

EAST AFR. PROT

C.O
30309

RET
REV 20 MAY 19

30309

Colonial Office

324

Flax growing.
Scheme for disabled Officers today

1919

May

Handwritten

at previous Paper.

HC
13184

McQuittie & S. J. Giddes
Col. Ridge left this with on this
morning.

The scheme is sound on two
important points:

- (1) The capital is to be subscribed by the
Officers themselves, so that they will
bring initiative to make it a success.
- (2) They have the ultimate property in
the land.

Whether it is sound economically is
another point, & on this I think we
should consult Mr. Gale, who
examined the previous scheme for
the University of Labour?

Mr. G. A. Lehan has of course been
dropped out of the battery, but the

at subsequent Paper.

Ministry of Pensions retains its
interest in it.

The question is one of urgency,
as the three months training
must begin in June.

W.S. 20.5.49

I see no reference to the probable
shortage of labour, which will be
made worse than it now is by the
demands of other settlers. We cannot
too much or too often insist on this
point, in case we want to be confronted
later with demands that the Govt. shall
"supply" the labour - by some open
or disguised system of forced labour. We
should insist in all such schemes
containing (i) a warning that labour is
insufficient (ii) a statement that the
Govt. takes no responsibility for the
supply of native labour.

20.5.49

Forward to Secy of Govt. as
permitted. (S. 1/3)

The Grindles.

325

Sir J. Giddes

Mr. Galle's reply of 23 May
attached.

As to the scheme, I am quite
that few matters are more uncertain
than the future supply & price of
flax, depending as it does on
the restoration of order in Russia,
the extent to which Belgium will
push on with flax growing as a
rapid means of reconstruction, &
the extent to which Europe is going to
be induced to concentrate on the
production of food. Mr. Galle (who
is interested in the Flax Committee)
is a strong advocate of £2000,000 for
the purpose, but I am afraid
that I do not understand the
basis on which he arrived at
any figure.

The fact remains that some
of our most experienced cotton
are taking up flax with great
keenness - many of them with
much less advantage in the way
of proximity to the market than the

settlers, under this scheme would
have. There they have the
advantage is that they would
manage for themselves, without
the help of Col. Ridge, who might
be regarded as a dark horse
at the best.

I suggest that

- (1) we should telegraph to the Gov. as
a first step
- (2) I should try to get something fairly
definite from Mr. Gurdall about
future prospects
- (3) I should see Mr. Ogden, of the
Ministry of Education, for the time
being & make it clear that the
issue of the success or failure
of the disabled officers should
rest with the Ministry & not
with the Post Office & that it shall
be for them, when we have
completed our information as
far as possible, to say whether
the scheme should go through
with or without Col. Ridge.

W.A.S. 24.5.19

As to Col. Amery's note on page 2

of the loose copy of this scheme, 326

"approved copy" would have to
be defined as a copy approved
by the Govt, & in respect of
such a copy I think that
the retiring members' case must
depend on the Govt.

W.A.S.

24.5.19

Col Amery

I agree. I sh^d expect the
scheme to be a failure, and we must
not say things wh. would give the
disappointed settlers ground for
complaint that they were misled by us.

W.A.S. 24.5.19

W.A.S. 24.5.19

FLAX GROWING IN BRITISH EAST AFRICA

30309

PROPOSALS FOR DISABLED OFFICERS' COLONY

REC'D
FEB 20 1919

NOTE. These proposals are not an offer of shares for an invitation to subscribe Capital for the use of the proposed Society, but are intended to indicate the lines upon which it is hoped to develop the scheme therein set out, and to obtain information as to the measure of support likely to be received from disabled Officers in command of the necessary amount of Capital.

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Large quantities of Flax are in normal times imported into England and used in those industries of which the linen industry is the chief, in which flax is used. Not less than 100,000 tons are so imported from various countries, of which East Africa is one. East Africa can produce fibre equal in quality to that of Ireland or England and the present price of flax of this quality is £300 a ton. Just at present the linen trade is some 300,000 tons short of Fibre and the present is an excellent time to start an undertaking for the production of Flax and the colonization for the benefit of those who have served their country of a part of the British Empire which is admirably suited for the purpose.

There are in British East Africa 10 million acres of land suitable in character and climate for the residence of white men, and much of the soil is rich and capable of producing flax at a very considerable profit under an organization supervised by white men living under the healthiest conditions - East Africa has the advantage of two distinct seasons in which two distinct crops could be grown and the production of the fibre be made in this way continuous throughout the year, so that the machinery used in its manufacture can be continuously employed.

Flax production is one of the Key Industries of the Empire. Some 5000 acres in East Africa have already been put under flax this year - but there is ample scope for an almost unlimited extension and the necessary skill is capable of being acquired in a short time.

For the purposes indicated in these proposals, the Governor of the East Africa Protectorate has telegraphed to the Secretary of State for the Colonies under date March 8th 1919 that he has earmarked suitable land near Kericho about 50 miles South East of Kisumu where 25,000 acres of suitable land can be leased at a nominal rate.

This land will be leased for the usual term under the Crown Lands Ordinance 1911 at a nominal rent during the initial period of development upon condition that it is used only for development by means of the Co-operative Society the scheme for which is hereinafter outlined of which it will be a necessary qualification of every member that he has served as an Officer during the War and has been disabled by wounds or disease.

It is suggested provisionally and subject to reconsideration by the Managing Committee that the 25,000 acres should be divided into 25 blocks of, say 1,000 acres each, of which it would be intended to put 200 acres in each block into flax as soon as it can be cleared and broken up. Flax Mills and Scutching stocks capable of dealing with the anticipated output could be erected in a suitable central position, which must be on the banks of a River or Lake.

The scheme would require the services of some 75 working members, of whom 25 would be required to fill the positions of Managing Director, Secretary, Engineers, Doctor, Surveyors, Factory Managers etc., and 50 supervisors or farmer members, two to each block of 1000 acres.

It is proposed that the selected Officers who are to become members of the Society shall be trained at one of the Flux centres in England for three months and should proceed to East Africa in the autumn. It is anticipated that the Ministry of Pensions will continue to allow training fees of not exceeding £50 per ann; and increase any retired pay or wound pension to a total of £175 inclusive for 2 years, and during the continuance of this payment the officer will be required to return £50 a year of his subsistence allowance to the funds of the Society to assist in providing for his expenses of maintenance during the period of development.

Each Officer will be required to subscribe to the required Capital a sum of £500 and will be under a liability to provide a further sum of £100, but if the scheme succeeds in accordance with all reasonable anticipation, this will never become an effective liability.

For the purpose of organization it is proposed to form and incorporate a Co-operative Society under the Industrial & Provident Societies Act 1893 which will hold the Estate under the Crown Lease.

The Capital of the Society will consist of shares of £200 each of which each member will in the first instance take up a share with £100 cash.

In addition the sum of £20,000 of East Stock will be issued, £1000 being subscribed by each officer.

The interest on this stock will be a first charge on the revenue of the undertaking and it is proposed that the Crown shall provide for its redemption out of revenue as soon as possible.

The Rules of the Society will provide for its government by a Managing Committee elected by the members in the ordinary way and to the appointment of an Advisory Committee to assist the Managing Committee in the conduct of the undertaking.

The Managing Committee will have the right to incorporate the members of the Society as a company of whom a majority will be qualified to be members of the company. In the absence of the Managing Committee, the retired member's stock and shares and similar arrangements will be possible by agreement for any member who desires to retire, but apart from such agreement each member will bind himself to remain in East Africa and continue to work under the Society for a period of five years, at the expiration of which time members will be entitled either to retire and transfer their holding of stock and shares to approved buyers or if they are former members to take up their land from the Society and become individual owners thereof.

It is anticipated that this will be the normal course and as settlers take up their holdings the Society will be able to lease further land and develop it on similar lines.

Members who become individual owners of their land will so long as they remain members of the Society be entitled to special privileges for the disposal of their stocks of

Flax and other crops to the Society and for the supply of machinery and necessaries on such terms as the Managing Committee may fix and as experience may show to be mutually advantageous.

The Officers of the Company who are not farmer members will not have the early privilege of taking up land and will consequently be entitled to receive fixed salaries for their services out of the profits of the Society before division of profits.

The promoters of the enterprise appreciate the danger of holding out prospects which the future may fail to realize. An undertaking of this kind depends and must depend for its success on the hearty co-operation of all concerned. The form of organization adopted has been adopted to secure this end and the further most desirable object that profits shall go to those whose work and co-operation has created them, and not be gathered by speculators who have taken no active part in the undertaking.

The Capital required has been estimated after careful consideration with those who have special experience and had been submitted to the Government of the Protectorate, and have allotted the land after considering the Capital provision proposed. The Scheme of expenditure has been calculated under the following heads:-

Machinery, including the provision of) Factories (at 2600 apiece, mechanic -) tractors and ploughing and cultiv-) ating machinery, transport etc.....)	11,000
Buildings.....	5,000
Wages.....	4,000
Initial cost of cultivation, salaries) and subsistence for initial period of) development.....	15,000
General working Capital.....	6,500

Making a total Capital of £237,500

It is felt to be safer not to give any definite figures as representing the estimated profits of the venture. It is thought that if and as soon as the efforts of the Society can bring one-fifth annually of the holdings under flax to bear a return of 750 tons of fibre, 250 tons of tow and 250 tons of seed (of which 250 would be retained for sowing) might be anticipated. It is obvious that, apart from other crops which would be grown in rotation, handsome profits would be realized.

Officers who are qualified as above-mentioned and who are desirous of taking up a holding in the proposed Society should send full personal particulars to... *H. L. Rudge*.....

12, Avon Rd, West Kensington, W. 14.
..... will furnish all information. The Rules of the Society are in course of preparation and as soon as formalities are complete copies can be supplied to accepted candidates with the necessary forms of Application for a Share and Stock. Arrangements will then be made for the candidate's attendance for a course of instructions at one of the Flax centres in this country.

Acceptance of any candidate's application for membership in this Society is to be dependent upon his training being approved by the Ministry of Pensions.

For Mr. Bottomley's sign

Downing Street,

22 May, 1919.

DRAFT.

Revised

W. L. F. ESQ., C.B.

Board of Agriculture.

Richard

MINUTE.

My dear Sir,

Bottomley, 22.5.19 f

When the Ministry of Labour decided not to proceed with Col. Hughes Ridge's scheme for settling disabled officers in the E.A.P. for the purpose

of flax growing, General Asplith came here ^{to see} ~~and saw~~ Col. Amery ^{and he was} with a view to ~~arranged~~ ^{he wished to} that the Protectorate Govt. should keep the offer of land open, provided that a satisfactory scheme

financed from private sources, could be put forward. I was present at the interview, and General Asplith said that the Ministry had been advised on the matter of you.

Col. Ridge called on Tuesday and left with us the new scheme of which I enclose a copy. This provides for the capital being found by the officers themselves, and in this respect affords ^{the} an incentive to active development, ^{the absence of} which was one of the defects of the original

- M. G. Smith.
- Mr. H. Lambert.
- Mr. H. Read.
- Mr. F. F. Fildes.
- Mr. Amery.
- Mr. W. J. Wainwright.

10309
he was seen
his (see for the letter)

Board of Agriculture and Fisheries
4, Whitehall Place, S.W. 1.
23rd May, 1919.

My dear Bottomley,

The scheme now put forward by Colonel Ridge seems to be much the same as that put forward by him to the Ministry of Labour with the exception that the capital is to be provided privately, not by a grant from the Government.

First, as to Ridge himself. Last summer he was our chief Camp Superintendent, and we did not form a high opinion of him. He was slack and casual, and at the end of the six months for which we had engaged him in the first instance, we decided not to renew his appointment. So far as I know, he has little real knowledge either of the agricultural or the factory side of flax operations.

Secondly, as to his scheme. It is quite true that flax fibre is at present fetching between £240 and £320 a ton, which is the Government price, but the price fixed for the Irish crop of this year, which will come on the market as fibre next year, is considerably less than this rate, averaging £240 a ton; and I understand from the Flax Control Board that though there will be a world shortage of fibre for some years, a considerable slump in price may be anticipated pretty soon. After this slump prices may rise again. The governing factor in the situation is that before the war the United Kingdom imported some 100,000 tons of fibre, of which 60,000 came from Russia. Russian production is presumably stopped for the present, but no one knows what stocks there may be in Russia and when, if at all, they may be placed upon the market. We have ourselves no special information about the world situation in flax fibre, and if you wish to go into this aspect of the matter you had better see Philip Guedalla, Secretary to the Flax Control Board, Caxton House, (Western Block). For the reasons given above, however, I think the statement that "the present price of flax of this quality is £300 a ton" is rather misleading.

Turning to the details of his scheme it must be remembered that the harvesting of flax requires a great deal of labour and weather, from your letter that there is a shortage of ~~pulling~~ ^{pulling} labour. Experiments have been made with pulling machines, but none has yet proved satisfactory.

I see that it is proposed that the selected officers shall be trained at one of the flax centres in England for three months, and from my recollection of what Colonel Ridge put in the scheme submitted to the Ministry of Labour he means six weeks on agricultural operations and six weeks on the factory operations. This period is quite inadequate. It is of course possible for a man to get a little training in England and then go to East Africa, but the process of obtaining training while engaged in the East African scheme would be likely to prove expensive to the enterprise and to the men themselves.

The estimate of the capital required seems to me very small. On ~~the~~ ^{two} factories estimated to deal with 12,000 acres immediately and perhaps 20,000 ultimately (i.e. when we have skilled labour) we are spending something like £200,000 for machinery. Colonel Ridge appears to contemplate five factories each capable of dealing with 1,000 acres. It is possible that we may be doing our factories rather elaborately, but after making every allowance for comparatively simple machinery on the one hand and on the other for the cost of transport and the difficulty which it might be to find of providing skilled labour to set up the factories, I would hazard a guess that the machinery alone for the factories could not be set up, transported to East Africa and set up in factories there for less than £50,000, and it might be much more.

The estimate of £1,000 for each factory for buildings also seems to me low, but I have no idea what the cost of building is in East Africa, and therefore I only suggest that it requires

requires checking.

The initial cost of cultivation, salaries, etc. works out at only £3 an acre for 5,000 acres of flax irrespective of any question of the cultivation of the other 20,000 acres not under flax. The general working capital is only about £1. 6s. an acre, also irrespective of the other 20,000 acres. I am not very clear what exactly is included under these headings, but they seem to me prima facie very low and not to be accepted without careful enquiry by people who know East African conditions.

I do not mean to say by the above criticisms that you will ~~have~~ ^{with} a world shortage of flax which is likely to continue for some years and, with the natural conditions of East Africa, there will not be good profits to be made on a well-considered scheme, but I suspect most strongly that Colonel Ridge's scheme is far too optimistic, particularly on the point of the capital required, and that if it is approved and ~~settled~~ ^{settled} on the capital he proposes, in a very short time the Government would be faced with the alternative either of themselves supplying ^{with} ~~all~~ capital or of the collapse of the whole scheme, with much hardship to the officers who had taken part in it and possible damage to the flax industry in East Africa. Before you commit yourselves to approval of this scheme I think there ought to be some form of local inquiry either by a small commission sent out from here or by reference to the Government of the Protectorate. I suppose that there are people in the Protectorate who have experience not only of growing flax but of the factory operations, the cost of equipping of central factories etc.

It might also be very valuable if you could get the opinion of some big financial concern on the proposal. It seems to me exactly the kind of thing which it was intended that Lord Faringdon's Bank (the British Trade Corporation I think it is called) should require and finance if they find it likely to

a sound enterprise. If Lord Faringdon decided to take it up
he would no doubt be perfectly willing to give facilities to
disabled officers to join in the enterprise.

Please excuse these rather hurried notes.

Yours very sincerely

H. S. Dale

H. S. Dale, Esq.

30307 EAS

sent 5th per

27/5/19

Priority A
marshland
27 May

Amount 38258

unexpress

You tel. of 8 March

net soap

211

flax

incident

DRAFT. Cash tel.

Information required by Colonial
fillkins

following for flax

Governor
Nairobi
MINUTE

Revenue 44 5/4

Cost

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return

respecting

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to the yield to acre

subject

best practice

and to produce

subject

to be sent to port

three

present ocean

freight

survivor

per ton weight

silver

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Handwritten notes

irreversible

Information required

urgent

is considered only
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Notes

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Isent in
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