop the country's economy through a stable and soundly-based agriculture. Subject to this it is the Government's long-term policy to move towards greater flexibility in marketing. The removal of

various price controls has been a step in this direction, but it is not true that the task of increasing, as opposed to distributing, the national income has been neglected. On the contrary, the main object of the policy followed has been to increase agricultural production. This is clearly shown by the title of the Increased Production of Crops Ordinance, 1942, and also by the long title of the Agriculture Ordinance, 1955, namely, "An Ordinance to Promote and Maintain a Stable Agriculture, to Provide for the Conservation of the Soil and its Fertility, and to Stimulate the Development of Agricultural Land in Accordance with the Accepted Practices of Good Land Management and Good Husbandry." That these measures have had a remarkable effect in increasing agricultural production, and thus improving the country's economy, is clearly shown by the published figures of production over the last 10 years.

Para. 36

The existence of these "black" markets in time of peace is an indication that the smooth functioning of the distributive system is being impeded by extraneous factors which cannot be defended on the grounds of temporary emergency.

There is no evidence that these "black" markets, although they exist, have anything but a marginal influence on the marketing system.

It should be remembered that not only the United Kingdom, but many other major countries, guarantee producer prices for a large range of agricultural produce, and so have to impose some control. Most of these countries are a good deal less dependent on these products than is Kenya.

III. RECOMMENDATIONS

Para. 8

1. *Government policy should aim at bringing about a situation where it will not be necessary to rely on a system of local self-sufficiency in food production; this entails improving communications and removing unnecessary obstacles to trade.*

Accepted.

This is in fact the aim of controlled marketing in Kenya and the objective of Government policy. The reluctance of the African to give up growing his own food, and the need to develop the right balance in his production, must make the change gradual.

Para. 21

2. *Where crop prices unexpectedly fall, the government should enter the market as a competitive buyer, operating through specially appointed agencies. There should be no attempt to direct the market mechanism.*

Rejected with qualification.

The Commission seem to envisage not so much buying in competition with other traders as the declaration of a support price. At present it would not be possible to burden the taxpayer with the cost of losses incurred through buying produce for which there was no market; this would be a form of public relief. The system of guaranteed prices, however, involves some control over distribution and marketing, although even here it is possible to restrict control to wholesale prices only. Nevertheless the suggestion cannot be rejected on principle alone and will be reconsidered if special circumstances arise in future.

Para. 21

3. *Producers and co-operatives should be encouraged to deal with African produce and allowed to operate their own stabilisation funds and find their own markets, but should not be given privileged positions in selling by means of discriminatory arrangements.*

Accepted with qualification.

Co-operatives are able, if they wish, to sell produce direct to a Control where it exists, avoiding middlemen, and to avoid the deduction of the usual charges. This is not discriminatory, since any individual producer can do likewise. Statutory marketing Boards, upon which producer representation and commercial advice are happily allied, must continue.

Para. 22

4. *The arbitrary element in the issue of licences is not commendable.*

Accepted with qualification.

In municipalities, towns and trading centres, there is no arbitrary element in the issue of trading licences under the Traders' Licensing Ordinance. Any applicant who satisfies the local authority by-laws relating to health, etc., receives a licence on payment of the prescribed fee. Licences issued under the Shops in Rural Areas Ordinance are restricted by the local authority on planning considerations.

Para. 27

5. *Low-grade products should be allowed to be sold if a market exists for them.*

Accepted.

This is already Kenya practice; see the comment on paragraph 27.

Para. 30

6. *Safeguards to prevent disease, or better stock routes for native cattle, should be devised.*

Accepted.

This has already been done and extensions of stock routes have been considered.

Para. 35

7. *Marketing controls should not all be suddenly removed, but policy should aim at increasing economic flexibility in order to yield the greatest increase in income.*

Accepted.

For the reasons given in the comments on this chapter, marketing controls for certain goods must remain, but eventually it may be possible to reduce these as the economy grows stronger.

Para. 36

8. *Efforts should not be wasted in trying to regulate the market where it is impossible to do so owing to extensive "black" marketing.*

Accepted with qualification.

The investigations of the Price Controller may show that the wiser course is to overhaul the system rather than to abandon it. It is agreed that administrative officers should not waste their time on these matters, where such time really is wasted.

CHAPTER 8. CAPITAL, INVESTMENT AND FINANCIAL POLICY

I. INTRODUCTION

In this Chapter the Royal Commission postulate that with its limited resources the East African economy cannot save nearly enough capital for even the basic services which the territories need. They hold that the road to increased saving is by first enlarging the East African market; but that for a long time to come East Africa will have to rely on outside capital for development. To use forced savings of the people for capital development is, they believe, unjustified.

2. The Commission believe that public accounts must be simple and capable of being understood by the public. The Report stresses that public capital expenditure should be aimed at developing short term projects which would result in an immediate increase in the national income. The need to relate the national income and public expenditure is emphasised. They claim that industries can be helped by removing difficulties to development or by direct assistance; that the importance of overseas capital and enterprise to East Africa is greater than the importance of East Africa to capital and for this reason industry should be encouraged; and that the location of industry by official means is difficult and may be uneconomic.

3. It is the Government's policy to use public spending to encourage private development by creating and improving the Colony's basic services, and to increase the national income as fast as possible. This must involve educating the people in many different ways; formal education, of course, is a long-term policy carrying an interim burden as well as a deferred dividend, and is only one way of awakening the country to a sense of its opportunities.

4. The Government's attitude towards industry is set out in the detailed comments on Chapter 10. Continual encouragement of industrial development is needed to enlarge the market for all goods and services, and the report of the Assistance to Industry Committee (referred to under Chapter 10) has been accepted in principle. Many of its recommendations propose ways of providing more help and information for prospective industrialists. Although it is not the Government's policy to direct industry, it has been noted that industrialists generally wish to be close to their markets and to ancillary services. For this reason the Government aims to provide basic services for such entrepreneurs. Other ways of encouraging industry are discussed under Chapter 10, where paragraphs 26-35 of this Chapter, and Recommendation 3, are discussed in detail.

II. COMMENTS

Para. 6

Access to external capital is certain to be necessary for a long time if these varied forms of investment are to be pursued on any appreciable scale.

This is recognised by the Government, whose fiscal policy is designed to attract and safeguard such capital.

Para. 7

But, in economic terms, the cost to the territories of raising capital in this manner would greatly exceed the cost of raising an equal amount by external borrowing.

The Kenya Government has never resorted to forced saving of this kind in order to raise capital, and agrees that if it were to do so the economic cost would be far greater than obtaining external capital.

Para. 15

Where an industry is made subject to a special levy, or where it subjects itself to a special levy, the proceeds of which are expended on some object or objects which are likely to be of direct benefit to those who are engaged in the industry, no great problem arises.

This is how such funds have been used in Kenya. Of the £1,782,646 accumulated in the Kenya Cotton Sales Proceeds Fund £970,000 has been reserved for cotton price assistance and £812,646 has been or will be used on development projects to benefit cotton growers from 1950 to 1960. Both these purposes fall within the right use of such funds, as defined by the Commission.

Para. 57

In Kenya the Development and Reconstruction Authority (D.A.R.A.) was set up in 1945 as the body responsible to the Governor for the co-ordinated execution of all development plans. . . .

The Authority was abolished in 1953 and planning is now supervised in the way described in the Government's views upon Recommendation 7.

III. RECOMMENDATIONS

Para. 15

1. If special assistance has to be given to some project, it should be through the country's tax revenues and not drawn from the proceeds of compulsory saving levied on one or two industries, on which it was imposed for quite other reasons.

Accepted.

It has never been the Government's policy to use special funds for such a purpose, nor has it ever set up compulsory saving systems. Such cesses as have been levied have been in the main for the benefit of, and agreed by, the industries concerned. See the comment on paragraph 15.

Para. 25

2. An approach is needed which sees the economy in its entirety and the mutual dependence between its parts.

Accepted.

The Government believes that it is essential to co-ordinate Kenya's economic policy with the other East African territories and in some matters is already engaged on discussions for this purpose. This can only be achieved by a territorial recognition of the need for sacrifice of territorial interests when the benefit of the whole is in question. As far as Kenya is concerned, nevertheless, one single market cannot develop while transport facilities are still being created. In this it has to be remembered that for transport, as for other basic development, Kenya is still successfully laying the foundations, in a time of capital stringency, for services which have long been established in more developed countries. While this continues it is understandable that local interests will see their own problems in isolation.

Para. 35

3. *The Government and public authorities should where convenient provide factory buildings for rent by small undertakings.*

Accepted with qualification.

See Chapter 10, Recommendation Section B1.

Para. 53

4. *A general reduction in tax burdens, if that could be achieved, would do more for economic development than special concessions to privileged groups.*

Accepted.

The Government agrees that a reduction in taxation would benefit Kenya and quicken the country's economic expansion, and in particular the attraction of new development capital and industry. For example, as the Commission point out in paragraph 54, there is little net advantage with present rates of taxation for an immigrant from Britain. But any general reduction in taxation is not at present practicable owing to the continuing burden of the Emergency and its aftermath, when added to the demand for new services and capital expenditure.

Para. 55

5. *Public expenditure in development projects should as far as possible concentrate on projects bringing immediate and reasonably certain results; long-term projects should be sanctioned by external grants or loans made specifically for the purpose and imposing no new and immediate burden on public finances.*

Accepted.

The Government has already laid down that as a main guide capital funds will be devoted to different projects in the following order:—

One: Security buildings (i.e. capital projects made necessary by the Emergency, particularly buildings).

Two: Short-term productive schemes.

Three: Long-term productive schemes.

See Sessional Paper No. 51 of 1955, paragraph 96.

Social services, however, which fall within Class Three, are in some ways related to Emergency measures, and the demand for them is growing. In agriculture it is also necessary to test techniques for using less fertile areas which will be needed in the future, or for protecting areas from denudation; this includes experiment in irrigation although the possibilities in Kenya are nowhere first-class.

Para. 59

6. *The annual capital budget should be simple in form and set out clearly the different funds available and the way they are used.*

Accepted.

Kenya's Development Budget already follows this form.

Para. 59

7. *"Development" policy should not be isolated from general economic policy, because expansion can be promoted by methods lying outside its scope, nor should it be isolated from general financial policy.*

Accepted.

The Government has been well aware that public spending must be related to the national income and in recent years has developed national income calculations for use in studying financial problems. Both before and since the Emergency began taxation policy has been examined in the light of national income trends, and these trends have been assessed with care before the Government has approached H.M. Government or the London loan market for capital funds.

Development and economic plans are now co-ordinated through a Development Committee under the chairmanship of the Minister for Finance, and it is thus possible to ensure that public capital spending remains dynamic and flexible and is not isolated from general economic planning or financial policy. The recommendations of this Committee as adopted by the Government are subject to the final approval of the Legislature. The Government's policy will continue to aim at increasing the national income and to relate its financial policy to the healthy economic growth of the Colony.

Statistics for the private sector of the economy are incomplete, and it is therefore difficult to relate spending in the public sector to the general pattern.

Para. 60

8. *African local authorities should be enabled to borrow from some such body as a Public Works Loan Board.*

Accepted.

In Kenya these authorities can and do borrow from both the Local Government Loans Authority and the Central Housing Board, to which the Government, through the Treasury, has made available considerable sums.

CHAPTER 9. CREDIT FOR AFRICANS

I. INTRODUCTION

Chapter 9 urges the importance of African training in the basic principles of trading and reviews various ways in which this can be hastened. The role of the Government in lending to those whose chief difficulty is the lack of any form of commercial security is also discussed and the Commission forecast a developing future for co-operatives in providing credit facilities.

2. Various methods of providing credit facilities for African traders and farmers have already been tried and this work is being extended with the generous help of the International Co-operation Administration. The Commission's Report has given us a further chance to review the whole policy of credit for Africans.

II. RECOMMENDATIONS

Para. 5

1. *Africans must come to realise the negotiable nature of any security and the obligations involved in borrowing on the security of land.*

Accepted.

Courses for selected African traders have been in progress for four years, and a further series is to be started in February, 1956, at Jeanes School, under the aegis of the Ministry of Commerce and Industry and the Ministry of Community Development.

Para. 13

2. *Legislation should be introduced to provide for chattels mortgage and crop liens where this does not exist, and the legal restrictions on credit should be reviewed.*

Accepted.

The first is already provided for in the Chattels Transfer Ordinance, Cap. 281, which allows of both chattels mortgage and crop liens. The sum to which credit is restricted for Africans under the Credit to Africans (Control) Ordinance has now been reviewed by the Government, and a Bill published which will raise the limit of credit restrictions from £10 to £100. Further relaxations will be kept in mind in the light of experience as a result of this change.

Para. 14

3. *Organised financial aid through special banks operating on government or development agency funds should be provided, especially for long-term agricultural improvements, since commercial banks are usually unable to do this.*

Accepted with qualification.

This must be subject to further finance being available from outside the territory. At present there are the following loan schemes for Africans in operation:—

(a) *Traders.*—Loans have been made to industrialists, artisans and businessmen from funds provided half by the Government and half by the African District Council concerned. Pilot schemes in the Nyanza Province, where £10,000 was available in each one of four out of the five districts, have been undertaken by Joint Boards headed by the District Commissioner and consisting of representatives of the local authority and private individuals with special knowledge. Through the generosity of the International Co-operation Administration of the United States Government these schemes are being extended rapidly throughout the country. In each scheme the funds are provided half by the local authority. Thus thanks to local initiative and American help the African is taught to learn self-reliance in an exchange economy.

(b) *Farmers.*—Loans have been made by the African Land Development Board (ALDEV) since 1948 both to co-operatives and to individuals.

Loans have in certain circumstances also been made available by African District Councils (see Recommendation 6). As negotiable titles emerge with the consolidation of holdings in the Native Land Units, such loans will also increase.

Paras. 15 and 27

4. *Government should operate loans on commercial principles, except that a lower standard of security might be accepted when the loan will create new productive resources; governments and local authorities should not compete with ordinary lending agencies.*

Accepted as an objective.

While it is clearly dangerous to offer Africans terms so easy that their education in the hard facts of economics is delayed, and even hindered, the shortage of ordinary commercial facilities in African areas and the relatively high rates of commercial interest preclude a strict adherence to the principles contained in this recommendation at the present time.

The Government accepts the need to modify its loan activities where there are sufficient lending organisations in the field, if these are prepared to operate on terms which are practicable for Africans. While interest rates cannot follow short-term fluctuations in the market, they should be generally related to commercial rates.

Paras. 22 and 26

5. *Co-operatives, with adequate guidance, should be the agency for making short-term loans and, later, long-term loans as well.*

Accepted with qualification.

Co-operatives should make short-term loans under strict supervision, provided their financial circumstances warrant it. Experience will show whether it is advisable for them to make longer-term loans.

A proposal to encourage the creation of a Savings and Credit Union has now been put forward.

Para. 23

6. *Direct loans by local authorities to private individuals and businesses should be discontinued, nor should they guarantee loans made by other agencies; credit balances should only be lent to the central government, at an appropriate rate of interest.*

Rejected.

Loans are now made by African District Councils and their accounts are audited by the Local Government Department; while some of these loans are to their permanent employees, and to students, the majority are made to farmers.

While the dangers of such a system are obvious it has to be remembered that there are very few agencies capable of undertaking lending in the African areas, a point made by the Commission in paragraph 3. Moreover, the Central Government capital available is limited. Where loans to traders are involved, as explained above, they are not made directly, but are decided upon by a Joint Board appointed by the Governor. Where the African District Council proposes to re-lend money lent to it by the Government, this is controlled by the terms of the original loan, under which schemes require Ministerial approval.

The other advantages of using local government bodies as lending agencies, apart from the fact that they are already to hand and have the necessary organisation and local knowledge, are that by making loans they can be taught commercial and financial responsibility, and that if the loans are productively used it may be assumed that the Council's revenue will benefit indirectly.

When lending has developed much further in African areas than it has now, it may be possible to develop separate local boards to handle agricultural loans with their own administration and securities, but at present this would be too complicated and too expensive.

As far as guarantees are concerned, the City Council of Nairobi has recently agreed with the Government to guarantee loans made by Building Societies to individuals for constructing houses. This system has its precedents in the United Kingdom and there is no reason why such guarantees should not be made in future.

Para. 24

7. *The scope of the land banks should be extended; they should be set up in law; and they should not be subsidised, except by being provided with loan capital on favourable terms.*

Accepted.

The Land Bank already operates under these conditions. Loans can be made available to African farmers by this Bank, and indeed there are special conditions under which they can be granted money on less security than the usual applicant. None has, however, been made because of difficulties in providing security, a state of affairs which is being remedied by the progress in land consolidation.

Para. 29

8. *No suit should be allowed for recovery of a debt secured on land unless the loan is made by specified agencies conducted on sound commercial principles.*

Rejected with qualification.

Consideration is deferred on whether, after the suit is filed, recovery is permissible by means other than recourse to the land. See the comment on Recommendation 10, Chapter 23.

CHAPTER 10. MANUFACTURING INDUSTRIES

I. INTRODUCTION

1. As an introduction to the Government's views on this Chapter, the following points are significant.

2. The Government appointed a Committee in 1952 with these terms of reference:—

“(a) To examine the need for economic assistance, particularly protective customs tariffs, to primary and secondary industries, excluding agriculture, in the Colony; and

(b) To make recommendations in this regard, keeping in view the necessity of economic co-operation within the territories of East Africa.”

The report of this Assistance to Industry Committee was published in 1955 and makes several recommendations which have been accepted in principle by the Government, subject to detailed examination of individual items. It has already been decided to appoint as soon as possible a Board of Industrial Development developing from the Industrial Sub-Committee of the Board of Commerce and Industry, and an Industrial Development Officer within the Ministry of Commerce and Industry to deal more effectively with industrial enquiries and give more complete information to would-be investors.

3. Healthy industry will continue to be encouraged in every possible way; the emphasis of Government policy in Kenya lies on encouraging suitable private enterprise, whether the necessary capital comes from the United Kingdom or suitable foreign sources, and not on State financed development outside basic services such as railways, water and roads. Since there is a limit to the British capital which is available for export overseas, the Government considers that the greatest possible advantage should be taken of suitable foreign investment and technical help.

4. Special enterprises for which direct financial investment is warranted are normally helped through the Industrial Development Corporation, which has limited revolving funds made available by the Government. From these and the profits on its investments the Board of Directors advises the Minister on applications for help. The Board is, however, largely unfettered in its consideration of these applications. Further details of its working are given in the Government's views on Recommendation 1.

Nevertheless, the Government may find it necessary to provide financial help of a greater size, or of a different character than that referred to above and would, if expedient, make use of instruments other than the Industrial Development Corporation.

II. COMMENTS

A. CHAPTER 10

Para. 1

It was desirable to stimulate the development in East Africa of industries other than agriculture.

Because at present Kenya's proved mineral resources are comparatively few (see Chapter 11) agricultural production is the backbone of economic development and the expansion of industrial production is to a large extent integrated with it. Development therefore must depend on ensuring a high income from agriculture, port and commercial services, and also on increasing the tempo of geological survey and the rapid development of discovered mineral resources.

New industrial development should not be thought of in the language of relief works which are not, as a rule, economic and which, in any case, do not generally afford employment to any large number of persons.

This is not, and has not been, the basis of the Government's policy in encouraging industrial expansion.

Para. 3

These industries must either be concerned with supplying the local territorial market or with supplying markets outside the territories.

Although at present industry is mainly directed to supplying local needs a considerable export trade of manufactures and minerals processed or part-processed in the Colony has already been developed and can be increased.

Para. 23

Facilities . . . whereby Africans can obtain technical . . . instruction should be accompanied by the removal of racial exclusiveness both at the technical and at the administrative level. . . . But to achieve that result requires strong and persistent pressure from government and a public declaration that it is the policy of government to exert that pressure.

The Government policy is not one of racial discrimination in the employment of trained Africans in any occupation. The only limitation is the shortage of skilled men, particularly of the foreman class, and this is being progressively overcome as technical and trade training develops; here the Royal Technical College and other institutions will play a considerable part, as will training within industry.

B. CHAPTER 8, PARAGRAPHS 26-35

Para. 28

Rebates of customs duty do not involve a positive outlay to the exchequer . . . but they are hardly likely to be of much significance. . . .

The Government feels that the present system of granting refunds should be continued, and intends to examine the possibility of placing the present system on a more permanent basis. Experience has shown that a judicious though temporary use of these concessions is valuable in encouraging new incentive.

An open subsidy represents a measurable outlay to the exchequer and is, on balance, to be preferred to a protective import duty . . . we do not think that this method . . . can be used effectively on any large scale.

In certain parts of the world the State has tried to encourage new industry by affording certain taxation reliefs, and this is specifically considered in relation to mining by the Commission in Chapter 11, paragraph 20. The Government has in the past made use of this method, and will continue where practicable to afford such relief, but the Colony's existing fiscal position has to be borne in mind.

Para. 30

Protection of this kind may take the form either of a protective import duty on competing supplies from overseas or of a direct subsidy to the enterprises which are to be assisted.

Protective duties will continue when it can be shown that the local industry is able progressively to provide the needs of the local market at a price which is not an undue burden on the consumer. Countervailing duties may be imposed where there is evidence that overseas products are being dumped in Kenya.

Para. 31

Nor do we think that a body constituted in the manner of the Industrial Council can effectively apply the criteria by reference to which licences may be refused.

The Commission have overlooked the fact that all the territorial legislatures have to sanction any addition to the schedules and that in effect licences are granted by a process of agreement between the Governments.

The Kenya Government considers that scheduling should be granted only where the economic unit is large and where there is a major capital investment at stake, and as a result some period of security is needed. In these circumstances scheduling, while not granting a monopoly, is some safeguard against uneconomic competition between large industrial units. Scheduling can also be a deciding factor in attracting the original investment.

Para. 35

The first is that it is seldom possible for a public authority to determine the site which will enable the most economical development of a new enterprise.

It is not and never has been Government policy to direct industries, although certain parts of the main townships have been zoned for industrial purposes. The particular advantages of each township can be set out for entrepreneurs and investors, but they must in the Government's view themselves decide where their industries should go.

III. RECOMMENDATIONS

A. CHAPTER 10

Para. 17

1. Government resources should concentrate on providing basic services and not be dissipated in promoting speculative enterprises which would not otherwise be undertaken.

Accepted with qualification.

The recommendation cannot be wholly accepted in the form set out. For certain projects some form of Government help is needed. This help can be made available through the Industrial Development Corporation, which aims to go into temporary partnership with qualified technical concerns to invest in approved projects until such time as they have established themselves. The money is then used as a revolving fund. Financial assistance can also be provided through other instruments and by other means.

Para. 20

2. *Public policy should be favourably disposed to the type of immigration which is likely to accompany the influx of capital and bring with it the requisite enterprise and managerial ability.*

Accepted.

On this see Recommendation 2 in Chapter 14. A constructive attitude toward the import of capital and the immigration of those with selected skills must be continued and developed.

Para. 22

3. *The fears of Africans that non-African enterprises are founded on a technical knowledge and managerial experience from which they are debarred must be allayed.*

Accepted.

Africans must be encouraged to take the greatest possible part in industry and commerce. The Government has already sponsored African trading and training schemes in Nyanza and is with help from the United States International Co-operation Administration extending these to other parts of the Colony.

As far as Kenya is concerned, industrial policy is always referred to the Board of Commerce and Industry, on which sit two African members (who at present are both members of Legislative Council); these members enthusiastically support the policy of further development. To ensure full opportunities for Africans there are not only training schemes within industry but trade and technical schools which will work through the Technical Institute to the Royal Technical College, where such technical and managerial training will be given. Several firms already recognise that in their own interests it is worth training Africans for such posts; the Government would welcome the spread of this practice.

B. CHAPTER 8, PARAGRAPHS 26-35

Para. 35

1. *The Government and public authorities should where convenient provide factory buildings for rent by small undertakings.*

Accepted with qualification.

The shortage of capital may at present prevent such a proposal from being put into effect, bearing in mind that when capital is short it must be directed as far as possible to providing basic services, and that building of this kind, which is designed as a rule for special purposes, can normally be left to private enterprise.

A private proposal has already been received by the Government for earmarking a site in Nairobi which can be used to build factories for lease to the smaller industrialist. Such projects might well be extended on a private and public basis to other areas if financial and other circumstances allow.

CHAPTER 11. MINING

I. INTRODUCTION

This Chapter lays stress on the importance which mineral development has had in the economy of comparable countries in Africa and urges continued attention to quickening the pace of geological investigation and the development of discovered mineral resources. The Government accepts the general principles laid down by the Commission, although it cannot accept their suggestion that an East African Prospecting and Mining Leases Board should be set up; this is not thought to be efficient in economic terms.

II. COMMENTS

Para. 2

The developments that have so far occurred cannot, however, be taken as an indication of the mineral potentialities of East Africa.

To realise in full the Colony's mineral wealth will not be easy and will be expensive. On the other hand, the discovery and exploitation of such deposits as those at Mrima Hill is encouraging and potentially important. The soda exploited at Magadi is one of Kenya's most important exports.

Para. 3

Both the discovery and exploitation of minerals is bound up with the tempo of general economic advance.

Accepted.

Para. 4

The amount of mineral exploration which has taken place . . . is very small . . . because the geological survey has only recently got under way.

Thirty per cent. of the total area has been covered; but it is estimated that a further 30 per cent. will not yield deposits of any significance, and therefore nearly half of the promising area has been surveyed. Nevertheless it is hoped to recruit more geologists and in this way a complete basic survey should be ready at a comparatively early date.

Para. 5

East Africa is at present a marginal area in which the attraction to the investment of capital from abroad has a very low priority.

There has in recent years been evidence that big companies are anxious to invest their capital in Kenya, provided that they can work large and reasonably rich deposits. For example, there was a significant response from mining houses of world-wide repute to advertisements seeking applications for the right to investigate the deposits at Mrima Hill near Mombasa. A special prospecting licence has been issued to the Anglo-American Prospecting Co. (Africa) Ltd. for 18 months, capable of renewal, and the Company has been assured that a mining licence will be issued if it is required after the initial investigations.

III. RECOMMENDATIONS

Paras. 8-12

1. *An East African Prospecting and Mining Leases Board should be set up to advise on the issue of all mining rights, titles, leases, licences and claims and on all legislation directly or indirectly affecting prospecting or mining operations; the Board should be the channel for enquiries on mining possibilities and representations to the governments and local authorities. It should be directed by a highly qualified mining engineer, assisted by specialised staff.*

Rejected.

There must be a close relationship between the three territories on mining and geological work, but the solution proposed would not be the best way to achieve it, nor is it likely to be acceptable in the present climate of East African opinion. The cost of the highly qualified staff might not be justified, and mining houses and small prospectors (who have time and again shown their value in mineral

discovery) prefer to go direct to the final authority, i.e. the territorial Governments, and to obtain personal help and encouragement from the more conveniently placed territorial departments. Further, mining policy is so closely allied to fiscal policy that on this score too the proposal is impracticable.

The correct solution is, therefore, to strengthen the territorial Mining and Geological Departments so that they can complete the primary geological survey and offer a comprehensive service to large and small prospectors and companies.

An interterritorial advisory body, however, might be able to build up a pool of knowledge which could be of value to individual Governments when considering the grant of major licences and leases and could probably exercise a beneficent influence in aligning mining legislation in East Africa. This suggestion will be pursued further with the other East African Governments.

Para. 15

2. Native or tribal authorities should not be given shares in mining undertakings in recognition of their permitting mining development.

Accepted.

All minerals, except common minerals, are vested in the Crown and must remain so vested if the Colony as a whole is to benefit from the exploitation of mineral resources. It is self-evident that any area in which valuable minerals are found receives direct and indirect economic benefits.

While profits and royalties should not be diverted from the Central Government exchequer, Africans already have the right to prospect and mine on the same terms as other races, provided they are able to satisfy the usual requirements of the mining legislation.

Paras. 19 and 20

3. Fiscal burdens and risks should be kept as low as possible, in particular royalties on profits, royalties on low-grade minerals, customs duties and other imposts, and income tax and the tax rate for private companies.

Accepted with qualification.

There seems to be some misunderstanding which has coloured the Commission's views on the fiscal aspects of mining. Although the rate of company tax (and surtax where mines are owned by individuals) may be high for a comparatively undeveloped country it is low in relation to rates in most colonial territories. Generous allowances are given to mines in the early stages of exploration; and although in assessing amortisation the present tax laws use the phrase "life of the mine", the interpretation given is elastic. The law provides for reviewing the life of a mine at yearly intervals and in practice it has been possible to assess a mine at one year's life for a sufficiently long time to enable the capital to be written off before deeming the mine to have made a profit liable to company tax. This is in fact a principle applied to gold mines in the Union of South Africa. The existing legislation is therefore sufficiently flexible and mining investments are, on the whole, treated advantageously as compared with the practice in other comparable countries.

As far as the abolition of customs and other imposts is concerned, the position in Kenya is that mining machinery is free of import duty and very many other items used in mining are also on the free list. Petrol and other general supplies, however, have duty levied and it would be impracticable and invidious to treat mining differently, in respect of rebates on these, from the many other developing industries. This is in fact recognised by the Royal Commission in Chapter 8, paragraph 53.

CHAPTER 12. TRANSPORT

I. INTRODUCTION

It will be noted that the Government rejects most of the Royal Commission's recommendations in this Chapter. This is because most of them centre around the proposals to transform the Railways and Harbours Administration into a Corporation, and to create an East African Road Corporation to systematise road communications in the three territories.

2. Our comments on the proposal for a Railways and Harbours Corporation follow closely those set out by the General Manager of the Administration in a memorandum which, we understand, is included as an appendix to the despatch sent from the High Commission to the Secretary of State.

3. The arguments against the creation of a Railways Corporation apply *a fortiori* to roads. We do favour, however, close consultation between the three territories on road planning and research.

4. The Royal Commission have not referred to the problem of co-ordinating the transport licensing arrangements on inter-territorial roads; this is most important for developing economic transport. The Kenya Transport Licensing Board has operated successfully for a very long time and has proved its value. We understand that the Tanganyika Government are contemplating setting up the same kind of body.

5. A remarkable omission from the Report is the fact that no attention is paid to the development of civil aviation, on which branch of communications the Government is spending a great deal of money.

II. COMMENTS

Para. 16

Authorisations for a capital expansion programme . . . were finally approved, but unfortunately the development plans which they cover do not provide for more than urgently required improvements. Development plans are still lagging behind even foreseeable increased traffic requirements. . . .

Delays in railway development were due to (a) the general post-war expectation throughout many parts of Africa of a recession or, at least, of a slower rate of development, (b) the delays in receiving rolling stock and equipment, (c) the great general demands on the world's capital market, and not to any defect in the Administration's constitution. The plans at present in hand are thought to be sufficient to catch up with arrears and maintain an adequate pace of development in the future.

Para. 34

Moreover, if this Railways and Harbours Corporation were made financially independent, its requirements would no longer interfere with the other capital needs of the East African governments.

This is not agreed since the limiting factor is not the needs of the Governments but the capacity of the market in London and elsewhere to take up East African stock. The change suggested would not avoid the need for East African Railways and Harbours to obtain joint and several guarantees from the Governments if reasonable rates of interest were to be obtained.

Para. 42

The lack of a proper policy of road construction retarded development in the past. . . .

This is true of Kenya in the years before 1939, when there was a general shortage of capital for colonial development. Since 1946, however, when priorities for capital expenditure were laid down in the first report of the Development Committee, as much money has been spent on road construction as other demands on development finance permitted. It is realised that much more money could be spent to great advantage if the capital were available on favourable terms. See the comment on paragraph 52.

Para. 45

The proceeds from vehicle licences and motor drivers' licences and of the petrol tax are annually transferred to the Road Fund.

This does not, however, exhaust the sources of its revenue; £150,000 is paid annually to the Fund to help cover recurrent expenses, and the whole capital resources of the Road Authority are provided from loans raised by the Government.

Para. 46

The Planning Committee recommended in June, 1951, a total allocation of £3,600,000 to enable the first five years' phase to be realised . . . the programme has had to be retarded by spreading it over a much longer period.

The funds made available for this five-year period by the Government were £4,180,000. This makes no provision for payment of interest or sinking fund charges which represents a concealed annual payment of some £200,000.

Para. 49

The present condition of the roads is in all the territories, especially in the African areas, a main cause of the high cost of food. . . .

This particular result of poor communications is a contributory but not the only factor in Kenya.

Para. 52

In Kenya . . . we are of the opinion that sectional interests have prevented an objective and proper assessment of the transport needs of African areas. . . .

The Road Authority applies traffic census figures together with production factors to test priorities, and particular attention is now being paid to African areas.

It is illusory to expect revenues from these sources to be in any way sufficient to finance the construction of that comprehensive road system. . . .

As already explained, the revenue hypothecated to the Road Fund is not enough to cover recurrent costs, and it has not been intended that it should finance capital development. It is pointed out, however, that the revenue so hypothecated has increased by about £300,000 per annum from £589,000 in 1951 to £873,175 in 1955-56, apart from the special contributions made to the Authority from Revenue which have amounted to £875,000 up to 1955-56.

In any case the capital necessary must be made available for a long period of time so that the road programme can proceed without interruption.

The system of Development Plans spread over several years allows as much long-term planning to be done as is warranted in Kenya's vulnerable economic position. The present Plan covers the 3½ years from January, 1954-June, 1957 and preparations for the next Plan are being made.

III. RECOMMENDATIONS

Para. 5

1. *In developing areas transport facilities should always be provided to stimulate the economic development of traffic and should not be permitted to lag behind such development.*

Accepted as an objective.

This is the aim of the Government, but it has been impossible to attain it because of the shortage of money. In practice it has been necessary to allow road and rail development to follow economic development, rather than to stimulate it, and this will unfortunately have to continue until enough money is available to permit a programme more in line with the recommendation.

Para. 13

2. *In so far as capital can be made available for investment yielding long-term and indirect returns, development expenditure on communications should be given priority.*

Accepted with qualification.

As the Commission point out, it is not possible to devote *all* capital resources to long-term and indirect investment. The Government has given and will give high priority to schemes for communications, but cannot give undisputed priority to any aspect of development, and the aim is to achieve a balanced growth of the economy.

Para. 15

3. *The finances and financial policy of the Railways and Harbours should be reconstructed at the earliest opportunity.*

Rejected.

This is closely related to Recommendations 6, 7 and 14. It is unlikely that such a reconstruction could have taken place in 1948, and it is not thought necessary to carry out a reassessment now.

Paras. 21 and 28

4. *The Administration should be allowed to obtain full ownership of the land on which it constructs its installations.*

Rejected.

If the Administration is not to be turned into an entirely independent monopoly the ownership of land, which implies its purchase for new schemes and the payment of income tax, company tax, etc., could be more of a disadvantage than a commercial advantage. The Administration does own the land which it has obtained for industrial and staff housing schemes (e.g. at Changamwe, Mombasa).

Para. 28

5. *An independent autonomous Railways and Harbours Corporation should replace the Administration.*

Rejected.

Such a Corporation would be most unlikely to obtain more favourable entry into the London loan market, the limiting factor being the readiness of that market to take up East African loans; and it might well be in a worse position owing to its dependence on equity share capital. Since financial independence and access to more capital cannot be found in this way, the change recommended cannot take place.

In short, the Corporation would not be the best means of fostering transport development, especially in areas where transport is vital to much needed development, but gives no promise of an early and economic return. It would not develop either political or financial flexibility and it is not acceptable to the Kenya Government.

6. *The assets of the Administration should be revalued and all capital which does not earn revenue written off; the government should convert a suitable proportion of the interest-bearing debt incurred before 1948 into equity-share capital.*

Rejected.

The cost of writing-off any large sum could not be carried out either by the Administration or certainly the Kenya Government, and the second proposal, depending as it does on the proposal to create a Corporation, is not practicable.

Para. 31

7. *The Corporation should be permitted to operate at a profit.*

Does not apply, owing to the rejection of Recommendation 5.

In the Kenya Government's view, the Railways and Harbours Administration should be allowed to budget according to ordinary conditions of profit or loss, but care must be taken not to place the cost of future development on the shoulders of the present generation, unless they are well able to carry it. See comments on Recommendation 14.

Para. 32

8. *A Colonial Transport Development Fund should be set up to help finance railway, road and air services; this would be a precedent for other long-term capital investment on such services as water development.*

This recommendation is a matter for H.M. Government to decide, but the Government would be in favour of such a fund if it involves extra help and if the practical difficulties are not too great. Capital taken out of the pool could be offered to finance transport with much less onerous negotiation than is so now. The loan structure of the Colony, however, and its power to allot loan money for development purposes must not be affected.

Paras. 33 and 36

9. *The Corporation should be directed by a Board representing all subscribers, with powers of final decision on railway rates and charges and the Central Legislative Assembly, retaining ultimate control, should be able to give general directions to the Board.*

Rejected.

Para. 35

10. *The Transport Advisory Council should be reconstituted as a technical advisory body to the General Manager.*

Rejected with qualification.

While there is no need for this change if the proposed Corporation is not to be created, the Government believes that the Transport Advisory Council must have its duties in relation to policy more clearly defined and will press for this to be done.

Technical advisory bodies already exist in the shape of the Transport Liaison Committees of the several Chambers of Commerce. Similar liaison committees could, with advantage, be set up with agricultural organisations.

Para. 37

11. *There should be a Railway Tribunal to hear appeals on any particular rate or charge, or class of rates.*

Rejected.

The Transport Advisory Council will remain as it is and so will continue to make final recommendations on all rate changes. The functions of the proposed tribunal are already covered by the Council and its Tariff Appeals Committee, and by public debate in the Central Legislative Assembly.

Para. 38

12. *The Commissioner for Transport should relinquish executive control of the railways and be responsible for co-ordinating all forms of transport as the channel between the Corporation, the Governments and the Central Legislative Assembly.*

The post of Commissioner for Transport should be considered as that of the Member or Minister (a Senior Officer of the High Commission) responsible for transport matters to the Central Legislative Assembly and not as that of a technical executive officer. The part of this Recommendation which depends upon the creation of a Corporation does not, of course, apply.

13. *Section 16 of the Railways Act should be amended to allow the Corporation to charge more than the actual cost of the facilities or services requested by Governments.*

Does not apply.

Para. 41

14. *All class and individual rates and charges should be thoroughly reviewed as early as possible, together with the general level of rates, to produce a viable and economically justifiable rate system and to build up adequate reserves.*

Rejected with qualification.

At present it is not necessary to hold such a general review; rates have been adjusted since the Royal Commission's investigations. Particular rating changes may, however, be considered in order to obtain more revenue for improvements and working capital.

On this, however, it should be recognised that there is a limit to the capital which can be obtained locally; to burden present consumers with the capital cost of future development is not justified, as the Commission point out in Chapter 8, paragraphs 8-21. Rate increases to produce more than working capital are a form of compulsory saving which the economy will probably be unable to stand.

Para. 42

15. *Road construction and improvement must be expanded and properly co-ordinated between the three territories and with the railway system.*

Accepted.

Para. 51

16. *It should be policy to make more use of private consultants and contractors, on plans designed to enable long-term and large-scale contracts.*

Accepted.

This is the policy of the Government so far as is practicable and consonant with the most economical use of available funds.

Paras. 53 and 54

17. *An East African Road Corporation should be formed, financed by loans raised jointly by the East African governments and other sources; it would be managed as an autonomous body under the High Commission, and would have the advisory, constructional and planning duties listed in paragraphs 53 and 54.*

Rejected.

While the Government is well aware of the need for still closer co-ordination of road policy with the other territories, and especially technical consultation over research problems, the proposed Corporation would not be practicable, nor could it tap other sources of capital investment than can the Governments. Indeed, when the Royal Commission visualise the Corporation being financed from loans raised by the Governments they acknowledge that its capital needs would come under the usual assessment of priorities which the Governments have to make to prevent their loan ceiling being exceeded. There could thus be no financial advantage in the Corporation's semi-independent position and this means that the grounds on which the Commission put forward the proposal have disappeared.

On the other hand, the exchange of information on technical problems, including research results, should be still further encouraged and there must be close consultation between the Governments on their road programmes as they affect common or inter-territorial routes, either present or proposed.

CHAPTER 13. WATER DEVELOPMENT

I. INTRODUCTION

The proposals in this short Chapter are generally acceptable to the Government. There are no detailed comments to make on the arguments of the Commission.

II. RECOMMENDATIONS

Para. 2

1. *Water development, including its discovery, conservation and distribution, should be classed as basic development in the same way as railways and roads.*

Accepted.

2. *If a water scheme will attract further private development, its capital cost should not be carried against some immediately contemplated development; where it is designed only for a specific project, the capital cost can be recovered from the enterprises which benefit, over the life of the asset created.*

Accepted.

This is already generally followed in Kenya.

3. *Any Government subsidy of water development for private schemes should be apparent to the legislators, and the charges for water development units fixed in consultation with commercial concerns, any subsidy being on a pre-determined scale.*

Accepted with qualification.

It is not the Government's intention to make any concealed subsidies for water development, but the Dam Construction Units, which are engaged on development work of importance, seek to recover only the actual cost of their operations.

4. Expenditure on water development must be directed to producing marketable surpluses and should not be undertaken unless technical advice forecasts economic activities as a result.

Accepted with qualification.

This principle has been generally applied in the past and will be applied in future, although there may be some occasional exceptions when water development, not strictly justified on economic grounds, has to be undertaken as a relief measure or for social and administrative reasons.

Para. 3

5. The territories should examine their water legislation to ensure that private or sectional interests cannot stand in the way of water development.

Accepted.

Proposals to amend the Water Ordinance are now being examined by the Government.

6. Hydrological research on problems of land use should be carried out under the aegis of the East African Agriculture and Forestry Research Organisation. Staff should be set aside for the work and the programmes carefully prepared to meet problems accepted as of primary importance by the territories.

Accepted.

The main function of the E.A.A.F.R.O. should be to co-ordinate this work in close co-operation with the territorial organisations. This is envisaged by the Royal Commission. There will be a Planning Conference in June, 1956, on all water catchment area research in East Africa, and this matter will then be fully considered. It might be possible for one Research Co-ordinating Committee under E.A.A.F.R.O. to supervise the study of water problems.

7. There should be a territory-wide plan for collecting data on such matters as stream and river flows and rainfall quantities, reliability and intensities. This will involve co-operation and exchange of information with other departments such as the Meteorological, Geological, Forestry and Agriculture Departments and the Administration. The territorial water departments should record and organise all data bearing on water development.

Accepted.

There are now unusually favourable opportunities for studying on a large scale the effect of various stages of afforestation and forest management upon stream flows and water generally. Co-operation between departments has already started and will continue.

8. There should be a separate water department, responsible to the Minister concerned with land use for all rural water development; it should be divided into two sections, General and Irrigation, and should be separated from, but co-operate with the department dealing with urban water supplies.

Deferred for further consideration.

The Government is already examining this recommendation.

CHAPTER 14. IMMIGRATION

I. INTRODUCTION

The policy suggested on this subject by the Royal Commission is generally acceptable to the Kenya Government, and changes to meet their proposals are set forth in a recent Sessional Paper which, if approved, will allow the immigration law to be changed accordingly. Attention is given in the Sessional Paper to the reconciliation of the apparently conflicting demands for importing new skills for new industries and for preserving the proper expectations of employment of the local inhabitants.

II. COMMENTS

Para. 4

The permanent immigration . . . in recent years has done nothing to disturb the overwhelming numerical preponderance of the African population.

As the Commission recognise in paragraph 5, the problem is not really one of numbers alone, but of the numbers of skilled non-African immigrants who compete with the growing numbers of skilled men in the African and other local communities.

Para. 6

The apprehension was associated with a simple fear that the economic development which new immigrants might . . . make possible would be one in which Africans could not participate.

It is important that this feeling of apprehension should be shown to be groundless. We consider that the necessary feeling of confidence will be established by a development of training facilities, by an expansion of trade schools and by an encouragement of the apprenticeship system in industry. Some immigrants such as foremen will be of direct use in training local artisans.

Para. 9

An opposing view, which again cuts across divisions of race, exhibits a more favourable estimate of the future economic possibilities of the territories. But those who hold this view are highly conscious of the extent to which future economic development depends upon the availability of new capital, new enterprise and new skill and of the very limited supplies of these pre-requisites which are available within the territories themselves. They therefore look outside the territories for the new infusions of capital, enterprise and skill which, as they think, will alone ensure this favourable future.

This sets out the view which, with certain safeguards, we propose should govern future immigration policy.

Para. 11

In the absence of outside aid . . . the difficulties which are associated with the growth of the African population are likely to become more intractable.

As the Commission recognise, there must be some control to make sure that the African community is enabled to share in the economic results of this aid, and that the introduction of new enterprise is accompanied by African advance.

Every process of expansion involves cases of apparent hardship and inconvenience. . . .

Expansion must go on, but the Government's concern must be to try to reduce the hardship and inconvenience to a minimum and make sure that it does not fall upon one section of the community more than upon another.

Para. 12

Our concern that Africans should have adequate training facilities . . . is dictated not merely by liberal sentiment.

Apart from the reasons mentioned it is most important that Africans should have opportunities of acquiring the skills which will enable them to play a proper part in the development of the Colony.

Para. 13

Any difficulties to which the immigration of non-Africans may give rise depend upon the manner in which the activities of Africans and non-Africans are integrated in the general expansion of the economy.

This is the crux of the problem; the increasing number of those leaving local schools must not be denied opportunities of employment. Further, opportunities must not be restricted by family, group or religious considerations.

Para. 15

But we do not think it proper that the test which the board applies . . . should be whether some existing interest is likely to be prejudiced by granting the application.

This view has been accepted in the Sessional Paper on Immigration Policy. The test will now be changed to whether the applicant's entry will be in the general interests of the Colony's inhabitants.

Control of immigration by the executive is essential if immigration policy is to be integrated with general public policy for economic development.

This has also been accepted; see the Government's views on Recommendation 1.

Para. 14

III. RECOMMENDATIONS

1. *Government should supervise immigration directly and not through boards which may reflect the views of sectional interests.*

Accepted.

This change is proposed in the Sessional Paper on Immigration Policy.

2. *Policy should be governed by the interests of the territory and not by a desire to protect existing sectional interests.*

Accepted with qualification.

The negative criterion of prejudice to existing interests, mentioned by the Commission in paragraph 15, will be abandoned (as indicated in paragraphs 19 and 20 of the Sessional Paper) in favour of the positive criterion of an applicant's entry being in the interests of the territory.

It is important to realise, however, that the interests of the territory demand that the rising generation of local inhabitants, most of whom are Africans, should be given the fullest opportunities for employment and advance. Although a short-term advantage would be gained by the entry of certain immigrants, it would be a mistake to suppose that unrestricted entry would automatically be in the long-term interest of the Colony; it is considered that a proper balance can only be struck if there is strict control.

Para. 16

3. *The financial conditions of entry should be reviewed to decide whether they are excluding men with valuable enterprise and skill.*

Accepted.

In accordance with paragraph 19 of the Sessional Paper, the immigrant will in future only have to satisfy the Principal Immigration Officer that he has at his disposal an assured sum with which he will be able satisfactorily to carry out his proposed enterprise or activity.

CHAPTER 15. AFRICAN LABOUR

1. Most of the Commission's examination of the problems discussed in this Chapter is based on the Report of the Carpenter Committee on African Wages. This Report formed the subject of the Government's Sessional Paper No. 21 of 1954, the proposals in which were approved by the Legislature, and, in general, the Royal Commission agree with the aims in that Report. The Commission's criticisms of the proposals in the Report have to some extent been met in the modifications made to them in the Sessional Paper.

2. We have nothing more to add to our comments on the Commission's statements and recommendations, set out in Sections II and III.

II. COMMENTS

Para. 1

The main relevant facts as regards the African wages problem may be summarised as follows:—

(a) the general level of wages is low;

. . . .

(d) the machinery for collective bargaining is almost non-existent;

Since the Commission's investigations urban wages have risen considerably. This rise is partly due to the labour shortage caused by the removal of many Kikuyu, Embu and Meru, the move towards the "adult" minimum wage in urban areas, and the work of industrial wages councils.

Voluntary machinery for negotiation at the industry level is limited to the Public Service Whitley Councils and the Mombasa Docks Joint Industrial Council; but collective bargaining also takes place on the industrial wages councils, of which there are now three and others may shortly be established. Both employers and employees are represented on these. There are also about sixty works councils or works committees in individual undertakings; they too involve collective bargaining.

Para. 4

There is also evidence of concealed unemployment or under-employment in the congested areas and elsewhere..

But, as the Commission point out, this does not involve unemployment in the usually accepted sense. There has almost always been work for the African who was able and willing to work, although not necessarily in the area of his choice. Although not a problem now, unemployment could arise when labour has become more stable.

Para. 6

The governing factor (of the wage level) is not the existence of a statutory minimum wage . . . (it) is the real income which can be obtained in alternative occupations. These alternatives may consist of the production of cash crops or of subsistence farming.

This analysis is accepted as correct; so also is the conclusion which follows that since the incomes derived from the alternative occupations are generally lower than the incomes of those in urban employment, the main way of raising urban wages permanently is to stimulate agrarian incomes. Apart, however, from financial considerations the attractions of city life and freedom from tribal restraints also draw people to seek work in the towns.

Para. 10

The training of labour . . . is primarily a responsibility of industry itself.

The Government agrees that this is mainly the responsibility of industry.

Para. 14

The effective utilization of African labour depends, among other things, on the efficiency of management.

Agreed.

Para. 19

This migrant labour is inefficient not merely in industry but also in agriculture.

This is generally true, but this is not to say that migrant labour is not desirable in some types of agriculture, particularly those in which there is a seasonal demand for labour, e.g. at the harvest.

We think it important to recognize, however, that the removal of the obstacles to the creation of settled labour does not lie solely on the side of urban industry.

This is accepted. Labour stabilisation must take into account rural as well as urban conditions, not only in regard to wages but also in regard to long-term social security and other matters. Urban wages have been considered first because they were a more urgent problem. It must also be realised that urban wages directly affect rural wages.

Para. 29(d)

With such a disparity of wages for labour . . . it is difficult to suppose that the proposals of the majority of the Carpenter Committee will not defeat their own object.

The Royal Commission have underestimated the effect of more efficient management in balancing increased wages. The conclusion of the Carpenter Committee that labour was being wastefully employed has been shown to be correct by the fact that as a result of the Emergency many employers are managing with greatly reduced labour forces which are more highly paid. As far as the dual minimum wage system goes, it has been adopted because paying a "family" or "married" wage to unskilled workers under 21 is not justifiable. See the Government's views on Recommendation 7.

Para. 37

Even in Kenya, where in 1952 there were some 40,000 members of registered trade unions, the membership figures give an exaggerated notion of their effective strength and authority.

Trade unions claim a membership of 60,000, but their paid-up membership in 1955 was only some 7,600.

Indeed, the attempt to encourage the growth of trade unions on the British model is likely, for some time to come, to represent an expenditure of effort which might be employed more effectively in other directions.

Trade unions are already established in Kenya and will probably develop further. Unless they develop along the right lines, they may do very great harm, and it is to ensure their right development that the Government's main efforts are devoted. The Government would welcome the presence of responsible trade unionism, but agrees that it is undesirable to force the pace artificially in establishing trade unions and that the British model, though useful as a guide, need not be meticulously followed.

The policy is to assist the healthy growth of existing trade unions and to give encouragement and advice to those workers and employers who show a desire to organise.

Para. 47

In 1945 a labour census gave the total number of resident labourers and members of their families on farms and in the forest areas as 203,000.

The 1954 census shows that of some 221,000 Africans employed on agriculture, forestry and fishing only 25,000 were engaged on contract under the Resident Labourers Ordinance. There were some 20,000 working dependants of these men.

It is clear that in writing of "resident labourers" the Commission had in mind not only those who are engaged on a resident labour contract, but also all agricultural labourers on farms in the settled areas.

Para. 82

A special Social Security Committee is now examining . . . (whether to and, if so, how to provide) . . . by legislation for the social security of employees in their old age.

This Committee is expected to report early in 1956.

Paras. 83 and 84

We understand that the Kenya Government has accepted the recommendations of the majority of the Carpenter Committee. . . .

This is true. The recommendations mentioned in paragraph 83 are now being put into effect by local authorities and the central Government, and those in paragraph 84 are also being followed. English is taught in the third year of education, and adult literacy schemes include the teaching of English.

III. RECOMMENDATIONS

Para. 10

1. There may be scope at the school level for greater emphasis on the manual arts.

Accepted.

At the primary level elementary handicrafts are taught.

Every African boys' intermediate school has a workshop, and the crafts on which emphasis is laid vary according to the needs of the district. Every girls' intermediate school has facilities for homecraft teaching, and the aim is to provide the same facilities in every co-educational intermediate school.

Most intermediate schools have small-holdings, laid out by the Agricultural Department and farmed according to the agricultural policy for the district.

All Africans undergoing training as teachers are instructed in handicrafts and agriculture, and in addition, there is a course for teachers specialising in handicrafts at the intermediate school level.

Paras. 11 and 12

2. The dominant need is for a more flexible system of apprentice training, and there might be some justification for two forms of training, short-term and long-term.

Accepted.

These suggestions will be considered by the Advisory Council for Technical Education and Vocational Training.

Para. 17

3. Training Within Industry schemes are commendable and should be carefully watched.

Accepted.

In Sessional Paper No. 21 of 1954, on the Carpenter Report, the Government agreed to consider the appointment of a Training Within Industry instructor. He has now been appointed and is already at work.

Para. 18

4. *The Minister for Labour should prescribe ration scales, as the Carpenter Committee proposed, and the Area Wages Committees, if appointed, should have power to vary them, subject to the approval of the Rural Wages Advisory Board.*

Accepted.

This has already been agreed by the Government but as the Commission point out, it can only be put into effect with local variations. A decision will be taken whether or not to appoint Area Wages Committees when the Rural Wages Committee report.

Although this section of the Chapter deals with urban employment, this recommendation clearly affects rural areas.

Para. 23

5. *The Employment Ordinance might be amended to allow employers who wish to do so to include a notice clause in their contracts of service.*

Accepted.

Amending legislation is now being considered.

Para. 24

6. *The Employment Ordinance should be amended to require the completion of a ticket contract within 36 and not 42 days, as a first step to the gradual abolition of the system.*

Accepted with qualification.

This recommendation of the Carpenter Committee was deferred for consideration by the Labour Advisory Board. The views of the Carpenter Committee were generally endorsed by the Board, who reserved their opinion on the eventual abolition of all ticket contracts. Amending legislation is now being prepared to cover this recommendation.

We do not agree on the usefulness of eventually abolishing the ticket contract.

Paras. 29-32

7. *Statutory minimum wages should be fixed and existing minima raised, the broad policy outlined by the Carpenter Committee being accepted, but a dual minimum wage should not be put into force, and the "family" wage should be approached experimentally with no pre-determined time-table.*

Accepted with qualification.

Since the acceptance of Sessional Paper No. 21 of 1954 by the Legislative Council the main proposals of the Carpenter Committee have been or are being carried out. The new minimum wage formula came into force on 1st January, 1955, and resulted in a rise in Nairobi (including housing allowance) from Sh. 73/50 per month to Sh. 84/50 per month. The two-wage system envisaged by the Committee, which entailed a transition, within a period of ten years, from the wage needed to support a single man to one sufficient to support a man, his wife and two children, has been modified as follows (these changes meet the criticism levelled at the Committee's proposals by the Royal Commission). The distinction will now be, not one between a "bachelor" and a "family" minimum wage, but between a "youth" minimum wage and an "adult" minimum wage for all males of 21 and over. Although the aim is to introduce eventually an "adult" minimum wage sufficient to support a man, his wife and two children, and calculated at $2\frac{1}{2}$ times the "youth" minimum wage, it is not sound economic

policy to commit the Colony to proceed to this point by regular annual stages. For the present the "adult" minimum wage is to be calculated at 1.67 times the "youth" minimum, and is designed to support a man and his wife, and the full transition to this "adult" minimum wage will be made at such rate as may be practicable in the light of current economic and other circumstances. In the Sessional Paper the Government's opinion is stated "that, provided conditions are favourable, the goal should be attainable within five years". Further progress after that towards an "adult" minimum wage $2\frac{1}{2}$ times the "youth" wage will not be made without reference to the Legislative Council.

On 1st November, 1955, the first step was taken towards the "adult" minimum wage by increasing minimum housing allowances for adult males by $33\frac{1}{3}$ per cent. The first step in moving to the "adult" basic minimum wage was taken with effect from 1st January, 1956, and consisted of an increase of 10 per cent. on the "youth" basic minimum wage.

Para. 29

8. The recommendations of the Carpenter Committee should be kept under constant review by an independent body which does not represent sectional interests.

Rejected.

The Wages Advisory Board fulfils this task. In doing so it consults wider interests than those concerned purely with labour matters, e.g. the Statistical Department or the Board of Commerce and Industry. Although both employers and employees are represented upon it there are independent members and assessors.

At the same time the Government could not delegate its powers to make the final decision upon statutory wages.

Para. 34

9. Every effort should be made to promote wages councils in clearly demarcated trades and industries.

Accepted.

There are now three such councils in Kenya, which have been set up for the road transport industry, the hotel and catering trades, and the tailoring, garment making and associated trades. The establishment of other councils is being considered.

Para. 35

10. The national minimum wage should not be pushed to too high a level, or it will weaken the freedom of action for wages councils and other wage-fixing machinery in fixing minima for unskilled and skilled trade labour.

Accepted.

Para. 39

11. Works councils and joint staff committees should be encouraged and their results carefully watched.

Accepted.

It has been the policy to encourage the setting up of these bodies through the Labour Department especially in "essential services", and there are now a considerable number at work.

Para. 43

12. Statutory wage-fixing for agricultural labour should be reconsidered when conditions are favourable, and a Rural Wages Advisory Board with area wages committees should review conditions and recommend on this step when circumstances permit.

Deferred for further examination.

No decision will be made until the Government has received and studied the report of the Rural Wages Committee which was appointed to consider wage levels and statutory wage-fixing in rural areas.

Para. 44

13. *County and District Councils should not be given powers to enforce employment legislation by a delegation of authority from the Labour Department.*

Accepted with qualification.

There is no objection to these bodies having certain powers of inspection in respect of resident labourers' stock and cultivation, as they have at present, and to their reporting the results of inspections to the local Labour Officer for such action as he thinks fit.

Para. 65

14. *The objective in respect of African labour in the Highlands should be to bring about conditions whereby the labourer is able to earn the maximum income which the product of his labour warrants in conditions of security and stability, and his labour should be directed and supervised so as to raise his efficiency and his income-earning capacity.*

Accepted as an objective.

Para. 66

15. *If cultivation and stock grazing by resident labourers conflict with the best use of the land, they should be compensated by higher wages for the loss of other income-earning opportunities.*

Accepted.

In the past, apart from his being supplied with housing or housing materials, these privileges have always been a considerable attraction to the resident labourer. Almost all those who sign resident labour contracts are married men. Since the trend is now to reduce stock and cultivation privileges and to turn the "resident labourer" into a cottage labourer, his family income will decrease and he must therefore be compensated by higher cash wages and issue of rations. Since some of the married resident labourer's income from stock and cultivation was earned by the labour of his wife and family, it might be wise for his employer to offer them paid employment, perhaps part-time employment, in order to maintain the income level of the family. If such paid employment were not provided, the income level of the family could only be maintained by paying the resident labourer himself a markedly higher cash wage which would have the effect of damaging the competitive position of the agricultural industry in overseas markets.

Para. 67

16. *The Government should purchase or compulsorily acquire land in suitable places in the Highlands to enable farm workers to rent village dwelling plots on long leases and the villages should be administered by an appropriate local authority. Further land should be acquired for lease as allotments.*

Rejected.

The advantages of such a system are set out by the Commission.

But the following disadvantages outweigh the advantages :—

- (i) The loss of the personal connection between employer and worker, on which so much depends.
- (ii) Less efficiency, because of this loss and of the separation of the labourer from the land on which he works.
- (iii) The distance which he would often have to travel to work.
- (iv) The need for large stock farms to have labour living on the farm.
- (v) The loss of the farming land acquired for the villages.
- (vi) The cost of building and administering the villages, and the difficulty of supervising them.

For these reasons the village proposal, as presented by the Royal Commission, cannot be accepted. But the present system is not satisfactory. The farm worker must be given greater security, more amenities, and higher wages in return for increased output; while at the same time his close relations with the land and his employer must be maintained. The whole problem will be closely studied and the following lines of investigation may yield results:—

- (a) Replacing resident labour by cottage labour or workers on a monthly contract.
- (b) Developing social centres, with facilities for markets, shops and artisans, to serve groups of farms; this is already accepted as part of local government policy.
- (c) Providing for retired African labourers.

The problems of old age pensions and other types of social security are now being investigated by the Social Security Committee.

Para. 71

17. In due course the rural labourer should be protected by minimum wage legislation.

Deferred for further consideration.

This matter is now being studied by the Rural Wages Committee, which will also consider the views of the Royal Commission in paragraphs 72-74 in so far as they are relevant.

Para. 80

18. In the forests the following steps should be taken:—

- (a) *Payment of wages comparable to those paid outside the forest estate.*
- (b) *Leases for land to be rotated with crops and trees, with detailed conditions and payment of rent; the lease to be cancelled on failure to fulfil the conditions.*
- (c) *Special village areas to be set aside and cleared, with small allotments; the lease to offer security and to lay down minimum standards of building and health.*
- (d) *Forest working plans to take account of a permanent labour force with their families.*
- (e) *The Provincial Administration to be responsible for the social and welfare services and the administration of the Africans living in the forest estates.*
- (f) *The jurisdiction of district councils over forest areas to end.*

Rejected.

The advantages of the "squatter" system to the Colony's economy overwhelmingly favour its retention in the forest estates, and if these proposals were accepted it would mean the end of large-scale economic forestry in Kenya. Most of our softwood production is for export, and timber exported from Kenya has to carry the cost of the long rail haul to the coast. If it is to compete in world markets it must be cheap, and the resident labour system makes for cheap timber. There are three factors which give Kenya an advantage in the world timber market: first, the climate, second, suitable areas for re-forestation, and last an economic way of cultivating the trees. If the labour force is placed on the basis proposed it would become uneconomic to sink money in an industry whose results are necessarily for the most part long-term.

The value of the "squatter" system in the forests is that the labour carry out two tasks at once. They are given felled forest to clear and cultivate, and this land is then used in cycle for re-planting by the Forest Department. It is, in other words, a type of shifting cultivation, for which there is still room in the forests; but the cultivation is not one which is linked to a subsistence economy, but to a valuable "cash crop" production.

The Government's views on the various suggestions made are these:—

- (a) Since the main line proposed by the Commission is rejected it would be a serious mistake to divorce wages from the rest of the resident labour contract.
- (b) The issue of temporary leases of this kind could not give the labourer more security than he now has. Stringent conditions now observed administratively would have to be included.
- (c) Forest villages in specific areas are already established, as here proposed, but not on lease. They must continue in some areas for security reasons for some time to come.
- (d) It is clear that the Commission believe that a clash between the needs of the labour and those of good forest yields should be solved by the first taking precedence. A clash is actually unlikely to occur, because sound management must include attention to the well-being and contentment of labour.
- (e) Officers of the Forest Department will be responsible for carrying out forest policy and will be in charge of not more than 150 labourers. Experience in the Emergency has shown, however, that officers of the Provincial Administration must assume a general responsibility for law and order and for carrying out the general policy of the Government. In fact, forest labourers must be treated in the same way as ordinary employees.
- (f) The activities of the Forest Department in the areas above farm lands must affect local authorities in many ways. It is essential, therefore, that the county councils keep their present responsibilities in these matters in the forest areas, but these responsibilities should only be exercised after close consultation with the Conservator of Forests.

CHAPTER 16. HEALTH AND EDUCATION

I. INTRODUCTION

In paragraph 3 of this Chapter the Royal Commission explain that they intend to do no more than emphasise those points in educational policy which need special attention if the general standard of living is to be steadily raised. Better and more widespread education, it is held, is the pre-requisite of an improvement in this standard.

2. This view, as the Commission point out, is already held by the Government and the present development programme is designed to set up as widespread a school system as possible which will provide an education to a stage when it will permanently benefit the growing child. The particular aim of policy now is to give every child an eight-year course of education as the necessary money, buildings and teachers become available.

3. If the resources of the Colony enable the present Development Plan, and the programme of the Education Department for 1957-60, to be fully carried out, there will be available by 1960 a place in a primary school for every African child whose parents wish him to go to school. From that point onwards, apart from opening new primary schools as the school population grows, the aim will be to extend the intermediate-school system until universal eight-year education has been achieved. District Education Boards have already been asked to draw up a long-range tentative forecast, and Regional Educational Boards are doing the same for teacher training. At the same time further secondary education will have to be provided for at least the present proportion of children completing the full eight-year course.

4. The financial implications of the proposed development will certainly be heavy, as mentioned in the comment on paragraph 5 of this Chapter.

5. In the same paragraph there is a reference to "free" education. It is as well to make it clear to the public that, however the educational system is financed, it cannot be free. Either taxation or fees must cover the cost; and while children are still sometimes unable to find a place in the primary schools a contribution, in the form of fees, by the parents of those who do find places is fair and just.

II. COMMENTS

Para. 5

That (free universal education) is a desirable long-term objective is beyond dispute, but to adopt it now as a principle of policy in East Africa would do violence to the realities of the situation.

The programme by which it is proposed to achieve universal education (see Section I) has formidable financial implications, and it is not yet possible to say whether the country's economy will be able to carry the burden.

It is in any case impossible at present to find sufficient teachers for such a programme of universal education.

More teachers will be needed, and, if the school system is to be effective, they must have better training. Improvement in the quality of teachers depends, firstly, on a wider selection of students being available for admission to teacher-training which in turn postulates staff being available to expand the secondary-school system, and secondly, on the recruitment of suitably qualified staff for

training teachers. The present world shortage of teachers may hold up the expansion of facilities for secondary education and teacher-training, and may consequently retard the primary school programme which is dependent on those two services.

Nevertheless the provision of a universal eight-year primary-cum-intermediate course for African children will remain the Government's objective in the field of education.

Para. 13

Perhaps the most important of all educational problems . . . is the elimination of wastage.

There is considerable waste of effort and material in providing education for a large number of children who do not stay at school long enough to retain anything of value from their schooling. The picture has, however, its reverse side; for if every child entering primary school remained for the full four years, it would be impossible at present to provide them with teachers, equipment or accommodation. To restrict admissions would be most undesirable; and, in any event, there could be no guarantee that the children selected were those most likely to benefit by education.

Wastage varies markedly in different areas and depends on the quality of teaching and to some extent on the standards of building and equipment provided and also on the attitude of the local people. The Beecher Committee recommendations took wastage into account. Since then it has been found that an increasing proportion of children stay at school after completing Standard II; the plans for Primary School development up to 1960 have therefore been revised to take account of this trend.

Para. 14

The following table . . . shows vividly how great has been the wastage among children who entered the primary schools in 1949 and should have reached the fourth class in 1952.

The Commission's figures show a wastage of no less than 65 per cent. The enrolment figures for the last four-year period available, however, are as follows:—

1952	1953	1954	1955
<i>First Year</i>	<i>Second Year</i>	<i>Third Year</i>	<i>Fourth Year</i>
<i>pupils</i>	<i>pupils</i>	<i>pupils</i>	<i>pupils</i>
98,685	69,045	57,021	61,407

This shows a wastage of only 37 per cent. But the following points must be made:—

- (i) The entry figures for 1952 were affected by the Emergency (the count being taken at the end of the year) and are thus lower than the entry in 1949.
- (ii) The increase in fourth-year pupils over the number of third-year pupils is explained by pupils remaining in the fourth-year class for more than one year, being unable to enter an intermediate school. These pupils, however, are not allowed to prevent younger children from taking places in the top primary class.

Para. 19

The expansion of intermediate education . . . will inevitably result in pressure for more secondary schools, which should be planned in advance.

There has been a rapid increase in facilities for secondary education, and more new schools are planned in accordance with the Beecher Committee recommendations.

Para. 33

We regard it as essential that more attention should be paid to the education of girls. There are many obstacles to be overcome.

There are two secondary girls' schools and there are plans for opening a third very soon. During 1954 three Kenya women entered Makerere College, making a total in residence of five. Women teachers are being trained and employed in increasing numbers, and plans have been made for two new training colleges to be built in the immediate future. Plans for extending formal adult education have been made with financial help from the International Co-operation Administration.

The antipathy of many African men to women's education is slowly being overcome. In the fourth class of primary education there were in 1949 only 5,929 girl pupils; in 1955 the figures rose to 12,927. Present plans aim at creating co-educational primary and intermediate schools to be attended by boys and girls in equal numbers. Homecraft instruction is given to girls at intermediate schools.

Para. 40

The expansion of university education in Africa involves difficult technical questions

The requirements for Higher Education in East Africa for the next ten years have been studied by a Working Party from the Inter-University Council for Higher Education in the Colonies and the Advisory Committee on Colonial Colleges of Arts, Science and Technology.

III. RECOMMENDATIONS

Para. 2

1. *A high level expert body should be appointed as soon as possible to examine the problems of public health.*

Rejected.

The improvement of public health depends on sufficient finance being available. There would seem to be no need for the appointment of a high-level expert body, since the Colony has its own medical experts, and much information about the needs of the different peoples and areas is already available to the Medical Department.

Para. 6

2. *Primary education should be provided for all outside the towns, as soon as finance permits, at fees which will not exclude any pupil.*

Accepted.

The Government hopes, if finance permits, to be able by 1960 to provide enough places for every African child, whose parents so wish, to obtain primary education and, as explained later, in the more distant future to provide intermediate education for all as well.

The fees charged seem in general to be well within the capacity of most African parents. In proved cases of hardship fees can be remitted up to a total of 10 per cent. of the maximum fee revenue from any school.

Some parents pay up to Sh. 250 per annum for boarding fees at intermediate schools where there are hostels. As intermediate schools increase in number, the need for boarding facilities will progressively decrease.

3. *Secondary education should be obtainable by those prepared to pay for it, but bursaries should be instituted for those with ability. There should also be private schools, in part subsidised by Government, for all those who are willing to pay for further education and have not been accommodated in other schools.*

Accepted with qualification.

This may be possible in the long run, but at present pupils are admitted to secondary schools (all of which are Government or grant aided) by selection through a Committee of School Principals only if they attain the prescribed academic standard.

While the Education Department is prepared to encourage the establishment of private schools under approved management for the secondary education of other children who cannot find a place it is not desirable that at the present stage of development public funds should be used to educate children who are not qualified to continue in the approved educational system.

Paras. 10 and 11

4. *Training in conduct and morals is so important that nothing should be done to discourage the mission schools. The missions should not be encouraged to increase their responsibilities in education beyond what is required for school government and religious education, and the professional supervision of all teaching except religious education should be in the hands of qualified teachers appointed and employed by the Government.*

Accepted.

The Government believes in the association of the Churches with educational work so long as the inspection of schools and general supervision of the system remain with the Education Department.

Para. 11

5. *The ultimate aim should be local control by school managers working under an education committee of the local authority suitably reinforced.*

Accepted.

This process is already taking place. There is in every administrative district, except the Northern Province, a District Education Board set up under section 31 of the Education Ordinance, 1952, which consists, apart from a Chairman and an Executive Officer, of four members appointed by the local authority for the area and four members appointed by the managers of the schools or groups of schools in the area.

Para. 14

6. *The age of entry and the age-range per class should be controlled so that pupils are likely to finish the course, and a proportion of the fees should be returned as an experiment to parents whose children complete the course successfully.*

Rejected with qualification.

As stated in the comment on paragraph 13, the rate of wastage has been decreasing in recent years. The ages of entry and the age range per class are controlled by administrative action. Although there are children who stay in the last class of primary education for more than one year, they are not retained to the exclusion of younger children.

Although a remission of fees might encourage parents to keep their children, at school, the Colony's financial position is not such as to warrant the experiment; it might well lead to requests for an extension of the concession to intermediate and secondary education, which if granted could have serious financial results.

Paras. 17 and 18

7. *Compulsory education to the end of the intermediate stage should be introduced for African children in the larger towns as early as possible.*

Accepted as an objective.

It is already the Government's expressed policy to move as rapidly as means permit towards compulsory education for the children of Africans resident in urban areas. The special problem of the urban areas is already being met by extending the present four-year primary course to one of six years' duration, the additional two years catering for those who fail to gain admission to an intermediate school.

Although the social problems of children living in a town are clearly recognised the acceleration of development to allow them eight full years of education in advance of the rural areas would undoubtedly cause resentment in the Native Land Units and would encourage a drift to the towns. Moreover, it is doubtful whether eight years' schooling would do more than partially solve the problem of juvenile delinquency in towns.

There are, however, plans for building new schools in the towns, especially in Nairobi, and by 1960 there should be accommodation to give six years of education to the great majority of children in urban areas. Thereafter extension to the full eight-year primary-cum-intermediate course will take place as circumstances permit, *pari passu* with the development of intermediate education in rural areas.

Para. 18

8. *School building should be given a high priority and not slowed down by insistence on too high a standard of construction.*

Accepted.

The school building programme is as described above and should provide by 1960 primary education for the great majority of children whose parents wish them to take advantage of it. In the African areas the responsibility for building rests almost entirely with the people themselves and undue insistence is not placed on a high standard of construction. In the townships, higher standards are necessary, but in view of financial stringency the Education Department, in consultation with the Department of Public Works and the Medical Department, has adopted reduced standards of construction for schools. In addition a considerable saving of expenditure has recently been made possible by a new method of construction involving pre-fabricated reinforced pumice slabs which has been evolved at the Kabete Technical and Trade School. This method has reduced the cost of double-stream primary schools from £12,000 to £7,100.

Para. 25

9. *Future expansion at Kabete should provide for the admission of boys at the end of intermediate schooling and aim to bring them up to the entry standard of the Royal Technical College.*

Accepted.

Boys are already admitted to the Technical and Trade Schools at Kabete and Thika after completing the primary-cum-intermediate course. There are also plans to introduce technical courses in some secondary schools.

The Royal Technical College will train students seeking professional qualifications and degrees. At an intermediate stage there will be a Kenya Technical Institute which will train technicians. Classes for the latter type of student will be started early in 1956 in the premises of the Royal Technical College and under the guidance of its staff who, in the early stages of the College's development, might not otherwise be fully occupied. It is hoped that by the time the accommodation and staff of the College are no longer available for this purpose Kenya will have constructed its own separate Technical Institute.

Para. 28

10. *At each of the larger centres a small committee of businessmen should be attached to the technical school to keep in touch with apprentices during their two years' training.*

Accepted with qualification.

The suggested functions of the small committees are already carried out by the central Advisory Council on Technical Education and Vocational Training, which includes local businessmen. It is hoped to keep in touch with Chambers of Commerce and other bodies qualified to advise.

Para. 32

11. *Government policy should concentrate on training highly-skilled African craftsmen and technicians, leaving to industry the responsibility for training the semi-skilled.*

Accepted.

This will be possible when the Royal Technical College and Kenya Technical Institute are fully at work. The co-operation of industry in training schemes, and the control of apprenticeships, have been recently examined by the Advisory Council, and new legislation is now being considered.

Para. 34

12. *The fees for girls' education should be remitted in part or in whole.*

Deferred for further examination.

This question of differential fees for girls will be studied.

Para. 35

13. *An attempt should be made to induce married women ex-teachers to help in adult education.*

Accepted.

This is being done.

Para. 36

14. *Teaching Swahili as a second language to children originally taught in other vernaculars is a complete waste of time and effort.*

Accepted with qualification.

It is the policy to teach English as soon as possible in the school career and it is introduced in African schools at Standard III. But in areas where the pupils are of mixed tribes Swahili is essential and is used as the vernacular. In secondary schools it is taught as a second language for School Certificate; for this reason, and because of its usefulness in later life, a few periods are still devoted to it at intermediate schools.

Para. 39

15. *Independent schools should be encouraged under proper control and should not be allowed to open unless registered.*

Accepted.

Private (i.e. non-Government) schools, such as those run by missions, are encouraged; they must be registered under the Education Ordinance, 1952, and their managers must be approved.

The term "independent school" in Kenya has been generally associated with bodies such as the Kikuyu Independent Schools Association and the Kikuyu Karinga Educational Association, and is used locally in a different way from that in which it is used by the Commission. Recent experience of the part played by them in connection with the present Emergency precludes any consideration of the establishment of new schools of this type in the foreseeable future. The Government must be able to control both by supervision and by grant-in-aid.

CHAPTER 17. STATISTICS

I. INTRODUCTION

The Royal Commission state that they are disappointed with the statistical information which is available in East Africa on all subjects and emphasise that some of the problems have now become so urgent that policies formulated on the basis of inaccurate data or on the general impression of observers or different standards of reliability may at the best be ineffective and at the worst be dangerous.

2. There is in the Report general criticism of the policy in regard to the Statistical Department and of the lack of flexibility in arrangements between Governments and the Director of Statistics. It is emphasised that the Director should be in a position to make proposals and advise the Governments on statistical matters without the first approach coming from the territories. It is thought that an Advisory Board might well be a useful body and the Governments are asked to consider the whole position of the Department.

3. The Kenya Government has always tried to advance the activities of the East African Statistical Department and in the printed 1955-56 Estimates contributed over 40 per cent. of the total cost. It agrees with the Royal Commission that there is great advantage in a centralised organisation, with branch offices in the territories, and it does not support recommendations which have been made for placing statistics on a territorial basis. For all economic purposes there is need to have knowledge of East Africa as an economic unit. It is essential to keep the Director's position independent.

4. The lack of knowledge is well realised by Government and, in an attempt to improve the position, an Economic Research Division was set up in the Kenya Treasury in 1954. The Emergency and more important demands on finance have limited the expansion of the Statistical Department, but even during the last year the Kenya Government has made contributions of £7,000 to collecting information on African family budgets and associated subjects.

5. There are no comments to be made on individual statements by the Commission.

II. RECOMMENDATIONS

Para. 11

1. *The three governments and the High Commission should re-examine the position in which the Statistical Department is restricted by being unable to initiate improvements in the statistical services of the region.*

Accepted.

The suggestion that territorial departments should be obliged by statute to collaborate with the Department (made in paragraph 15) is also acceptable to the Government.

Para. 16

2. *There is a case for approaching the Colonial Development and Welfare Fund for a grant to develop the statistical and research work of the Statistical Department as an addition to their normal financial support.*

Accepted.

The Government will heartily support any approaches made to obtain help from the United Kingdom.

3. *Besides providing more money for the Department the governments should provide funds in accordance with a scheme to cover several years at a time.*

Accepted.

The Government is prepared to be associated with the other Governments in a larger Statistical Department, but considers that there are many disadvantages in different financial amounts being provided by each territory. The total cost of the Department might rather be divided equally among the territories, similar work being carried out for each Government.

Para. 17

4. *The proposal to set up an Advisory Board to the East African Statistical Department should be re-examined.*

Accepted.

The Government is prepared to re-examine this and wishes to associate the Department's work with commerce and industry as well as with Government organisations.

Para. 18

5. *If greater use were made of the Department each territorial government could have attached a representative of the High Commission statistical service.*

Accepted.

The new Economic Research division of the Treasury, set up in 1954, has a joint head with the Statistical Department, the Director being also Economist to the Treasury. This recommendation would naturally follow a more equal distribution of the Department's cost between the territories.

CHAPTER 18. SOCIAL AND ECONOMIC CO-OPERATION

I. INTRODUCTION

The theme of this Chapter is that the economy must be integrated and not approached separately for each race and community; that only the use of every means of experimental co-operation can unite a population of different races, cultures, and standards of education; and that many of the existing tensions, regrettable as they are, have not developed for racial or "colour" reasons, but because the different groups were set apart by the standard of development which they had reached and their attitude to the modern economic world. Against this background the Commission urge that sectionalism should be abandoned throughout East Africa and that special privileges should be abolished for the races; safeguards for the economically weak, however, must be accepted.

2. The Government accepts as correct this analysis, and particularly the view that the resolution of past difficulties depends mainly on economics. But, of course, in most instances there is no direct action which can be taken by the Government to bring about the change of outlook which is needed. Economic and social co-operation is in the last resort a matter of individual behaviour. Encouragement of common interests among members of different communities, and of new types of economic co-operation, will continue; but it is for the public themselves to put the Commission's recommendations into effect. An encouraging example over the last few years is the gradual disappearance of any form of racial discrimination in many hotels and restaurants.

3. Privileges will still be needed for some time for those groups which have not yet advanced as far as to be able to share without suffering in modern economic life; they will be relaxed when a sound foundation of co-operation and experience has been laid. It is an axiomatic part of public policy to watch constantly over all the matters referred to in this Chapter.

II. COMMENT

Para. 10

The tribal and racial barriers which characterize East Africa have prevented the migration of skill, enterprise, and capital . . .

These barriers were mainly traditional and natural divisions. Only time can remove some of them, such as tribal habits of thought and behaviour.

Para. 16

The isolation of the races in East Africa must be overcome, and . . . without the close economic integration of all their efforts the poverty of East Africa will continue.

Agreed.

Para. 28

This view has two further important implications . . . (b) that adverse social effects cannot be compensated merely by the increased individual incomes which greater economic efficiency may bring about.

Economic change, however desirable on grounds of higher standards of living, cannot be brought about in advance of a change of ideas and outlook. To plunge the African into an unrestrained exchange economy without proper safeguards or preparation may result in short-term temporary advantages for the economy, but the psychological effect is likely to be revolutionary.

III. RECOMMENDATIONS

Paras. 20 and 21

1. *Every experiment of associating Africans with non-Africans for economic advance and social harmony should be tried, including:—*

- (a) *Co-operation in processing, producing and marketing crops;*
- (b) *Establishing companies with private and State capital to plan and carry out agricultural projects on new systems of land tenure, associating tenants and owners under controlled conditions;*
- (c) *Encouraging private companies financed from abroad to associate Africans and non-Africans by ability irrespective of race, and to train suitable Africans;*
- (d) *Extension services staffed by both Africans and non-Africans, working as members of one recognised commercial organisation.*

Accepted.

These developments are already encouraged by the Government, which will continue to look favourably upon such enterprises. But primarily this is a recommendation which only private individuals can put into effect.

Paras. 22 and 24

2. *Laws must be made to abolish privileges inconsistent with the obligations which individuals or groups should fulfil in the interests of the whole community; the demand for these privileges may be camouflaged as matters of racial, tribal or political principle.*

Accepted with qualification.

The opinions of the Commission are generally acceptable, but while the Government can legislate against formal discrimination, many of these laws are designed to protect those who are economically weak and socially less advanced. Experience has shown that progress along these lines must be evolutionary and go with general acceptance.

Para. 29

3. *Economic policy must be based on the general assessment of economic possibilities in the three territories and in East Africa as a whole.*

Accepted.

This is the policy of the Government, which aims continually at integrating the economy.

4. *The development of East Africa must not be impeded by separate policies of economic self-sufficiency for the three territories; East Africa cannot afford the luxury of national or sectional self-sufficiency.*

Accepted.

The Government will continue to aim at this policy through consultation with the other territories; but it may be that the economy will have to be protected at some points to prevent serious effects on important parts of the community.

CHAPTER 19. CONDITIONS FOR URBAN DEVELOPMENT

I. INTRODUCTION

The argument in this Chapter is too long to summarise in this introduction and the Government's detailed views are therefore set out in the second and third parts of these comments.

II. COMMENTS

Para. 6

As a result of this policy of restriction very few townships have been established in recent years. . . .

The limitation of trading areas for non-African traders has affected commercial expansion in African areas with the full support of the African population, and this has prevented the creation of new townships; but the comment does not apply to other areas, and in any case those townships established previously are, in most cases, sufficient to meet all trading needs.

Para. 7

The non-African trader is also deterred by the fact that, as he can only establish himself on leasehold plots on which high-standard buildings must be constructed, his overhead expenses are too great to enable him to take the risk of pioneering trade in new areas.

In most trading centres the non-African has been able to continue his business under a temporary occupation licence and this statement is thus incorrect. Where trade improves traders ask for survey and title to their plots, so that they can safely build in permanent materials.

Para. 8

African traders . . . can put up their shops on any land which they can obtain outside the towns without acquiring a lease and they set their own standards of construction and hygiene.

Where African District Councils have jurisdiction traders may only operate in controlled markets where standards of construction and hygiene are enforced by by-laws.

African traders should be encouraged to settle in gazetted trading centres with traders of other races.

This is encouraged, and the law restricting credit is being revised.

Para. 15

Even in Kenya, many government servants and businessmen leave the country on retirement.

Retired officers are of great value to the development of the country and it is Government policy to encourage them to settle in Kenya where 432 retired Government officers already draw their pensions.

Para. 22

The Europeans . . . nearly all maintain a high standard of living and individual cases of poverty are rare . . . their housing is not a problem.

Cases of poverty are increasing in proportion to the rising European population, and housing is a serious problem for all races.

. . . building plots (European) in urban areas are large and often dispersed.

The pattern is now altering and more and more sub-divisions are taking place and much accommodation in the form of flats is being erected.

Para. 23

In many towns they (the Asians) suffer from a shortage of land.

This is true in certain areas where the reasons are the shortage of surveyors and the lack of town planning staff to plan sub-divisional schemes. There is no shortage of land itself but there is delay both in surveying and servicing.

(Rent restriction ordinances) tend to discourage both new buildings and the repair of older dwellings.

Little Asian capital has in the past been spent on building houses for rent, but with Government encouragement this is being put right. There is no rent restriction on new residential building or on commercial buildings, old and new.

Para. 24

The problem is . . . to enable them to . . . build houses at a price within the reach of the lower income groups.

Many attempts to reduce building costs are being made, such as encouraging properly controlled building societies to avoid the high mortgage rates prevailing, and developing new techniques under the Ministry of Local Government, Health and Housing.

Para. 26

The remainder (Africans) live in estates built by the government or by employers. It is clear that conditions in Nairobi and Mombasa have been deteriorating for a long time.

The Commission do not mention the very large number of Africans living in local authority housing in towns. As far as Nairobi and Mombasa are concerned there has been a very great improvement since 1948. Since that date Nairobi City Council has already spent £1,146,374 on new estates for Africans; the rapid growth of these towns has been more than matched by the accommodation made available.

Para. 28

Settlements of closely-packed African huts are to be seen on the fringes of all the larger towns.

In Kenya this is true only of Kisumu and this is now being rectified. The eyesore has been removed from Nairobi.

The African rural authorities are unfitted to administer these areas.

Schemes are being planned for administering dormitory areas near Nairobi, Nyeri and Kisumu by the African District Councils, and with the help and advice of the Provincial Administration such areas can be properly administered. More powers will be given to the councils for this purpose by amendments to the African District Councils Ordinance, 1950.

Para. 30

There is evidence that malnutrition exists among all but the richest sections of the African population of the towns.

Malnutrition is difficult to assess without mental and physical performance tests, and cannot be said to be worse in urban areas than in the country. It is therefore probably a matter of habits of life rather than standards of living.

Para. 31

There is as yet little opportunity for women to find employment outside domestic service.

In the Nairobi locations the proportion of men: women: children has recently been shown to be 3: 1: 2. The percentage of the working African population which represents women was 3·1 per cent. in 1954 in Nairobi, compared with 1·3 per cent. in 1953. The trend towards the employment of women in industry is very marked but in spite of this fact there is a reluctance among Africans to allow their womenfolk to take paid employment.

The lack of family life means that . . . children in the towns grow up with little parental control.

This is a serious problem, especially in Nairobi. The new Prevention of Cruelty to and Neglect of Children Ordinance gives full powers to ensure parental control. In the new neighbourhood units schools and crèches will be incorporated.

Para. 33

Conditions of life for the poorer Asians and . . . Africans in the towns have been deteriorating over a considerable period.

This is not accepted—there is a continual improvement of public health and other conditions in urban areas.

Para. 34

When he (the African) reaches the town he finds himself bereft of the support which membership of a group gave him, while the door to wealth and standing . . . is closed.

The isolation of the African emancipated from tribal life is recognised and so all new neighbourhood units are planned to recreate a sense of community. Many Africans have however by their own efforts achieved considerable wealth and standing in the urban areas.

Para. 35

Their wages were calculated on the needs of a single man, and this has remained the basis on which wages are paid until the present day.

Since the Commission collected their evidence two years have passed. The basic minimum wage in Nairobi was then Sh. 52/50 per month (May, 1953) and it is now Sh. 75 (January, 1956) for a single man under 21, while the average earnings, as shown by a recent survey, are Sh. 139. See Chapter 15, Recommendation 7.

Para. 38

Many towns are seriously overcrowded.

This is true, but overcrowding has been reduced since the Commission made their investigation.

Para. 39

It is difficult to define the meaning of overcrowding with any precision.

The standard of 40 sq. ft. per person is acceptable in the East African Territories as the minimum standard which, having regard to financial considerations, the habits of most African tribes, climate etc. can reasonably be accepted. In all new estates a higher figure is aimed at.

Para. 41

In some tribes, unless a suitable house is built, to which ancestral spirits can be transferred, no bride would consider setting up house in it. Various other taboos influence the design of houses.

This has no significance in Kenya.

At present they are mainly living . . . in temporary huts. . . . It is unlikely that in present circumstances many Africans are prepared to settle permanently in rented accommodation.

There are no towns in Kenya where Africans are living in temporary mud-and-wattle huts. If the accommodation is suitable those who wish to make their career in the city seem ready to live permanently in a rented house. (See also comment under paragraph 28 above.)

Para. 43

Governments have so far only touched the fringe of the problem by providing a limited amount of high quality housing, while the majority . . . have been left to house themselves.

Many good houses have been, and continue to be, made available through Government and local authorities and employers. The second statement is therefore untrue of Kenya. It is planned to build 5,000 houses in Nairobi during the next few years.

Para. 55

All urban expansion is at the expense of those Africans who have settled either inside or on the edge of the towns.

This is incorrect, because most of the more important towns are not surrounded by Native Land Units.

The effect of the extensions of township boundaries has . . . been to drive back the African population to form congested settlements outside.

This has not happened in Kenya, and the frequent reference to "driving back" the African population does *not* apply to this Colony.

Para. 56

The policy of segregation, because of a failure to "deal fairly" with the Indians and to provide them with sufficient living space, merely aggravated the problem.

There are some covenants which still restrict certain areas, but in general those Asians who have the means to build can obtain land. They cannot always afford to build in the areas which they would prefer, mainly because these areas are already alienated and the present lessees are asking very high prices for the land.

Para. 57

The present system of allocation through tender boards is little removed from their arbitrary allocation by government.

Residential plots outside Nairobi and Mombasa are allotted on the recommendation of Selection Committees consisting of the District Commissioner as Chairman and including a majority of members nominated by the local authority. In Nairobi and Mombasa *ad hoc* committees are appointed to make recommendations. This is very far from "arbitrary allocation by Government".

Para. 60

They (Africans) prefer to build outside the towns where they are free from the township building and health regulations.

In these areas by-laws passed by both African and European local authorities are progressively forcing higher standards of building and health requirements.

Para. 61

They (Africans) can be divided into three main groups:

...
...

(c) *squatters.*

There are no squatters in Kenya towns. People living in municipal housing form yet another group.

Para. 64

In Nairobi, a . . . feature . . . was the springing up of shanty towns on the boundaries of the City.

All these have now disappeared.

Para. 71

In East Africa it has been a process of rolling back the African population in the interests of urban communities.

See comment on paragraph 55.

Para. 81

In Kenya immediately prior to the declaration of the emergency the cost had risen to between Sh. 60 and Sh. 70 a square foot.

All costs quoted are long out of date; the comparison of costs between territories is misleading, and present costs are not so high.

Para. 83

The policy . . . is to subsidize heavily the rents of housing in estates provided by the authorities.

All local authorities are now moving away from providing housing subsidies if they have not already done so.

A two-roomed house is inadequate for the needs of an African family.

This is agreed, but without subsidy economic and financial considerations dictate a standard of one room to a man and his wife. The policy is, however, progressive, but the aim is to provide simple accommodation for many families rather than high grade accommodation for a few.

Para. 88

Wages cannot quickly be raised to the level . . . recommended . . . by the Kenya Committee on African Wages without serious injury to the economy.

See Chapter 15, Recommendation 7.

Para. 95

Once the impossibility of providing the whole urbanised African population with houses built to the standards imposed by township regulations is accepted, etc.

Building standards are relaxed in most towns for African housing.

Para. 100

Examples can be found of houses built in mud and wattle or sun-dried bricks which have lasted since the early years of the century.

Building in such materials is accepted where the materials are easily to be found and the houses are to be owner-occupied; unless the latter condition is fulfilled the cost of maintenance precludes this type of construction.

Para. 101

There is general opposition . . . to the taking in of lodgers by African house owners.

This is untrue. It is Government policy to encourage house tenants to take in lodgers as a means of increasing their income and the Nairobi project to accommodate 25,000 souls is designed especially to allow tenants to do this.

Residence among their fellows . . . is likely to prove . . . less disturbing . . . than residence in estates where they are subject to constant, and to them irritating, supervision.

Proper estate administration should not lead to these annoyances.

Para. 111

The system of administration . . . only extends in the majority of towns to the areas which are inhabited by Europeans and Asians.

In Kenya all African areas in towns are included and are properly administered.

Para. 116

The Nairobi Committee . . . has twelve members who advise the Council.

There is now a system whereby each Village Committee elects a representative to a Ward Council, which in turn elects to the General Ward Council. This consists of 30 people with an African chairman; the President is the Officer-in-Charge, Nairobi Extra-Provincial District.

Para. 117

District Commissioners have been reintroduced . . . in Nairobi.

They were never removed, but they have had to be strengthened because of the lack of respect for law and order leading to the Emergency.

The main reasons for their re-introduction appear to have been, first, that a central government agent was needed . . . secondly, there were the non-police functions of maintaining law and order . . . such as promoting good relations, removing grievances and providing administrative conciliation.

In Kenya it is considered that the urban local authorities are the likely bodies to carry out functions such as promoting good relations, removing grievances and providing conciliation.

Para. 118

There are two African nominated members on the Nairobi . . . Council.

There are now three.

Para. 121

The revenue of the African district treasuries is not sufficient to support a modern administration.

But of the 24 African District Councils 12 have an annual revenue of more than £50,000 and four of more than £100,000.

African local governments are further handicapped because they receive no guidance regarding the kind of services which are needed in their areas.

This is incorrect; they receive guidance from their District Commissioners and all the departmental officers, and they receive it free of charge.

Para. 129

But there has also been a tendency to establish a separate planning organization with central planning boards and planning committees which are distinct from the local authorities.

This is because most local authorities cannot afford their own planning staff and have so far refused the financial responsibility of becoming planning and executive authorities. They are, however, being more and more closely associated with these authorities and have an influential voice among them.

Para. 131

But such control is undesirable on economic grounds . . . and is impracticable; systems of control, although rigorously enforced, have broken down even in territories where the population is sparser . . . than in East Africa.

Although the control for security reasons of Kikuyu, Embu and Meru in Nairobi has been expensive in terms of money and staff it has been extremely effective. A continual movement must be expected of Africans to the towns, seeking not only work but also the excitement of modern urban life; it will not, therefore, be directed by economic factors alone. This means that urban policies cannot be flexible enough to meet all uncontrolled increases in the population. The question of control is being investigated with the object of relating size of population to economic needs, especially the industrial expansion of the towns.

Para. 139

The Nairobi Council is responsible for most of those services which in the United Kingdom are generally considered to be the responsibility of local authorities.

They have no responsibility for police, education or the care of children.

Para. 141

In some towns which are not municipalities, rates are levied directly by the central government and are paid into central revenues.

This does not happen in Kenya.

Para. 144

When African services are financed by the central government they have been provided on an ad hoc basis. Sums which have appeared in the central estimates . . . have been whittled down by the legislature.

The Public Health grant, which provides the most important service to the African, is in fact laid down by statute at 50 per cent. of the total expenditure. The legislature has not interfered with grants to municipalities, and the reference to "whittling down" does not apply in Kenya.

There has also been resistance by municipal councils . . . to the provision of funds from municipal revenues.

This is hardly fair; in fact a great deal of money has been spent, and is being spent, by these councils from their general revenues on such services for Africans.

Para. 146

Since very few Africans occupy leasehold or freehold plots the majority do not contribute directly to the rates. . . .

All Africans occupying local authority housing do contribute to the rates within the rent which they pay; the rate element in rent is based on normal valuation and in certain areas is quite heavy. In Nairobi African contributions in this way are estimated at £40,000 per annum.

Para. 148

The cost of administration is unlikely to form a large proportion of the total expenditure.

In fact the cost of administering these estates is extremely heavy; in Nairobi, for example, the proportion is 15 per cent. of rent revenue.

III. RECOMMENDATIONS

Para. 8

1. *African traders should be encouraged to settle in gazetted trading centres with traders of other races.*

Accepted.

This is being encouraged and I.C.A. funds are being used to help African traders under a scheme operated by the Ministry of Commerce and Industry. See Chapter 9, Recommendation 1.

2. *The system of administering such centres should be revised so as to break down their isolation from the surrounding areas.*

Does not apply.

The Government accepts that the administration of trading centres should not be isolated from that of the surrounding area and this is in fact already so. All trading centres within a Native Land Unit lie within the jurisdiction of its African District Council and are subject to its by-laws. Where there are no by-laws of this kind the provisions of the Trading Centres Ordinance are applied.

Para. 9

3. *When the establishment of African urban settlements is being considered, the Minor Settlements Ordinance of Tanganyika should be studied.*

Accepted.

In the settled areas Advisory Committees have been set up by the county and urban district councils concerned; these include members of all races. In other areas when an urban area reaches the point where it qualifies for the status of a

Grade A Township a similar Committee is set up to advise the District Commissioner who is the statutory local authority. This system is working satisfactorily, but the Tanganyika Ordinance will be examined before future decisions are taken.

Para. 42

4. *Housing should be sufficient in quantity and size and as close to customary design as is possible in a town; urban authorities should consult African opinion before designing their houses.*

Accepted with qualification.

Much depends upon the financial resources of the central and local governments, but a good deal has already been done. As an example the Nairobi scheme of the Ministry of Local Government, Health and Housing will provide 5,000 houses in 2½ years.

The size of houses for African workers should be increased and all the new designs take this into consideration.

Customary design has little influence on the housing (see comment on paragraph 41).

African opinion is already consulted by central and local governments; all the latter have African members, and the Central Housing Board has three African members as well. Expert advice on design is also available for all.

5. *Africans should be encouraged to own their own homes.*

Accepted.

This is already Government policy and local authorities everywhere encourage tenant-purchase and owner-builder schemes.

Paras. 47-49

6. *Governments must create the conditions to make possible the growth of a settled urban population drawn together as citizens by common levels of wealth or education.*

Accepted as an objective.

The policy is already to provide social and cultural facilities in towns, related to the needs of different income groups. There is also cultural development which ignores racial distinctions; this flourishes, both public and private, independently of Government action. Without this self-help, as the Commission point out, such services cannot increase.

In working class areas the creation of neighbourhood units encourages, by the lay-out of the estates, community groups on a non-tribal foundation.

The creation of a stable middle-class African population is already Government policy.

Para. 57

7. *All urban industrial and residential plots should be disposed of by public auction.*

Rejected.

This could lead only to speculation and increased costs for residential, industrial and commercial plots. If many more surveyed plots were available public auction might be desirable but this cannot take place without more money and more trained surveyors.

Paras. 72 and 73

8. *Africans must be given a legal recognition of their rights to land in urbanised areas, individual freehold being granted where possible and accompanied by an adjustment of plot boundaries.*

Accepted with qualification.

Secure tenure for Africans is necessary but the speed in providing it is hampered by the lack of trained surveyors and the difficulty of adjudging claims.

The title to be given must be recognised and should be negotiable, but need not necessarily be freehold. There should also be restriction on mortgages for the protection of the African's interests.

Para. 74

9. *In these areas leasing of land by Africans to non-Africans should be encouraged.*

Rejected as impracticable at present.

See the comment on Chapter 23, Recommendation 13.

10. *Eventually Africans should be given unrestricted rights to sell their freehold to non-Africans.*

Rejected as impracticable at present.

See Recommendation 9.

Para. 82

11. *Attempts to reduce building costs have an important contribution to make.*

Accepted.

New techniques are being adopted by Government.

Para. 87

12. *The development of building societies should be encouraged.*

Accepted.

New legislation is now being prepared for this purpose.

13. *Credit by government agencies for Africans to build houses should be approached with caution and under strict control.*

e.g. (a) *The lending agencies to pay the contractor only when the work is complete, or*

(b) *Instalments to be paid after each stage of construction is finished.*

Accepted.

To some extent this recommendation is met by the different tenant-purchase schemes directed by urban local authorities. In some areas serviced plots, possibly with a permanent plinth, will be available to help Africans build their houses cheaply from their own resources.

No money will be lent directly by Government agencies to individual Africans, since (a) building societies can do this and (b) the Central Housing Board can lend to local authorities who relend for building individual houses either on owner-builder or tenant-purchase terms.

Para. 91

14. *The housing problem will not be solved by increasing the obligations of employers, but these should be encouraged to help by:—*

(a) *Making limited loans to employees.*

(b) *Providing constructional and accessory help to their employees in building.*

(c) *Providing materials.*

(d) *Granting paid leave for a house to be built.*

(e) *In the case of larger employers setting up housing committees to help their employees to obtain new or improve existing houses.*

Accepted with qualification.

Employers cannot be expected to sink large sums of money into African housing, which would be regarded as sterile by industry. Employers should, however, be expected to pay housing allowances, adjusted in relation to increased standards and costs and in fixing minimum wages recurrent housing costs should be taken into account. Large employers, however, should be encouraged to build housing for their workers.

The suggested ways in which employers could help their employees to build are sound, but only in the case of known and trusted employees.

Para. 93

15. *Governments should encourage such housing efforts as those made by the Ismaili Community in Mombasa.*

Accepted.

Para. 95

16. *Governments should concentrate on helping people to build and improve their own houses.*

Accepted.

Building societies can be expected to help in this but the main Government agency for Africans must be the local authorities.

Para. 97

17. *Minimum building standards, which do not preclude building in temporary materials, should include the following:—*

(a) *Sufficient accommodation to allow a family to live in decent conditions.*

(b) *Privacy, which entails each household having its own enclosed plot.*

(c) *Simple but strictly-controlled sanitation, including a latrine and methods of disposing of waste water and refuse.*

(d) *Essential services like water supply, roads and drainage.*

Accepted.

As regards (b) this principle is being applied wherever possible, but it is not always feasible because of the expense of land. (c) and (d) are the heaviest cost in any housing estate and lack of money often forms a handicap to expansion as a result. Proper health standards must be maintained, especially in towns.

Para. 102

18. *The use of housing by Africans to derive revenue should be encouraged under strict control.*

Accepted.

This is common practice and is encouraged to some extent in local authority rental housing.

Para. 103

19. *Governments should encourage building improvements by:—*

(a) *Providing demarcated and serviced plots.*

(b) *Advising on construction and issuing standard designs.*

(c) *Providing a field service to help in the actual basic construction, at low charges.*

(d) *Providing block-building machinery free or at a low charge.*

(e) *Helping to relieve the shortage of building materials. (Note: See also Recommendation 13.)*

Accepted with qualification.

This is accepted but with the following comments:—

- (a) The plots should be provided by Government, but serviced and demarcated by local authorities.
- (b) Advice on construction and standard designs should again be given by local authorities, but Government will help as far as possible through their housing and town planning sections.
- (c) There is already a small field service which is free, but any extension of it should be done through and by local authorities, who might suitably charge a small fee.
- (d) Government will investigate with local authorities how best to provide machinery and pre-fabricated materials at a low charge.
- (e) This will be pursued by encouraging industries which will manufacture permanent house components (of which there are now several) and experimenting in new materials and new ways of building.

Para. 122

20. *The four main needs of African urban administration are:—*

- (a) *An overall policy for urban development which takes all the factors in the urban situation into account.*
- (b) *Administrative machinery which is capable of supervising and guiding the carrying out of this overall policy.*
- (c) *An administrative system which is suited to the special requirements of the African population.*
- (d) *The improvement, as an emergency operation, of the deplorable conditions which exist in many of the towns today.*

(Note: All but (d) of these are covered elsewhere, in Recommendations 21, 22 and 26.)

Accepted.

Great progress has been made in attacking overcrowding in most township areas, by means of local authorities, although unlimited money is not available. Examples of what is being done are the Government's scheme for 5,000 houses in Nairobi, the development of Changamwe near Mombasa as a local authority estate and a pooling scheme for individual purchase, and the many other estates now being built by local authorities.

Para. 125

21. *An over-all urban policy taking all factors into account should be framed as soon as an appreciation has been made of the situation in urbanised areas.*

Accepted.

An attempt will be made by the Ministries concerned to frame one general policy for urban areas, but conditions vary greatly from place to place; Kisumu, for instance, is surrounded by a Native Land Unit and Nakuru by settled areas. The problems of Mombasa are different from those up-country.

Para. 126

22. *This policy should be administered by an officer responsible to the Minister of Local Government, Health and Housing, whose duty should be to study the urban problem and watch over urban development.*

Rejected with qualification.

It is clear that the major duty of such an officer would be concerned with African conditions in the towns and were he responsible to the Minister of Local Government, Health and Housing it would transfer the present responsibility of the Minister for African Affairs to that Minister. At present there is no doubt that the Minister for African Affairs must continue to be jointly associated

with town administration. If necessary the Government would be ready to re-examine this point later and if such action seems justified, either to appoint an officer responsible jointly to the Ministers concerned or to set up a joint committee.

Para. 129

23. *Town planning authorities are unduly cumbersome and local responsibility should be transferred to local authorities, overall planning being supervised by the officer envisaged in Recommendation 22.*

Accepted as an objective.

Local authorities are not at present prepared to take over this responsibility because of (a) lack of funds and fear of heavy commitments in compensation, (b) out-dated and impracticable legislation, which will be replaced by the new draft Town Planning Ordinance, and (c) shortage of qualified staff not only at local authority but at central government level.

24. *This planning should decide questions such as the use of land and building standards by present needs rather than an ideal future good and the provision of roads and removal of obstacles to development should precede urban growth.*

Accepted.

In deciding both on the use of town land and on building standards the future should not be prejudiced by expediency to fit what seem to be present needs. The second part of the recommendation it has not always been possible to observe because of a lack of staff to plan and survey and insufficient capital for the basic services like roads.

Para. 131

25. *Urban policies must be flexible enough to meet all increases in population in the towns, however rapid.*

Rejected.

On this see comment on paragraph 131. A form of control may be essential since the influx into the towns is not due entirely to economic causes.

Para. 132

26. *The urban areas should be divided into three or more zones based on economic and not racial distinctions, with graded development standards.*

Accepted with qualification.

Existing commitments must be observed. Subject to that, however, policy will aim at this change, and three types of zone are being incorporated in plans for different town areas. These zones will include neighbourhood units. They will be based on economic distinctions, but to some extent these inevitably coincide with racial differences since, by and large, the races are divided into definite economic groups. Whatever standards are enforced for the lowest zone must safeguard health and they will have to be detailed, rather than referred to merely as "simple requirements".

Paras. 135 and 136

27. *Because the existing African administration in towns is unsatisfactory, new authorities should be set up for African urban and peri-urban areas, headed at first by a district commissioner with an African advisory council, with increased responsibility eventually developing on these councils. They should have the following duties:—*

- (a) *Concentrating on encouraging the survey of land and issue of title to its owners, with a simple registration and transfer system.*
- (b) *Running their own budget, in which the advisory councils should have a say both for revenue and spending.*

(c) *The administration of a ward system headed by a ward headman and committee.*

(d) *Establishing a special constabulary and an urban court.*

(e) *Making simple by-laws and enforcing them rigorously in the interests especially of health and public order.*

(f) *Providing simple but essential services designed only to the stage of development of each area.*

Rejected with qualification.

Separate local authorities for these areas would not be justified or economic but the programme of the Nairobi City Council provides for Village Committees, Ward Committees, and a General Ward Council advisory to the City Council with an African Chairman and the Officer-in-Charge, Nairobi, as President. Policy will aim at devolving considerable responsibility on these Councils. Outside the towns African District Councils are well able to administer the residential suburbs in their boundaries; these Councils are presided over by the District Commissioner. Elsewhere outside the towns, county councils and urban district councils will be encouraged to follow the method planned for Nairobi City. Comments on the various functions proposed, as they affect this system, are:—

- (a) The Government accepts that survey and the issue of titles must go ahead in consultation with the local authorities concerned; this again depends on more town planning and survey staff.
- (b) The Ward Council should have a say in revenue collection and spending, but cannot be divorced from the major local authority for finance, since otherwise revenue would be too small to supply the basic minimum needs.
- (c) This is already in force in Nairobi and is to be developed.
- (d) This also is in force in Nairobi through the recruitment of special tribal police and special constables. Urban courts have also been set up.
- (e) It is not right that Ward Councils should pass their own by-laws but there is no reason why the City Council should not do so at their request. Experience has shown that there is difficulty in enforcing by-laws unless cognisable offences are thereby created; this might be done in certain areas and the local authority inspectorate could be strengthened.
- (f) This depends on the qualifications listed above.

Para. 137

28. *These authorities should be linked to the main local authorities in various ways according to the circumstances and the area controlled.*

Does not apply.

This recommendation follows upon Recommendation 27, which is not accepted.

Paras. 145 and 150

29. *The revenue of these authorities should come from local licence fees, further local taxation being agreed by the legislature, and basic protective services should be financed by regular grants from the central government. This should also supply loan funds for developing capital works.*

Rejected with qualification.

This also follows on Recommendation 27, but despite the rejection of separate local authorities the Government accepts that subsidiary bodies like Ward Councils should be encouraged to ask the statutory local authority to impose special rates in their area, whose proceeds would then be at their disposal. Such a request has in fact recently been made by the General Ward Council to Nairobi City Council.

Basic services like roads and water are subsidised by the central Government; with regard to health services it is to the benefit of the general ratepayer to make sure that all his fellow-citizens are healthy and protected from epidemics. A statutory grant of 50 per cent. is already made by the Government towards health expenditure.

Loan funds are made available by the Government to local authorities for capital works, through the Local Government Loans Authority and the Central Housing Board. The only exception is that Nairobi City Council is at present able to borrow money directly on the London market.

Para. 149

30. *The principles governing the provision of services should be:—*

- (a) *Basic protective services to be provided, even if subsidised by the central revenues.*
- (b) *Further services to be provided on a scale related to the stage to which the area has developed.*

(Note: (a) is dealt with by Recommendation 29.)

Accepted.

This is the usual practice.

CHAPTER 20. AGRICULTURAL POTENTIAL

I. INTRODUCTION

The whole approach of the Commission to the matters discussed in this Chapter is based on the single criterion of a thirty-inch rainfall reliability, by which they distinguish between land with good possibilities and the marginal and pastoral areas.

2. But as the Commission themselves recognise, this criterion is not altogether reliable, for the main reason that other factors may greatly modify the effects of poor rainfall reliability; for instance, altitude, soil, annual distribution of rain and good farming methods. Thus although we agree in general with the main thesis of the Royal Commission that the best agricultural areas must be developed first, their conclusion in terms of their Map No. 3 is in some ways faulty.

3. The thirty-inch rainfall reliability test, when applied too rigidly, gives an unduly sombre picture of some areas in which we believe that there are great possibilities. The Commission's conclusion that neither the purely pastoral nor the mixed arable-pastoral areas would repay the investment of Kenya's limited financial resources is too sweeping, for the following main reasons:—

- (i) The areas of naturally productive and fertile land are already well-populated and as a result the marginal areas will soon have to be developed to carry a larger population.
- (ii) Irrigation prospects are strictly limited (see the comments on paragraph 45).
- (iii) We accept the Commission's views, expressed elsewhere (e.g. Chapter 22, paragraph 26) that there are possibilities in the economic animal husbandry which is developing over wide areas in the Kamba and Masai country. Such husbandry is justified by the success of European ranching under similar conditions.

- (iv) Apart from developing these areas, which can and do make a far more useful contribution to the economy of the country than is indicated by some paragraphs of the Report, it is also necessary to protect them against land denudation, especially in districts such as Machakos and Kamasia. If this denudation is not checked by organised land usage schemes, there will be desert encroachment and the whole problem will then be much more serious.

II. COMMENTS

Para. 1

In view of these and other facts we use a thirty inch rainfall reliability factor as the definitive criterion with which to distinguish the pastoral from the arable lands.

The selection of this thirty inch test, although understandable in view of the practical difficulties of approaching the whole subject, has given rise to a rather misleading picture, particularly of those zones coloured magenta on Map No. 3. Those parts of this area which have a relatively high altitude are more favourable than appears from some paragraphs in this Chapter, on which individual comment will be made; conversely, due to altitude, topography and soils, not all of the high rainfall area is suitable for arable farming. This difficulty is touched on by the Commission in paragraph 5. See the comments on paragraphs 34, 35 and 36.

Para. 5

Farming has, under these conditions, to face such difficulties that it can never play a significant part in the economy, and we therefore contend that the economic future of these areas lies mainly in animal husbandry.

It is clear from this that by "farming" the Commission here mean "arable farming", and this diagnosis can be accepted as accurate.

Para. 9

Land of this type in the native land units, with the exception of limited areas in the Trans-Mara section of Masailand and on the Mau Escarpment, is already heavily populated.

"Well populated" would be a more accurate description; much of Nyanza and the adjoining Nandi district, and parts of Embu, Meru and the Coast, enjoy a good rainfall but are by no means heavily populated.

Para. 10

Rainfall reliability is the basic factor since it is the one which cannot, as yet, be overcome by the application of human effort; but it is not the only factor involved.

Much can be done to mitigate the ecological effects of low rainfall by good farming, in particular by moisture conservation and by using crops which resist drought. This point is, of course, recognised elsewhere by the Commission.

Para. 14

It therefore appears doubtful whether any large-scale recovery of fly country can be envisaged for some considerable time to come.

The Government nevertheless believes that economic methods may be found, and has already applied for American help in technicians and funds to carry out further experiments on these lines.

Para. 19

Both the Highlands and the Nyanza province are adequately served by communications. Elsewhere, as in the . . . possible irrigation areas in Meru and Embu . . . regions of possible high potentiality are relatively difficult of access.

The southern part of Nyanza Province is much less adequately served than the central and northern part; and the potential area for irrigation in Embu, on the other hand, is relatively close to the railhead at Sagana.

Para. 24

The African is notoriously reluctant to move his home into a new area

This reluctance is perhaps over-stressed.

Para. 29

We noticed a general lack of liaison . . . between the various territories at most levels.

This has recently been much improved and the weaknesses mentioned are now largely overcome. See Chapter 22, paragraphs 92-101.

Para. 31

Not infrequently the . . . governments have found that the sums involved in . . . development are beyond their limited resources.

Lack of money is, of course, the ruling factor and the key to the whole problem. Even where development is urgent and promising it may have to be held over for this reason.

Para. 34

Although there are within the pastoral zone not a few cultivating tribes which eke out a bare subsistence, this country affords no prospect of ever playing a material part in the arable agricultural development of East Africa, and we do not think it can ever play a significant part in the general economy of the region.

The first part of this finding can be accepted as a generalisation, despite the expansion of plantation crops (e.g. sisal and coffee) in such areas as Ukambani. But it is entirely untrue that as a result the pastoral areas cannot ever play a significant part in the economy. Although the following areas fall within the magenta area of Map No. 3, probably because the meteorological stations where long-term records are available are too few to enable accurate maps of rainfall reliability to be produced, they do in fact make a useful contribution to the country's economy:—

- (i) Machakos and Kitui, including both African and European farms, and the Yatta-Thika areas. Dairying and cattle ranching, apart from the plantation crops already mentioned, are or will be most important here.
- (ii) The part of Masailand, adjoining Machakos: this is good ranching land.
- (iii) Laikipia, which already produces much good beef and could produce more if more intensively developed.
- (iv) Naivasha-Nakuru and the Narok area of Masailand, where livestock production is important; and crops also are important in the Gilgil-Nakuru area.

In these areas the Report does not properly take into account the altitude, soils and rainfall distribution within the year, including seasonal reliability and reliability within certain months. Distribution records are as important as reliability records and work on these will have to be extended and speeded up.

In the remainder of the pastoral area the importance of livestock to the Colony's economy is also under-stressed and its development for economic as well as for social and human reasons cannot be neglected. There is the further point that some work must in any case be done purely as protection in these areas to prevent the encroachment of the desert.

Para. 35

Within the very great expanses of arable-pastoral marginal country which is coloured mauve and light green on map 3, rainfall does not preclude agriculture.

The shortcomings of rainfall reliability as the definitive criterion can again be seen in this paragraph. According to Map No. 3 there is very little marginal country in Kenya east of the Rift Valley; but ecologically much of the Kamba and Masai savannahs (which are coloured magenta) should be classed in this way. The position is better reflected in Map No. 2 than in Map No. 3.

Para. 36

In general . . . it is not possible to consider the marginal zones as contributors to the regional economy on a significant scale at present or in the near future. . . .

For the reasons given above, this conclusion is not entirely acceptable to the Government.

Para. 38

The implication of the second choice in the circumstances is clear in view of the maldistribution of good land.

See the Government's views on Recommendation 3.

Para. 45

In the Meru and Embu Districts a pilot project has been established to investigate the possibility of irrigating about 30,000 acres.

The area mentioned is Mwea-Tebere. Survey has shown that 40,000 acres can be irrigated; work in pilot areas is well advanced and the first crop will be planted in March, 1956.

In the Baringo District it seems possible that 25,000 acres in the Njemps flats may be capable of development.

This figure is probably too high; an area of 3,000-5,000 acres is being developed and communications are being improved.

It is calculated that . . . over 50,000 acres (in Turkana) may eventually be brought into cultivation.

It is highly unlikely that so large an area could profitably be flooded in Turkana.

III. RECOMMENDATIONS

Para. 28

1. A thorough, concerted and systematic examination and inventory of the natural resources of the region, or of the parts which offer possible development, is needed as an urgent preliminary to agricultural improvement.

Accepted.

This depends on finance being available. It does not imply that development should be held up until the inventory is complete.

Para. 37

2. The territories must develop and exploit all the available fertile and highly productive areas as a first priority, and at the same time explore irrigation possibilities.

Accepted with qualification.

This is Government policy at the moment and will continue to be so. But the pastoral and marginal areas cannot be neglected and the Government's views on this point are set out in the comments on paragraphs 1, 34, 35 and 36.

Paras. 38 and 39

3. *A regional uniform and co-operative approach should be made to the problem of putting the East African natural resources to their fullest possible use.*

Accepted.

The Government is ready to co-operate with the other territories in such a regional approach, in so far as this is practicable.

Para. 44

4. *A detailed topographical survey of the available areas on the middle and lower Tana should be made, together with an examination of their soils. Experimental work in small local projects using pumps should continue on the lower reach.*

Accepted.

Work on these lines is proceeding at Hola and Garson.

Para. 45

5. *Comprehensive hydrographic and topographic surveys should be made of the Kano and Kisumu areas and others, as expeditiously as possible.*

Accepted.

Such an investigation is now being carried out in Nyanza by consultants; other areas are being investigated by Government agencies.

CHAPTER 21. PRESENT LAND USE

This Chapter summarises the present situation which has developed as a result of continued land usages which are now out of date and harmful. It contains no recommendations, but the general conclusions of the Chapter are strongly supported by the Government, although there are points of argument which we think too sweeping.

2. Specific points to which attention might be drawn include the very real danger of desert encroachment in pastoral areas; this is discussed in paragraphs 5 and 6. In many areas, however, it will be necessary to rehabilitate the land before any advance can be made in the general standard of living; fortunately, the process of deterioration is not so rapid or irreversible as has been thought in some quarters. The control of herds which are continually increasing as a result of the search for economic security, under conditions of common holding in grazing and water, is certain to be resisted unless there is demonstration that other systems of management will provide equal or greater security. Such demonstrations must be pushed forward with all possible speed, but we cannot afford to delay efforts to control stock and numbers until everyone is convinced.

3. In discussing cultivating communities, the Commission make the important point that hitherto cash crops and a cash economy have been introduced into a subsistence economy, instead of as part of a planned modern system of productive farming. The reference to the social importance of the tribal system in paragraph 17 rightly stresses how much it means to the individuals of the group; this might with advantage have been discussed still further.

4. The conclusion in paragraph 28 that the most urgent problem is not the question of alienated land, but the need to apply productive and satisfying methods of land usage among the indigenous inhabitants, is fully accepted by the Government.

CHAPTER 22. ALTERNATIVES TO CUSTOMARY LAND USE

I. INTRODUCTION

This Chapter sets out in detail the Commission's views on many different agrarian problems and suggests various ways in which agricultural policy could help the country's economic development. These suggestions are so varied that the Government prefers to comment upon them individually.

II. COMMENTS

Para. 5

Those whose labour will become redundant after the introduction of a more efficient system of production . . . will cause a general problem of displacement.

There are signs that this problem will not be as large as has often been feared. In areas where holdings are being consolidated, and most notably in the Kikuyu Land Unit, farmers are already finding that in order to work their new holdings effectively they have to employ farm labour, and the indications are that the land can absorb more workers than was expected. In some areas there may even be a shortage, although in others a displacement problem may arise.

Para. 15

In this connexion the policy of treating so many pastoral areas as "closed districts" under some form of outlying districts ordinance might well be reviewed.

The Outlying Districts Ordinance is designed to facilitate administrative control in remote areas. It is not used to inhibit or direct economic activity in these areas. Normally traders have little difficulty in obtaining passes to these districts, and it is only because so many traders were Kikuyu that economic activity has during the Emergency in some places slackened off.

Para. 17

Economic returns from ranching do not come quickly and for the repayment of capital expenditure on water development the government could . . . look to the ultimate increased appreciation in land value

The use of loan funds by local authorities on water supply schemes in rural areas shows that very often they are economic, although their results are naturally long-term.

Para. 20

The possibilities of these experiments are great, but results are not yet finalised . . .

Research on tsetse clearance methods is still going on, and the Government has applied for help to continue it from the International Co-operation Administration.

Para. 21

The hardships occasioned by these sudden changes (in game protection areas) should be sympathetically dealt with by the territorial governments, and not . . . dictated by officials of the game departments alone

As far as Kenya is concerned, there has been no such dictation. This statement is likely to give rise to the misleading conclusion that reserves and national parks are created at the instance of the Game Department without consideration of other interests.

Para. 31

To some extent they were linked illegitimately by large-scale "black" market smuggling over the border which of course made nonsense of quarantines.

Proposals are now being studied for ways of overcoming these quarantine difficulties, in co-operation with the Uganda Veterinary Department.

Para. 32

District reports deplore the lack of help in marketing, particularly of sheep and goats. . . .

The demand for this stock persistently exceeds supply and it has not been possible to meet it because of refusal in Baringo to sell at the price offered. Prices have now been raised from 1st January, 1956 and this may encourage the flow to the market. Plans are being prepared for the organised and orderly flow of animal products from this and other areas.

Para. 33

It may well be that railhead and roads to enable lorry transport should be extended to assist marketing of African stock, where African ranching is properly organized and practised, if there is no other way of effecting adequate quarantine.

This suggestion has already been considered but it may not prove necessary in view of other measures now being studied. See Recommendation 9.

Para. 34

Ironically, at the time of our visit, Kenya stock marketing was, as a result of certain inadequacies of the system, in a state of chaos.

This was undoubtedly the situation at the time of the Commission's visit, and it has coloured many of their assertions in later paragraphs. The difficulties mentioned have now largely been put right and the system conforms much more closely to the arrangements recommended by the Commission in paragraph 52.

Para. 35

The justification for this method ceased with the war and the Livestock Control was changed to a Meat Marketing Board to purchase only such livestock as was freely offered.

Powers of compulsory sale existed under the Defence Regulations and it is likely that part of the Board's subsequent success was due to the African stock owner having acquired the habit of using these agencies. Although the Board had the power to offer and did offer prices above market values, it operated throughout without any overall financial loss. Its operating capital was, however, provided by the Government free of interest.

Para. 37

In 1950 it (the trade) completely collapsed, because the Kenya Meat Commission, established in that year, appeared to be uninterested in stock from that area.

The major factor was marketing difficulties, especially for low-grade beef, during a time when higher grade production was expanding in other areas. Since then marketing facilities have grown.

Para. 38

Yet often the coast was nowadays without meat. . . .

Seasonal shortages will continue in Mombasa for as long as the area draws its supply from the coastal regions and Tana-Garissa areas only. Steps have now been taken to import supplies from other areas. In the Northern Province, including Garissa, 49,362 cattle and 226,411 sheep and goats have been bought for consumption during 1954 and 1955.

Para. 39

The low prices offered after these various deductions reduced sales from African areas to the Commission to practically nil.

The Meat Commission no longer buys stock direct from African areas, having delegated its powers to the African Livestock Marketing Organisation. The proceeds of the sale of hides and by-products have always been distributed *pro rata* to improve water supplies and stock routes, but cannot be returned to the individual producer in African areas.

In addition . . . the Commission's prices for African stock have been forced to a low level by the Government's action in establishing retail price control in urban areas.

Retail price control in urban areas has now been removed.

Para. 40

The respective spheres of action of A.L.M.O. . . and the Kenya Meat Commission have not however been defined.

This has now been done. See Recommendation 10.

Para. 48

The assumption that private trading . . . needs to be entirely replaced is not borne out by the facts.

This is a mistaken conclusion on the part of the Royal Commission. In the Northern Province and the Coast (Tana region) the trade is largely in the hands of private dealers; and they are encouraged to operate in the reserves subject to control of movement so as to prevent disease.

Para. 63

A successful start has been made in parts of Kenya in establishing such holdings . . . It has been much more difficult in crowded areas . . . Consolidated holdings of this kind in the Nyeri District of the Kikuyu Land Unit, where individual tenure is far advanced already, have a sale value of 2½ times the current exchange value of customary land.

Since the Commission's investigations remarkable progress has been made, especially in the Kikuyu districts where during the Emergency the influx of people has made the problem extremely urgent. The demand for consolidation has grown rapidly; it is popular with the people in many areas, and there is a long waiting list. The Commission mention Nyeri, but Fort Hall is now ahead in regard to the consolidation of fragmented holdings. Out of 10,000 acres in process of survey and adjudication by the Mbari Elders, 4,000 have been consolidated. Kiambu has made a start with 1,500 acres. In Nyanza about 9,000 acres, comprising 400 holdings, have been farm-planned and there are long waiting lists. In certain Kipsigis areas nearly 100 per cent. of the land has been consolidated. Plans are being made for much quicker work of this kind.

Para. 66

What may be overcrowding today might become under-population if it were possible to find the resources . . .

Experiments show that this forecast by the Commission may prove to be true.

Para. 69

In the case of phosphate fertilizers such special conditions might be supplied by successful economic production of phosphate rock concentrate from deposits . . . in the Tororo region of Uganda.

There is already one concern in Kenya producing phosphate fertilisers from rock mined at Tororo. The Government would welcome the wider use of local minerals when it becomes economically possible to expand the market and the industry.

Para. 74

It may be that . . . the potential of both hill and swamp rice would merit greater research.

This research has already been undertaken.

Para. 75

But with the example of what can be achieved by hybrid maize in the United States and elsewhere, the breeding of better varieties for use in native areas must be considered an urgent necessity.

Agreed.

Para. 79

Mechanization cannot generally be employed economically on very small farms

This limits mechanisation in most African areas, for the fertile zone in such areas is generally split into small holdings, and is often broken country.

Para. 92

In East Africa research to date would rather reveal what variety he (the farmer) should grow and how he should plant and look after it than in what over-all system of land use he can best maintain a high income over a long period.

The aim of East African research is to produce satisfactory general farming systems. But this cannot be done until the individual factors in the systems have each been thoroughly studied, including such points as ley establishment, varieties, planting times and methods and manures. It is only when these have been properly examined that suitable systems can be evolved. Research is still acquiring the knowledge from which a good farming system can be built; and it is only during the past few years that funds and staff have been available. If these can be increased the work can be speeded up.

Para. 96

Such problems cannot be left to a stalemate battle between foresters and agriculturists. It is a very practical field for basic and applied research.

Work is now going on over this problem under the auspices of E.A.A.F.R.O.

Para. 108

It is as a region that all this fertile country demands basic investment . . . so as to become an inter-dependent economic whole.

Agreed.

Para. 109

Nevertheless we deem it expedient to set down here the most important priorities and possibilities which seem to us evident from the general conclusions of our Report, although the particular places which we have chosen to emphasize should in no way be regarded as exclusive of other areas which the territorial authorities . . . may feel deserve concurrent attention.

These possibilities for Kenya are set out in paragraphs 110-112 of this Chapter. Under the Swynnerton Plan all have been examined and many are included in the schemes now under way. Full development of all will be very expensive and is at present beyond the Colony's resources even with the generous help already given by H.M. Government.

III. RECOMMENDATIONS

Para. 8

1. *Where expenditure on agricultural improvements or resettlement is of a relief nature, as for long-term improvements which the individual producers cannot at present afford, it should be clearly shown as being for such purposes and should be borne by government.*

Accepted with qualification.

The Government does not agree that long-term improvements can *ipso facto* be classed as relief schemes; this is a matter of defining the term "relief". In suitable cases there is no reason why, as at present, local authorities should not invest loan funds in projects such as forests, water supplies, which will yield a long-term economic return.

Para. 9

2. *Compulsory de-stocking is a measure of last resort and should not be undertaken without appropriate study in each area. De-stocking must be presented as the prelude to an annual crop from a planned ranching business.*

Accepted.

Para. 11

3. *The services of men with experience of irrigation development such as the Abyan Scheme should be applied more widely in areas such as the Northern Province.*

Accepted.

An officer with experience of the Abyan scheme has been working since 1951 on the flood irrigation scheme for the Turkwell River at Lodwar. Wider development will be possible if the irrigation staff is increased; the extension of these schemes will then be studied and where desirable pursued.

Para. 14

4. *There is little value in spending money on tsetse clearance, water supplies and drugs unless they are part of a plan for rational ranching.*

Accepted with qualification.

The control of livestock diseases presents problems which cannot be dealt with piecemeal nor confined to restricted areas, and attention must often be paid to useless stock in order to protect healthy stock in adjacent areas. This must qualify acceptance of this recommendation.

Para. 19

5. *Defined ranches must be restricted to particular sections or clans who are prepared to co-operate in stock and water control.*

Accepted.

Para. 23

6. *While accepting the responsibilities of game preservation and its financial importance to the Colony, where the interest of man and game conflict, generally speaking, the need of the former should be considered paramount.*

Accepted.

It must, however, be pointed out that the immediate needs of a particular group may on occasion conflict with the importance of Game to the Colony's economy as a whole. This is pointed out by the Commission themselves in the last sentence of paragraph 22 and in the last sentence of paragraph 23.

Para. 25

7. The whole position of reserves and parks should be periodically reviewed and game reserves should not be regarded as immutable.

Accepted.

The Government has already appointed a Game Policy Committee to carry out a thorough review of these and related matters. This Committee will study in detail the application of Recommendations 6 and 7.

Para. 27

8. It would be best to begin pastoral rehabilitation by a series of experimental ranches preferably near European ranches.

Accepted.

There are already five experimental ranches in Samburu, Narok (2), Kitui (Yatta) and Simba-Emali.

Para. 33

9. Well watered and policed stock routes must be provided with proper quarantine controls to encourage stock marketing from the reserves.

Accepted.

Paras. 41 and 48-51.

10. The meat marketing position needs a special investigation by the government to reorganise and decide the functions of A.L.M.O., private traders and the Meat Commission: and

(i) *Private trading should be encouraged, especially in remote areas.*

(ii) *Veterinary Officers should assist sales and if necessary subsidise prices, also providing a means of disposing of sale rejects and reviewing quarantines.*

(iii) *The monopoly of the Meat Commission should be reviewed and it should concentrate on expanding external markets.*

Accepted with qualification.

Since the Commission's visits this recommendation has largely been carried out. A special review of meat marketing has been carried out by the A.L.M.O. Board. The Kenya Meat Commission has delegated its powers of buying in African areas to A.L.M.O., and private traders are encouraged to operate in competition with the A.L.M.O. buyers, particularly in remote areas. No further examination is yet needed until the present system has had a chance to show how it works. During 1954 A.L.M.O. was able to sell 12,192 cattle and 55,986 sheep and goats to the Meat Commission, and this rose in 1955 to 24,442 cattle and 64,145 sheep and goats.

The Meat Commission has now expanded its markets in the Congo and Uganda, and it is not now so difficult to export to Europe from those areas which are free of rinderpest. The Economic Research Division of the Treasury is already examining further possible markets.

As far as abattoirs are concerned three are now available to A.L.M.O.; besides that at Archer's Post one has recently been installed in Baringo and another is being kept for use in Masailand, where its introduction has so far been resisted.

Para. 52

11. Co-operation to achieve the maximum take-off should be entrusted by the government to a Meat Marketing Committee.

Accepted.

There is already such a body in the African Livestock Marketing Board, which sits under the chairmanship of the Director of Veterinary Services and includes representatives of the Meat Commission, the Ministry of Agriculture, ALDEV and those Provincial Commissioners whose areas include important pastoral regions.

Para. 57

12. *There should be a review of the animal breeding activities of the livestock centres, to see whether only the minimum pedigree breeding should be carried out.*

Accepted with qualification.

Such a review is already under way, but its chief aim is to see whether output can be speeded up. Good progress has been made over the last 20 years at such centres as Maseno and Baraton, but the quantity produced, as opposed to the quality, does not yet meet the demand.

Para. 61

13. *A detailed plan to afforest blocks of land for protective purposes and to reassess what land could be released from present forests for more productive purposes, especially in over-crowded African areas, is needed.*

Accepted with qualification.

The Government is making a comprehensive review of forest policy.

Para. 64

14. *The policy of introducing planned smallholdings may be slow, but it must be left flexible enough to allow change as experience dictates and as people desire.*

Accepted.

The technical difficulties of establishing satisfactory systems of management for small mixed-farm holdings are recognised. Some of those mentioned, e.g. leys, are basic problems which apply to all mixed farming in Kenya, not merely small holdings. But besides this, doubts are expressed by the Royal Commission about the eventual success of small holdings. While the Government agrees that the system should be as flexible as possible, it considers that the establishment of well-farmed small holdings is not only the most promising, but also the only possible policy at present for the more productive African areas. This system will accommodate the maximum numbers of people on the land and will considerably increase production. The difficulties in the way of setting up large co-operative or group farms with mechanised aid are so great as to make such projects impracticable, at any rate at present, in the more densely populated areas. It is already clear that one of the chief difficulties will be to provide enough productive livestock for each holding.

Para. 67

15. *The solution to displacement, and the general raising of the standard of living, depend upon more economic use of fertile land.*

Accepted.

This principle has been incorporated into the Swynnerton Plan.

Para. 69

16. *There must be a new approach to the judicious use of artificial fertilisers, including actively encouraged mineral surveys.*

Accepted.

Para. 70

17. *In areas which are clearly particularly suited to certain crops a diversity of specialisation is ultimately desirable.*

Accepted.

It is in the country's interest to use the land in such areas for its most economic crop and this may help to solve any displacement problem. Great progress has been made. But marketing risks and the exposure of export crops to world price trends may make the development a slow one. The full use of the land depends, as is pointed out, firstly on successful communications and storage facilities to supply the market, secondly on the need or otherwise of food production, thirdly on protection against a fall in world price, and last on the complexity of production difficulties in some crops, including pest control.

The most promising crops for peasant production seem to be coffee, sugar, rice, ground-nuts and pineapples. Pyrethrum is now established as an export crop, and experiments are being made in the peasant cultivation of tea.

Para. 78

18. *There must be some control and planning of land usage if tenure is revised, including usage regulations.*

Accepted.

Para. 89

19. *Experiments in the Gezira type of farming organisation should be made on the periphery of the present crowded areas, near new railways and roads, as well as in irrigable areas; they should not be burdened with expensive capital developments basic to the scheme.*

Accepted with qualification.

The possibility of starting such schemes will be examined, but it is as well to point out that in Kenya there is no considerable reserve of fertile land which is not already thickly populated, and any experiment might therefore have to take place in marginal country with its attendant risks. Moreover, irrigation prospects are limited. But see the comments on Chapter 20, paragraph 45, about the Mwea-Tebere scheme.

Para. 90

20. *Co-operatives should be encouraged to awaken interest in better production methods and put their extension services on to this job.*

Accepted.

This can be done, within the capacity of the co-operatives.

Paras. 97-100

21. *E.A.A.F.R.O. should be more warmly received by the Governments; its staff should be strengthened by scientists able to travel and bring basic problems to the central research institute; and in each territory there should be a special officer to link E.A.A.F.R.O. to the territory and see that research in agrarian problems leads to development on the ground.*

Accepted with qualification.

There is now increasing co-operation between the territories and E.A.A.F.R.O., but more is needed in the way of a joint consideration and evaluation of the most important problems and joint planning and execution of research work. The true function of E.A.A.F.R.O. is to carry out basic research on those problems common to all East Africa; the results must then be applied by local territorial officers with a special knowledge of the local technical, social, and economic factors. These officers must be in touch with the E.A.A.F.R.O. staff.

It follows that there is no need for the type of travelling scientist envisaged by the Royal Commission, always providing there is better joint planning on research work.

Paras. 102 and 103

22. A basic gazetteer of each district in East Africa should be collated and an ecological survey should also be carried out in the most important areas.

Accepted.

This is a repetition of Recommendation 1 in Chapter 20 (paragraph 28) and the Kenya Government agrees that such surveys should be carried out, on a regional basis where necessary, when funds are available.

Paras. 104-106

23. A Land Development Board not representing sectional or racial interests should be set up in each territory to encourage production in all land in the territory. It should be composed in the same way as the African Land Development Board, but would have a chairman and managing director; there should be a special committee of unofficial members of the legislature to be acquainted with its work through the Minister concerned. Its tasks are set out in paragraph 106.

Rejected.

Many of the functions proposed for the Land Development Board are and must remain those of the Government itself. But under the Agriculture Ordinance Kenya land is divided for agricultural purposes into scheduled and non-scheduled areas. At present these correspond largely to those areas farmed by Europeans and by Africans, but the distinction is not based on race; the criterion is the standard of farming and in particular the land tenure system in force. The Board of Agriculture deals with scheduled and ALDEV with non-scheduled areas. As these non-scheduled areas reach a sufficient standard, and if experiments prove it to be practicable, the Government proposes that they should be scheduled and given the obligations of individual development which each scheduled area incurs. It is thus the Government's aim eventually to have one single Agricultural Board for the whole territory; but the means of stimulating production have to be so different in scheduled areas and non-scheduled areas (where the work is mostly done by direct Government help and initiative) that this step cannot be taken yet. The arrangements in the Agriculture Ordinance are as advanced as can now be made, and they allow for further progress in due course.

Para. 107

24. Public opinion in each territory must be got away from seeking unreal solutions in costly and marginal relief schemes in favour of promoting access to fertile areas which are not too remote for such schemes and where they are likely to prove an economic success.

Accepted.

CHAPTER 23. TENURE AND DISPOSITION OF LAND

I. INTRODUCTION

The main preoccupation of Chapter 23 is with the need for individual land tenure to develop in the African areas, so that land may begin to take its proper place in the economy as a mobile negotiable asset.

2. The Government has already agreed that a Government working party should be appointed to consider the preparation of legislation to provide for the adjudication and registration of land in native areas, and to provide for a body of law to replace native customary land law when titles have been issued. This working party will examine the detailed requirements for a new law in pursuance of those recommendations that are accepted.

II. RECOMMENDATIONS

Para. 1

1. *Policy on land tenure and disposition should aim at individualising ownership and at a degree of mobility which will enable access to land for its economic use without ignoring existing property rights.*

Accepted.

This principle is fundamental to what follows.

Para. 5

2. *Positive action must be taken to induce exclusive communities to put land within their boundaries to full use themselves, or make it available to others, if necessary by compulsory powers to acquire land so as to put it, or enable it to be put, to productive use.*

Accepted with qualification.

Powers for enforcing good land use exist under the Agriculture Ordinance, and unless and until the need for any further powers is demonstrated no further action is needed.

Para. 14

3. *The land tenure law should provide that the government shall not exercise any right to dispose of land without an established legal process of adjudication and registration of interests.*

Accepted.

Para. 16

4. *Legislation must be enacted to empower governments to dispose of all residual interests in land which has been subject to adjudication and registration.*

Accepted.

It is clear that there must be provision, either by statute or through native law and custom, for the extinction of such interests, though not necessarily by the Government.

Para. 18

5. *The procedure under the new law should be by way of scheduling areas for adjudication; adjudicating officers would try to encourage consolidation but the registration would encourage further consolidation.*

Accepted with qualification.

The Government does not accept that titles should be issued and interests registered for anything less than an economic unit. The Royal Commission believe that registration of title should be used to encourage consolidation; but the Government thinks that the time and effort involved should be spent first on encouraging consolidation. The procedure envisaged by the Government is thus: first, scheduling; then adjudication of interests and extinction of other rights; then demarcation and a record thereof; then survey; and finally registration proper and the issue of a title.

Paras. 19 and 20

6. *The interests adjudicated must eventually be registered according to a cadastral plan, whose preparation and standard of accuracy are a matter for expert advice; the extension of aerial cadastral survey should be considered and Africans trained in simple survey work, according to the general registration plan.*

Accepted.

The methods and standard of survey are admittedly a matter for expert advice; but speed should not be sacrificed to achieve a higher standard than is necessary to confer a negotiable and indefeasible title. There may be scope for Africans to employ private surveyors after consolidation and demarcation; but the results must be confirmed, as in other areas, and linked to the Colony survey control.

Para. 23

7. *The government should not schedule an area to prevent haphazard settlement without having plans for its ordered development after adjudication and registration.*

Accepted.

In general the development plan must go *pari passu* with the demand for consolidation. But the actual pace will depend on the number of planning and survey officers who are available.

Para. 25

8. *Laws of prescription and limitation should be made for application wherever and whenever public confidence will not be upset.*

Deferred for further examination.

This must be thoroughly studied; the terms of English law, such as "freehold", are incompatible with the concepts of native law and custom. It is not the Government's intention to reduce in any way rights in land, whether defined or undefined.

Paras. 26 and 27

9. *Where powers of compulsory acquisition are exercised for "public purposes" the Governor in Council should be able to declare any given project to be a "public purpose" if the term is not clearly defined. The valuation should be based on current market values. Acquisition for productive purposes should be by way of a special ordinance on each occasion.*

Rejected with qualification.

The ordinary laws of compulsory acquisition do not apply in the Native Land Units but in these units there is special provision enabling land to be "set apart" for public purposes. The Governor already has power to declare what is a public purpose, under section 47 of the Native Lands Trust Ordinance.

Where compensation is paid the basis should be the same as in other areas and should rest on the value of the land.

Para. 29

10. *Legal restrictions must be imposed, in the interests of the African, on the mortgaging of his land and the recovery of a debt through the sale of his land.*

Accepted.

The Government agrees that appropriate restraints will be needed on mortgage and taking land in execution.

Para. 30

11. *The registration of subdivisions below a certain size should be prohibited but it may be necessary to provide for registering shares above a minimum size in the ownership of such subdivisions. An agent or trustee should then be appointed for co-owners.*

Accepted.

In spite of the difficulties, which are fully recognised, there should be the power to prohibit the subdivision of registered holdings below a specified acreage, which might vary from place to place, for example according to the fertility of the soil.

Para. 35

12. *The government should prohibit land holdings above a certain size in any specified area perhaps on the representations of the local land board.*

Accepted with qualification.

Such a provision is not yet necessary, but as time goes on it may become so, and if this happens the Government will consider this step.

Para. 36

13. *The transfer of land between races should be restricted to leases only; these leases should be subject to the Governor's approval, which should be freely given to encourage economic mobility.*

The implications of this proposal are extensive and require examination in the greatest detail before any conclusions can be reached. (See comment on Recommendation 19.)

In areas outside the Native Lands the proposal would involve greater restriction than at present prevails and it is not clear that it would serve any beneficial purpose.

In the European areas, Section 88 of the Crown Lands Ordinance requires the consent of the Governor to all transfers of and other dealings in land of whatever nature (including leases). In giving or withholding his consent under this section to transfers or dealings between Europeans and non-Europeans, the Governor is required to seek the advice of the Highlands Board. Consent is normally given freely to transfers or dealings between Europeans; it is not commonly given to inter-racial transfers or dealings but has, on the advice of the Highlands Board, been given in such instances in some areas, particularly peri-urban areas.

Elsewhere outside the Native Lands, inter-racial transfers and dealings are subject to a power of veto vested in the Governor in Council of Ministers, which is, however, seldom exercised.

In the Native Land Units, the question of transferability of land will only arise when a system of individual title has been evolved and introduced. The Government's tentative view, subject to further consideration, is that should transferability between Africans and non-Africans be permitted, they should be limited to leases, the reversion remaining with the African title-holder, and that such leases should be subject to the Governor's consent, granted or refused after consulting, and obtaining the advice of, the Native Lands Trust Board. The whole concept of individual title is, however, new to African thought, and it is not yet possible to assess African opinion on the subject of transferability, even between tribes, let alone between Africans and non-Africans. To embark on a

policy of freely approved transfer by way of leases between Africans and non-Africans during the early formative stages of the development of African opinion would be premature and might prejudice acceptance by the general body of African opinion of the main concept of consolidation of land-holdings and individual titles.

Should transferability between Africans and non-Africans of land in African areas develop, the Government contemplates that, to such extent (e.g. leases) as it is made permissible, the procedure should be comparable to that in European areas, i.e. subject to the consent of the Governor after consulting the Native Lands Trust Board, each case being judged on its own merits (and local views being consulted through Local Land Boards, though the latter have no counterpart in the European areas).

Para. 38

14. *Where contractual relations between owners and tenants are developing, rather than a general statutory law there should be power to make rules preventing the inclusion of specified deleterious conditions in the contracts.*

Accepted with qualification.

The development of a system of tenancies will be encouraged, where possible within the framework of customary law. The misuse of land should be guarded against by the requirements of agricultural law. If it is found necessary to protect the tenant's personal interests from unfair or harmful conditions, this will be done by legislation.

Para. 44

15. *Local Land Boards should either be consulted before land tenure rules are made, or empowered to make such rules, subject to central government power to vary them or prescribe new rules if those made are inconsistent with policy.*

Accepted.

Paras. 46 and 47

16. *Land tenure policy should be the responsibility of one minister with suitable officers, but no separate department should be set up.*

Accepted as an objective.

For the present, however, the Minister for African Affairs must retain his responsibility for land matters in African areas.

Paras. 49 and 50

17. *Local Land Boards are needed to interpret and guide local views and actions on tenure but should not be elected. They should include representatives of the local people (including traditional land authorities), progressive land users, and as few technical officers as possible. They should not deal with urban land.*

Accepted.

Local Land Boards under the Native Lands Trust Ordinance have members nominated by the African District Council and by the Provincial Commissioner and they have power to co-opt up to two additional members. The Ordinance could be amended to provide for wider membership of these boards if necessary. There is no need for such boards outside African areas. The Government agrees that Local Land Boards should not concern themselves with urban land development.

Para. 51

18. *The functions of the boards would be:—*

- (i) *To propose and recommend areas for adjudication and registration and then resettlement.*

- (ii) *To examine central government plans for this.*
- (iii) *To draw up detailed plans for the area to consolidate holdings, in agreement with technical staff and the main Land Development Board.*
- (iv) *To put across all measures to the local people and authorities.*
- (v) *To act in the same way over land tenure rules and enact them where they are allowed to do so.*
- (vi) *To keep in touch with adjacent boards and the main territorial Land Development Board.*

Rejected with qualification.

The development of the new land policy must remain at the discretion of the Central Government but local sentiment, whether expressed through such Boards or not, must determine the pace of its advance. The Local Boards should retain their present functions under the Native Lands Trust Ordinance and should have the additional functions contemplated in the comments on Recommendation 13.

Para. 63

19. *A policy of "land reservations" and safeguarding sectional interests is directly opposed to our recommendations and must be abandoned, although it will not be easy to eliminate the idea of security based on the "reservations" policy.*

This proposal is one which can only be accepted by public opinion. The Government has no objection on economic grounds to greater negotiability of land, but such a policy cannot be successfully put into effect without the support of a large section of opinion in the community involved. Economically the ideal is for reservations to disappear, but present-day political, cultural and social influences prevent it.

Para. 64

20. *The governments should divest themselves of power to dispose of land other than as we have proposed; this will involve that such terms as "Crown Land", "Public Land" and "Native Lands" will no longer have any statutory significance.*

Rejected.

Since 1939, the expressions "Crown Lands" and "Public Lands" have had no application to the Native Lands, which were then vested, and have remained vested, in the Native Lands Trust Board and which are held and occupied by Africans in accordance with native law and custom. There are, therefore, no residual powers of disposition remaining in the Government. Lands "set apart" for public purposes remain Native Lands. The statutory significance of "Crown Lands" and "Public Lands" is confined to areas outside the Native Lands; the term "Native Lands" connotes a distinction which will continue to exist so long as African land tenure, of whatever character, continues to differ materially from that in other areas.

CHAPTER 24. AGRARIAN ADMINISTRATION

The emphasis in this Chapter is placed on the need to arouse enthusiasm in the African agricultural areas for the changes which must be brought about if the passage into the exchange economy and modern ways of life is to be accomplished with speed and safety. This is a problem which has long concerned the Kenya Government and, although we are not yet satisfied, much has already been done in certain areas to fire the people's imagination. In this the help and active support of African leaders and public opinion have been invaluable.

II. COMMENTS

Para. 6

(The technical officers and their assistants) came and went, and too often as they came and went so did the gospel change . . . Instead of having to deal only with administrative officers, and with the chiefs and their staffs, the villagers had to deal with a multiplicity of personnel who were ever-changing as were only too often the administrative officers themselves.

This is true, but the district team system is designed to co-ordinate differences between officers and to guarantee a continuous policy, even although its members change. On the whole this system works well. The idea of "ecological zones", applied in recent years, has greatly reduced conflict between technical advisers. The Government is making efforts to secure continuity among officers.

Para. 8

The objective is to teach the people not only to appreciate the need for these changes but to bring them about themselves.

Agreed.

Para. 10

Reliance on compulsion cannot achieve the . . . changes . . . which we believe to be necessary.

Agreed.

Para. 11

A robust approach by men of character . . . is the key to success.

Quite.

The more Africans that can be trained for this work the better.

Agreed.

Paras. 21 and 22

The needs are continuity of posting, sufficient staff, and close personal contact with the people.

Apart from continuity . . . it is on the quality and supply of such men that much will . . . depend.

The importance of both continuity and personality are recognised and, indeed, they are needed by every officer no matter to which department he belongs.

Para. 31

In some, the formation of young farmers' clubs may prove a useful medium for propaganda.

Officers of the Agricultural and Community Development Departments are now employed on fostering these clubs.

Para. 33

Similar optimism was expressed by other experienced officers.

In some districts, however, the change is likely to take more than the "few years" mentioned in this paragraph.

III. RECOMMENDATIONS

Para. 4

1. *Any new agricultural methods must have been proved in conditions familiar to the peasant and capable of imitation by him.*

Accepted.

This is the usual practice.

Para. 9

2. *The encouragement of Africans to take an active part in the agrarian change should be considered as a long-term problem; governments should teach them in their training institutions to lead their own agrarian revolution and should initiate and encourage non-governmental advisory and extension agencies in suitable areas now.*

Accepted.

Para. 11

3. *Where compulsion is unavoidable it should be exercised by the administration or the local authorities and not by the specialist extension staff.*

Rejected with qualification.

The same recommendation is made in paragraph 31, with special reference to land usage rules being enforced. Although the division of responsibility can be accepted as a theoretical objective, it is impracticable without a great increase in inspecting staff; moreover, in most African districts today the African Agricultural Assistant commands more authority and attention through his power to discipline and to prosecute for minor offences.

Para. 12

4. *All attempts to create changes in social behaviour must clearly aim at answering specific problems facing the individuals concerned.*

Accepted.

The whole policy outlined in this chapter has been adopted for community development in Kenya for the past five years. Pilot schemes along the lines suggested have been launched in North and Central Nyanza, Fort Hall, and Machakos Districts.

Para. 13

5. *Increasing provision must be made for training leaders and field staff in developing initiative in better land use among the people. Full use must be made of information and community development officers but the field work must be an interdepartmental operation.*

Accepted.

There are special schools to train staff of the Agricultural, Veterinary and Community Development Departments. Both the Jeanes School and the Agricultural Department Farm Institutes run courses for African farmers and leaders. Local training courses are run in many districts under the aegis of the district team and the Government will examine whether these can be extended.

Para. 15

6. *Where possible leading non-officials of all races should be invited to join district teams, and in particular local government bodies should be represented upon them.*

Accepted.

In practice several District and Provincial Teams have included non-officials for many years past, and this will be continued. Under the new Agriculture Ordinance District and Provincial Agricultural Committees have been appointed and provision is made for private individuals, who may be members of local government bodies, to be appointed to these committees.

Para. 16

7. *Both at county and district levels local authorities should be encouraged to co-opt technical officers to their natural resources committees, until they have built up their own efficient technical staff.*

Accepted.

Para. 17

8. *Land usage rules should be made by local authorities, but if they refuse to do so, by the central government.*

Accepted.

While a Central Government directive should lay down the main lines of good land use, it is agreed that the rules should be made by the local African District Council, or if they are unwilling by the Minister for Agriculture. These powers already exist under the African District Councils Ordinance, 1950, and the Agriculture Ordinance, 1955.

Para. 19

9. *The division of responsibility between agricultural and veterinary officers should be reviewed, the latter normally confining their activities to pastoral areas and to disease control, leaving the former to deal with all aspects of cultivation and animal husbandry in the agricultural areas.*

Accepted.

Para. 25

10. *Highly trained technical officers should not be employed below district level, and instead of the present departmental system a cadre of good field officers, with assistants in sub-areas, is needed, to work to the district organisation.*

Deferred for further examination.

Field officers are already used extensively as assistants in the Agricultural, Veterinary and Community Development Departments and in the Administration. Many of these live in, and are responsible for, relatively small areas, such as one or two locations. The proposal that these should be replaced, however, by one organisation responsible to the Chairman of the District Team (i.e. the District Commissioner) and should owe loyalty primarily to him, despite the advantages listed in the Report, has also serious difficulties.

Para. 28

11. *The government should look mainly to Africans for field staff.*

Accepted with qualification.

The recruitment of African staff for such work is limited at present because of the shortage of those with suitable qualifications.

Para. 30

12. *The government should support the development and extension of Schools of Agriculture and Natural Resources at Makerere.*

Accepted with qualification.

Training facilities must certainly be increased but the expansion of diploma courses at Makerere needs some further examination. However, a degree course in agriculture will probably be instituted in 1957 and the first qualified students may therefore leave the College in 1960. Apart from this the Government will have to rely largely on the existing facilities at the Agricultural Schools, Jeanes School and the Farm Institutes to which Recommendation 5 refers.

Para. 31

13. *Land usage rules should be enforced by agents of the rule-making authority.*

Rejected with qualification.

On this, see Recommendation 3, which is virtually the same.

Para. 32

14. *The work of the district teams and field staff must be complementary to that of the local authorities.*

Accepted.

Para. 35

15. *There should ideally be at least one woman in each district organizing welfare work among the women through women's clubs and women welfare assistants, and the attention of local government bodies should be drawn to this need.*

Accepted.

African women are already employed as agricultural instructors and the aim is to engage more; they are trained at Embu Agricultural School, and at Farm Institutes in Nyanza. There is the closest field co-operation with the Community Development Department, which has plans for employing 11 women officers, with I.C.A. help, in the larger districts. The time is fast approaching when every major district will be covered in this way.

Para. 36

16. *A trained woman agriculturist should, if possible, be employed to organize female education in the basic principles and economics of agriculture, not least in the schools and teacher training colleges.*

Accepted.

A European woman qualified in agriculture is now engaged on extension work in African areas.

CHAPTER 25. RACE RELATIONS

Most of this Chapter deals, in summary, either with recommendations made elsewhere in the Report or with matters of such a general nature that no practical purpose would be served by specific observations. We have not, therefore, followed the usual procedure of setting out an introductory note supported by detailed comments on what is said in the text and a summary of the Government's views on the various recommendations; instead, we propose to limit ourselves to the general observations that follow.

2. We accept, without reservation, the basic argument of this Chapter that the successful introduction of the far-reaching agrarian reforms proposed by the Commission will demand not only the co-operation of the African people and the utilisation of all our technical resources, but also a background of general stability and of mutual confidence between the races. In this Colony the

problems created by the pressure upon the fertile areas and by the varying conceptions of land use (not less marked between Europeans and Africans generally than between African pastoralists and African agriculturists) are of long standing; nevertheless the recent advances made in African agriculture, and the growing interest displayed in the consolidation of holdings, and the planning of farms indicate that solutions are at last being found. These developments, coupled with a recognition on the part of all farmers of the paramount importance of good land use, give us grounds for solid confidence in the future.

3. We share, too, the views expressed by the Commission concerning the need to allay African fears that immigrant enterprise may not be in their general interest, and our practice in agriculture, industry and commerce is being increasingly directed towards this end. The action recently taken by the Kenya National Farmers' Union in inviting African farmers to its Annual Conference and the arrangements already in operation for exchange visits between African and European farmers are an indication of the way in which opinion in Kenya on this matter is moving.

4. A valuable part in improving relations between communities has been played by societies and clubs which have been formed for the express purpose of bringing about closer contacts; and the work of such bodies is now being supplemented by a number of associations designed to draw together people of common social and recreational interests. But, above all, there cannot be good race relations without good manners.

SCHEDULE OF THE KENYA GOVERNMENT'S VIEWS ON THE RECOMMENDATIONS IN THE ROYAL COMMISSION REPORT

Chapter	Accepted	Accepted as an objective	Accepted with qualification	Rejected with qualification	Rejected	Deferred*	Does not apply
5	1-3	—	—	—	—	—	—
6	1, 4, 5	2	3, 6	—	—	—	—
7	1, 5-7	—	3, 4, 8	2	—	—	—
8	1, 2, 4-8	—	3	—	—	—	—
9	1, 2, 7	4	3, 5	8	6	—	—
10	A2, A3	—	A1, B1	—	—	—	—
11	2	—	3	—	1	—	—
12	15, 16	1	2	10, 14	3-6, 9, 11, 17	—	7, 13
13	1, 2, 5-7	—	3, 4	—	—	8	—
14	1, 3	—	2	—	—	—	—
15	1-5, 9-11, 15	14	6, 7, 13	—	8, 16, 18	12, 17	—
16	2, 4, 5, 8, 9, 11, 13, 15	7	3, 10, 14	6	1	12	—
17	1-5	—	—	—	—	—	—
18	1, 3, 4	—	2	—	—	—	—
19	1, 3, 5, 11-13, 15-18, 20, 21, 24, 30	6, 23	4, 8, 14, 19, 26	22, 27, 29	7, 9, 10, 25	—	2, 28
20	1, 3-5	—	2	—	—	—	—
22	2, 3, 5-9, 11, 14-18, 20, 22, 24	—	1, 4, 9, 10, 12, 13, 19, 21	—	23	—	—
23	1, 3, 4, 6, 7, 10, 11, 15, 17	16	2, 5, 12, 14	9, 18	20	8	—
24	1, 2, 4-9, 14-16	—	11, 12	3, 13	—	10	—

* The Government, for the views set out thereunder, has not classified either Recommendations 8 and 12 in Chapter 12 or Recommendations 13 and 19 in Chapter 23.

APPENDIX II

(1) CAPITAL DEVELOPMENT PROGRAMME, 1954-57 (3½ years)

Nature of Service	Head	Item	Total Expenditure	Average Annual Expenditure	%
Security		1. Police	£ 1,605,000	£ 459,000	
		2. Prisons	842,000	240,000	
		3. Military Works	993,000	284,000	
		Total: Security Services	3,440,000	983,000	9
Economic	Communica- tions	1. Roads	2,437,000	697,000	
		2. Aerodromes	1,372,000	391,000	
		3. Postal	257,000	73,000	
		Total: Communications	4,066,000	1,161,000	10
	Natural Resources	1. Agriculture	4,321,000	1,234,000	
		2. Veterinary Services	1,290,000	369,000	
		3. African Land Development	2,514,000	718,000	
		4. Rural Water and Irrigation	1,210,000	346,000	
		5. Forests, Fisheries, Game	333,000	95,000	
		Total: Natural Resources	9,668,000	2,762,000	24
Mineral Development	1. Geological Survey	104,000	30,000	—	
Urban Development	1. Urban Water Supplies (including Mombasa)	4,818,000	1,376,000		
	2. Nairobi City Council Loans	4,250,000	1,214,000		
	3. Central Housing Board	2,200,000	629,000		
	4. African Housing Services	202,000	58,000		
	5. Local Government Loans	1,275,000	364,000		
	6. Miscellaneous	6,000	2,000		
	Total: Urban Development	12,751,000	3,643,000	37	
Industrial Development	Industrial Development	328,000	94,000	1	
	Total: Economic Services	26,917,000	7,690,000	72	
Social		1. Medical	1,140,000	326,000	
		2. Education	3,406,000	974,000	
		3. Broadcasting and Information	12,000	3,000	
		4. Community Development	145,000	41,000	
		Total: Social Services	4,703,000	1,344,000	13
General Administrative		1. Government Buildings and Offices	1,211,000	346,000	
		2. Staff Housing	970,000	277,000	
		Total: General Administrative Services	2,181,000	623,000	6
	GRAND TOTAL: ALL SERVICES	37,241,000	10,640,000	100	

(2) ESTIMATED CAPITAL REQUIREMENTS 1957-65
(8 years)

Head	Total Requirements 1957-65 (8 years)	Average Annual Requirements	%
	£	£	
A. Security Services	8,000,000	1,000,000	6½
B. Economic Services	96,000,000	12,000,000	75
C. Social Services	16,000,000	2,000,000	12½
D. General Administrative Services	8,000,000	1,000,000	6½
Total	128,000,000	16,000,000	100

GRAND TOTAL 1954-1965 (11½ years) £165,241,000

NOTES ON THE CAPITAL DEVELOPMENT PROGRAMME 1954-65

The current planning period is a 3½ year period, running from 1st January, 1954, to 30th June, 1957, the odd half year being included to enable an adjustment to be made to correspond to the new financial year.

2. Planning during this period has been restricted to £37 million by the limited availability of finance, and also by the capacity of the P.W.D. building industry which cannot at present execute a capital building programme in excess of £2.5 million per year. Capital funds during this period are being obtained from a variety of sources which include loans floated both in London and Nairobi; loans from African agriculture under the Swynnerton plan; Colonial Development Corporation finance for housing; and a number of other sources.

3. To develop after 1957 in accordance with those recommendations of the Royal Commission which are accepted by the Government, it is estimated that a level of capital expenditure in the region of £16 million per year will be required. This expenditure would be in accordance with the existing general pattern of development, but individual components in this pattern may well require revision, and such a revision would be carried out by the Planning Committee.

4. If development expenditure is increased to the level of £16 million per year, it is anticipated that there will be an annual building component of from £4 to £4.5 million per year. It is considered that this annual target could be achieved by the P.W.D. provided that an interim period of about one year is allowed for expansion.

5. The problem of finance is much more intractable. Present capital expenditure is running at about £10 million per year, and unless additional sources of development finance become available, this level will have to be substantially reduced during the triennium up to 1960. Without further assistance there can be no hope of achieving a level of expenditure of the order of £16 million per year.

6. Debt servicing charges are also likely to present a problem before 1965. Expenditure of £128 million during the period 1957-65 would mean an additional annual interest charge at 5½ per cent. of £7.040 million and a sinking fund charge of 1 per cent. of £1.280 million.

7. It should be emphasised that the expenditure shown represents only public capital expenditure by the Kenya Government and other Kenya public authorities. Substantial investment programmes will also be necessary on the part of the E.A. High Commission services, particularly Railways and Postal Services; and on the part of private investors, particularly for electric power development.