

1933.

Kenya

No. 3079

SUBJECT

CO 533/433

Agriculture Advances Scheme.

credit facilities for Agriculture.

Previous

18027/32.

Subsequent

23047/34.

1. *Governor Byrnes 18 Conf. (Amended)* 4 Feb. 1933 ²
 (Transmits Report of Board for 1932, with
 recommendations for further advances in 1933. Seeks
 authority to write off losses.)

Under (B)
 16164/30.

1. In August, 1930, Sir Gilbert Grindle wrote "Once they have tasted blood, the borrowers will never let Government restore its £100,000 to Surplus Balances". In spite of the Secretary of State's constant efforts during the past 2½ years to prevent it, this prophecy shows every sign of being fulfilled.

2. The figures given in para. 5 of the report are not fully intelligible; nor is it stated anywhere how much of the £30,099 recoverable in 1933 represents repayment of capital, and how much is interest (including arrears). On the analogy of the recovery figures given for 1932, it may perhaps be assumed that interest represents about one-quarter of the total.

3. The position at the end of 1933, if the Governor's proposals are approved, will be very roughly as follows:-

	£
Balance due to Treasury on 1st January, 1933.	107,458
Further advances during 1933.	19,982
	127,450
<u>Less</u> capital recoveries in 1933 from 1932 crops, say,	<u>23,000</u>
	104,450
<u>Less</u> capital recoveries in 1933 from 1933 crops	not estimated.

In addition, of the original £100,000; £2,869 is to be written off as loss. The "temporary" excess at the end of 1933 will therefore be about £7,319, *less any recoveries from sale of 1933 crops.*

4. In para. 7 of the report Mr. Rushton writes of "the Secretary of State's limitation to the year 1932 of the authority to exceed temporarily the sanctioned provision of £100,000". This is a curious phrase in view of the S. of S.'s categorical refusal to extend his covering approval to the excess - see para. 4 of No. 11 on 18027. It affords further evidence of Mr. Rushton's inability to recognise his responsibilities as Colonial Treasurer, and we can only hope that his successor in October of this year will have a clearer conception of his duties.

5. It is proposed that 33 "A" cases who still owe £55,780, but hope to repay £16,754 during 1933, shall receive further advances during the year of £19,982 (see para. 14 of the report). If this is done it may be expected that the advances in the A1 cases will be repaid in full within two or three years; in Classes AII-AV, however, the prospects are not so cheerful.

6. The radical unsoundness of the whole scheme, in the extended form which it has now assumed, is clearly exposed in para. 3 of the Governor's despatch. Advances have been made on the security of crops not yet planted, and subject to bad seasons, locusts and market collapse. The Board confess their inability to estimate probable recoveries from the 1933 crop. If they had recognised

3

a similar inability in respect of the crops for 1931 and 1932, they might have been more cautious in making their advances.

7. As matters stand, however, it seems clear that the scheme cannot be closed down abruptly, without inflicting uncalculated hardship on the individuals concerned and imperilling the chances of ultimately salvaging some part of the £100,000.

8. Telegraph as in draft herewith, sending copy of the correspondence to the Treasury.

A. Rushton
17/2.

See para 8 of the report. All such schemes have a habit of growing when the original hopes are proved wrong. I am willing to lay a stake of odds that the £100,000 will not be recovered in full. But it is fairly clear that to stop now would destroy any chance of recovery, while it would ruin some of the farmers at any rate.

The S. of S. has repeatedly urged the need for care and economy and the Governor is evidently alive to the uncalculated nature of the thing (whether the Board are equally alive is another, and more dubious, point). So I should not be quite so presumptuous in tone as Mr. Rushton proposes (though his language is justified to the hilt) because I am pretty sure that in the end the deal will have to be carried into 1934 whatever we may say.

Alternative draft submitted. I suggest that

~~see above~~
the further remarks be put in a 1802-33.
despatch (a telegram is not really suitable nor is it needed)

and the line I would take in the despatch is that, while the S. of S. views the whole thing with grave concern he recognizes the force of circumstances & accepts the recommendations. He relies on the Governor to use every effort to prevent any further extension & to avoid if at all possible any further advances this year or any carrying over into 1934 so that surplus funds may be restored as soon as possible by what can be recovered of the £100,000. I would also refer to the passage cited at Q in Mr. Hunter's minute and say the S. of S. did not give any authority to exceed the £100,000 in 1932. (The wording of the despatch ~~is~~ not however to take in a Colony as a flat refusal to give such authority, so we can't stress it)

J. G. Hood
18.2.33

Sir S. Lorson

I agree that we must telegraph as in Mr. Hood's draft. Sir J. Campbell also is working, should see the draft despatch.

As regards Q I agree with Mr. Hood, but this is a bit of Mr. Hunter's old "cleverness" which I thought he had outgrown.

15.2.20/33

Sec of State

I think you should see

12.2.33

B.H.L.

2 To Gov. Kenya Tel no 64 Conf. 25/2/33

3 Governor Byrne Tel no 7 Conf. 20 Feb 33
Request early reply to para 4 of No 1
DELETED UNDER STATUTE

By air mail
28/2/33

4 To Gov. Conf. (Kenya) 28 FEB 1933

5 To Treasury (W.S. 1.2 + 4) 19/16 - 2/3/33

6 Governor Byrne. Conf 54 (11.7.33) 6 May 33.

States that No 4 has been considered by the Executive Council & the position disclosed by further reports of the Central Agricultural Advances Board was £2,657 worse than estimated. Enquire whether it is deemed that no further advances be made & the scheme closed down, which course cannot be recommended.

There is no real conflict between the approval given in 2 and confirmed in para 3 of 4 for the temporary continuance of the scheme with para 4 of 4 - but no doubt the despatch effectively damped any demand for further assistance to maize growers which might otherwise have been forthcoming.

It is clear that an excess of £6,000 or £7,000 over the sanctioned £100,000 must be faced for this year at any rate.

? Reply inviting reference to para 3 of 4 say that as then stated the S of S has approved the proposals as reported by 33 but reiterate

his desire that the scheme should
 be closed down as soon as it
 is possible to do so. (It seems
 unnecessary to comment on
 the news suggestion that if interests
 were taken into account there would
 be no success).

? and send copy of the correspondence
 to Treasury ^{HPW} reference 5.

H.S. Ponsford
 15/5/33

Mr. Ponsford realised that it would have to go on
 and that to close down the scheme now would be
 impossible. Para 4 of the despatch said the Gov. should
 avoid any further advances (i.e. in excess of
 those contemplated in No 1 for which approval
 was given in para 3). Even that was subject
 to the "if at all possible" condition & apparently
 it won't be possible, but they hope to get in some
 money during the year & actually to reduce the debt
 slightly to £106,408, a reduction of £8,090.

I think we had better telegraph on per draft
 here with, & confirm by despatch.

J.E.W. 26/5/33

16-5-33

Mr. S. Wilson

I agree that the scheme must go
 on. As you know from letters which
 Lord J. Scott passed on to you, there is
 likely to be a demand for still
 further credit facilities, and
 to close down that facilities
 there are would have a very
 bad effect. C.C.B. 17.5.33

St. H. 6
 25.5.33

To Gov. tele. 12th Conf. 6 am - 25/5/33

Received
 Dept. of Agriculture
 & Forestry
 27.5.33
 of 2/11/33 Minute for Government 308
 12 May 33
 DESTROYED UNDER STATUTE
 Authenticated copies of the Agricultural
 Advances (Amendment) Ordinance, 1933, No 5.
 (See in 3078/37)

19
 DESTROYED UNDER STATUTE
 12 May 33
 of 1/9/33 Secretary's Min.
 12 May 33
 Shrove & Library
 Authenticated copies of the Agricultural Advances
 (Amend.) Ordinance, 1933.

No legal advice on 5.

A. Casson
 16/6

G-3

A. Drummond
 16/6

Review of results
 at No 10
 for Dept. of Agriculture
 4-7-33
 10 To Gov. 4/57 (6 am mod) G/S 21 JUN 1933
 10 To Gov. Conf. (6 am mod) 29 JUN 1933
 12 To Treasury (1st 6+11) A/B 29/6/33
 (M)

13 Governor Byng's 161 Conf (Am. Conf) — 24 Nov. 33

Furnishes details of position of Agricultural Advances Scheme & seeks approval by tel. that a resolution may be moved in the leg. council to give authority for a temporary appropriation of £6,000 in addition to £200,000 already appropriated to cover excess advances made during 1933.

This is more of Mr. Rindless's cleverness. The S. of S. has been admirably manoeuvred into a position where he cannot withhold his assent in raising the amount taken from surplus balance for Agricultural Advances to £120,000.

There is no alternative but to telegraph approval. But when we get the 1934 proposals (forwarded in para. 11), it will be time to make a stand.

J.L. Brewster
5/11

Yes. The worst of these schemes is that you can't stop them. If you suddenly close down & try to get your money back you disorganize things in Kenya's whole industry and destroy any chance of recovering all the cash. (If Kenya ever gets back 60% per cent of it I shall be surprised.)

J.E.G. 7 Cont

We have no alternative.
When the tel. is gone, a note on the history of this matter should be prepared in anticipation of the

XI

the reported about 1934 expenditure to think that in what they have been what we did not do for 1933 - require that advances from Government should be conditional on the state of the funds and so have a hand with repayments.

10.5.33
5/2 33

14 To Gen. Tel 255 - 13 and 6. 12. 33

To Henry (L.C. 13 & 14) B/16 12/11/33

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have read the ... note of ...
The ... of the ...
Mr. ...
P.O. 7/52 ...
money ...
in a few other respects.

Yes. But when the despatch is read from Kenya.

Mr. Davis's excellent summary might become

W.P. 1 in the 1934 file.

W.P. 1
30/1/34

See above ...
16. Govt. Notice No. 63 of 1933.
Regd. for record vide minute of 25 Aug 33 on 3042/33.

7
16
/

GOVERNMENT GAZETTE No. 403

THE AGED CUPAL ADVISORS (AMENDMENT) ORDINANCE, 1963

ENACTED

AN ENACTMENT of the Government of Malaya in exercise of the powers conferred upon him by section 2 of the Aged Cupal Advisors (Amendment) Ordinance, 1963, to amend the Government of Malaya (Amendment) Ordinance, 1963, in so far as it relates to the appointment of the Aged Cupal Advisors, and to amend section 2 of the said Ordinance.

In witness whereof His Excellency the Governor has hereunto set his hand and the seal of the Government of Malaya at Kuala Lumpur, this 15th day of August, 1963.

W. M. COOPER
Governor of Malaya

7
16

GOVERNMENT NOTICE NO. 463

THE AGRICULTURAL ADVANCES (AMENDMENT) ORDINANCE, 1933.

APPOINTMENT

IN EXERCISE of the powers conferred upon him by section 2 of the Agricultural Advances (Amendment) Ordinance, 1933, His Excellency the Governor has been pleased to appoint Mr. H. Wolfe to be a member of the Central Agricultural Advances Board established under section 2 of the said Ordinance.

By Command of His Excellency the Governor,
Nairobi, W. M. LOCKY,
1st July, 1933. *for Acting Colonial Secretary*

C. O.

3079/33

14

Mr. Austin 5/12

Mr. Hood 5.12

Kenya

DEC 7 1947

Mr. Tomlinson.

X Sir C. Bottomley 6.12

Sir J. Shuckburgh.

Sir G. Grindle.

Perm. U.S. of S.

Party U.S. of S.

Secretary of State.

Coded

sent 6/12

Annul Don 33047/34

No. 255

Conf. you to dep. 24 Nov.

161 Conf. No objection to proposed resolution. SE CER.

DRAFT. Tel.

Gov. Nairobi

~~15~~

copy to Treasury

copy 13 this LF

AIR MAIL

KENYA

No. 161

CONFIDENTIAL.



9 63
GOVERNMENT HOUSE
NAIROBI
KENYA

RECEIVED
24
O. O. REGY

24 November, 1933.

Sir,

11/11
No 11

With reference to your Confidential despatch of the 29th June last, I have the honour to append the following statement showing the position of the Agricultural Advances Scheme at the 30th June, 1933 :-

	£ S Cts.
Nett balance due to Treasury at 31.12.32.	106,577:1:42.
Advances 1.1.33 - 30.6.33.	8,494:13:92.
Administration 1.1.33 - 30.6.33.	<u>812:1:92.</u>
	£ 115,683:17:26
<u>LESS</u>	£ S Cts.
Repayments 1.1.33 - 30.6.33.	6,071:19:33
Administration Expenses deducted from interest payments..	812:1:92
Write offs.	<u>2,956:18:12</u> 9,840:19:37
Nett balance due to Treasury at 30.6.33.	<u>£ 105,842:17:89</u>

and
14
Boyd & Tracy (15)

2. The excess of interest payments over administration expenses for the half year ending the 30th June amounted to £1,827:11:49, and this sum, subject to audit, will be credited to Colony Revenue.

5. The Chairman of the Central Agricultural Advances Board reported in September that there had been no material change in the prospects since the date of Kenya Confidential despatch No. 57 of the 6th May last, apart from improvements in the sisal position and in local maize prices; but that the crop seasons had been seriously delayed owing to lack of

rain ---

No 6
THE RIGHT HONOURABLE
MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON....S.W.1.

- 2 -

rain, and it appeared improbable that the position at the end of the year 1953 would be better than that at the 30th June.

4. The financial position of the scheme at the 30th September, according to the figures available, is as follows :

	£	S	Cts.
Nett balance due to Treasury at 30.6.53.	105,842	17	89
Advances 1.7.53 - 30.9.53	3,640	7	92
Administration 1.7.53 - 30.9.53	384	6	48
	£ 109,867	12	24
<u>LESS</u>			
Repayments 1.7.53-30.9.53	3,011	3	98
Administration expenses deducted from interest payments.	384	6	48
	5,895	10	41
Nett balance due to Treasury at 30.9.53.	£ 106,472	1	83

5. During this third quarter of the year interest payments exceeded administration expenses by £749: 0:14 (subject to audit), making a total credit to revenue on account of interest for the nine months ending the 30th September of £2,576:11:33.

6. On receipt of the report of the position at the 30th June the Acting Governor caused the attention of the Central Agricultural Advances Board to be called to the fact that the sanctioned provision of £107,000 had been written down by £2,956:18:12, which represents the write offs approved in your confidential telegram No. 64 of the 23rd February; that the sum available for advances therefore became £104,043: 1:88, and that the Board had exceeded this latter sum by £1,799:16:01 at the 30th June.

7. On this position I have received the following advice from the Acting Treasurer :-

(1) In his telegram No. 121 Confidential of the 25th May, the Secretary of State confirmed his approval of advances for 1953 to the amount mentioned in Kenya Confidential Despatch No. 18 of the 4th of February.

That despatch referred to the recommendations contained in the Board's report for 1932 and specifically endorsed the Board's proposals that advances should be continued in respect of 35 cases in 1933. The amount estimated to be required was stated in paragraph 20 of the Board's report to be £21,382 in all.

- (2) The approval so given to advances being made in 1933 was absolute; it was not contingent upon any stated sum being received in 1933 by way of repayment. The Board therefore, had the authority of this Government and of the Secretary of State to continue approved advances in 35 cases in 1933 irrespective of the amount which might be due to the Kenya Treasury at any time.
- (3) As a result of re-examination, recorded in my No. 4408/517 of the 8th of April, 1933, the estimate of 1933 requirements was reduced to £19,810 or £1,572 less than the figure authorized, and a report was made to the Secretary of State in Kenya Despatch No. 57 Confidential of the 6th of May that, on the estimate as to repayments during 1933 then available, the balance outstanding at the end of 1933 would probably be between £106,000 and £107,000 given reasonably good climatic conditions. No suggestion was made that the balance outstanding might not exceed £107,000 at some time between May and the end of the year and the report made in the despatch cited did not in any way affect the authority given to the Board to continue approved advances.
- (4) By motion on the 8th May, 1933, the Legislative Council appropriated a further sum of £7,000 to the purposes of the Board, making the total appropriation £107,000. The amount so appropriated must be regarded as a net figure, that is to say, it related to the balance outstanding at any one time. In my opinion, the approval of Legislative Council to a further appropriation is necessary before any part of the balance outstanding which exceeds £107,000 can be regarded as fully authorized.
- (5) The position as I see it, therefore, is that the operations of the Board are fully covered on the financial side by authority from the Kenya Government and from the Secretary of State, but that there has been a temporary excess of the amount due to the Treasury over the amount appropriated to the Board's purposes by the Legislative Council.
- (6) This excess has been caused solely by repayments of principal falling short of advances during the first half of 1933. The original estimate of repayments anticipated in 1933 from 1932 crops was given in the Board's report for 1933 at a figure of £80,099. This figure was

revised to £25,900 in my No. 4403/317 of the 8th of April, 1932, where total repayments for 1933 were estimated at £28,900. No later estimate of repayments during 1933 is yet available, but you will observe that actual repayments of principal during the first half of the year amounted to £8,072 only. Advances during the same period totalled £8,495.

8. The statement of the position at the 30th September reveals that the excess over the authorised sum of £104,043:1:8 as written down, amounted at that date to £ 2,428:19:95; and that this excess is due not to advances having exceeded the authorised estimate, but to a shortfall in recoveries due primarily to drought, which in some cases has rendered repayment temporarily impossible and in others has delayed repayment for a few months with the result that recoveries estimated to accrue late in 1933 cannot now be expected to be made before early in 1934.

9. It is now estimated that advances plus administration expenses for the whole year 1933 will total £19,383 (as compared with the original approved estimate of £21,582), and that recoveries for the full year will amount to approximately £11,389 (as compared with the original estimate of £50,099 and the later estimate of £25,900). The nett balance due to the Treasury at the 31st December, 1933 is thus estimated to be £109,858 or £5,815 in excess of the present authorised figure of £104,043 (£107,000 less the sum of £2,956 written off).

10. If interest payments are the same in the fourth quarter as in the third quarter of 1933, the credit to Colony Revenue for the year on this account, after deducting administration expenses, will amount to £3,327.

11. The Central Agricultural Advances Board is engaged in a close examination of the present position with a view

to determining the extent to which the number of recipients and the advances likely to be necessary in 1934 can be reduced. On receipt of the Board's report I shall address you separately in this connection. In the meantime, I propose that Resolution should be moved in the Legislative Council at the forthcoming Estimates session on the following lines:

"That this Council gives covering authority under section 6 of the Agricultural Advances Ordinance, 1930 for a temporary appropriation of £6,000, in addition to the sum of £107,000 already appropriated, to cover certain advances made during the year 1933 in excess of the sum of £107,000, on the understanding that the sum of £6,000 will be recovered as quickly as possible; this further appropriation to be a temporary charge on the Surplus Balances of the Colony".

I should be grateful if you would inform me as early as possible by telegraph whether you see any objection to this course.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL.

G O V E R N O R .

12/1/24

C. O.

Mr. Grossmith

26/4/33

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O.S.
R 27 JUL
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Mr. *Freeston*

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Boltonley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

~~S + S~~
See 1/13

29 June 1933

DRAFT.

KENYA

CONFIDENTIAL.

O.A.G.

Sir,

I have etc. to acknowledge the receipt of Sir Joseph Byrne's despatch No. 57 Confidential of the 6th of May, and to confirm my telegram No. 121 Confidential of the 25th of May in which I informed you as follows:-

Lobby & Treasury (12)

"Your Confidential despatch 6th May No. 57. I agree with your views as to agricultural advances scheme. Paragraph 1 of my confidential despatch 20th February not intended to preclude advances for 1933 approval of which to amount mentioned in your confidential despatch of 4th February No. 18 was given in

✓ copy + copy to Treasury
Lobby inf. ref. 5
L.P.

my telegram No. 64 of 23rd
February and in paragraph 5 of
my despatch. Clearly inadvisable
to close down scheme in present
circumstances."

I have, etc.

(Sd) P. CUNLIFFE-LISTER

C
1 25 MAY
CDO 27

15
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Codes + sent

4:45 pm 25/5

ELW

Mr. Flood 16-5
Mr.
Mr.

Mr. Parkinson.

Mr. Tomlinson.

X Sir C. Bottomley. 17.5

Sir J. Shuckburgh.

+ Perms. U.S. of S.

3/16 at once

Fury. U.S. of S.

25.5.33

Secretary of State.

70 121 Confidential

Your conf. deep. 6 May N° 57.

DRAFT 2-7
66

Governor
Nairdi

I agree with your views as to
agricultural advances scheme. Para
4 of my conf. deep. 28 Feb. not
intended to preclude advances for
1933. approval of which to
amount mentioned in your conf
deep. of 4 Feb. N° 18 was given
in my tel. N° 64 of 23 Feb. and
in para 3 of my despatch. Clearly
inadvisable to close down scheme
in present circumstances.

AIR MAIL



GOVERNMENT HOUSE
NAIROBI
KENYA

KENYA

No. 57

CONFIDENTIAL.

1953 6th May, 1953.

Sir,

I have the honour to inform you that your Confidential Despatch of the 28th February last on the subject of the Agricultural Advances Scheme was considered by my Executive Council on the 22nd April. The members of the Council also had before them a precis of two further reports from the Chairman of the Central Agricultural Advances Board, dated the 15th April, copies of which are enclosed herewith, (marked A and B) showing a considerable variation in the figures contained in the Board's annual report for 1952, a copy of which accompanied Kenya Confidential Despatch No. 18 of the 4th February.

No 4

For Amendment (11)

No 1

2. The position disclosed was £3,627 worse than that estimated in the Board's report for 1952, due to a further collapse in maize prices.

3. At the date upon which these further reports were prepared, the long rains were slightly overdue, but there was no reason to suppose that they would be long delayed. So far, however, they have failed, and at the meeting of Executive Council referred to above, the Treasurer, as Chairman of the Central Board, informed the Council that, as a result, the estimated recovery of £4000 in respect of the 1953 coffee crop would not be realised. In the Chairman's report dated the

Ans & P

Copy to Treasury (12)

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

the 5th of April, marked A, the net debit to the Treasury as at the 31st December, 1933, was estimated at £102,408 but because of the damage already caused to the early coffee crop, this figure must now be increased to £106,408. Although some rain has fallen in the last ten days, it has been insufficient for planting purposes and it is feared that the rains may fail completely, in which case neither maize nor wheat can be planted. All estimates prepared up to date may therefore be completely upset, and a serious position arise, the difficulties of which would not be confined to the Agricultural Advances Board.

No 2

4. Some difficulty has been experienced in reconciling the approval reluctantly given in your confidential telegram No. 64 of the 23rd February with the statement contained in paragraph 4 of your despatch under reference that you rely on me to use every effort to avoid, if at all possible, any further advances this year, since the making of further advances this year was an essential part of the recommendations so approved, and, indeed, the only feature of those recommendations that appeared to require your approval.

5. It is desirable that your wishes in this matter should be interpreted in explicit instructions to the Board and I have therefore to enquire whether it is your desire that the Board should be informed that no further advances are to be made and the scheme at once closed down, a course which, on the advice of my Executive Council, I am unable to recommend.

6. As explained in paragraph 8 of the Board's Report for 1932, the crop year does not coincide with the calendar year. If the scheme is to be closed down, it is imperative that the discontinuance of advances should

should be effected at the end of a crop year and not of a calendar year, since a planter who had received advances in 1933 to plant a crop might otherwise be unable, for want of funds, to reap that crop in 1934, and both he and the Government would suffer loss in consequence.

7. It may be noted that the amounts credited to Corn Revenue on account of interest up to the end of 1932 (£3,725) and the sum estimated to be so credited in 1933 (£5,000) are together greater than the anticipated excess, and that, had it been possible to set off these payments against the debit to the Treasury, there would be no question of excess over the £100,000 apart from this new menace of drought. The Board has made, and continues to make, reductions in the advances on every possible occasion, but, if the scheme is continued during 1933 (still being confined to existing participants), the position must be faced that the balance outstanding at the 31st December will probably be between £106,000 and £107,000. If the rains completely fail, the prospects will be much worse and the position will have to be re-examined.

8. It is, I trust, already clear to you that the further advances made in 1932 and proposed for 1933 have for their purpose the safeguarding of advances already made, and that if the scheme is closed down completely in the near future the prospects of recovering a large proportion of the advances made will be lost. These prospects have been kept alive by the continuance of the scheme after its institution in the year 1930, and its complete discontinuance at a time when, but for the present drought, there are indications of a turn in the ebb tide of prosperity, appeared to my Executive Council to be both impolitic and financially unsound.

To

To close down the scheme might have a definite adverse effect on the prospect of recovering eventually the maize subsidies under the Maize Subsidy Repayment Ordinance, 1931.

17/11/32
in case

9. The Auditor has represented that there exists no adequate authority under Section 5 of the Agricultural Advances Ordinance, 1930, for the excess advances over the £100,000 already appropriated. The Treasurer on my authority is therefore proposing the following motion in Legislative Council next week:-

"That this Council gives covering authority under Section 6 of the Agricultural Advances Ordinance 1930 to a temporary appropriation of £7000, over and above the £100,000 previously appropriated, to cover certain advances made during the year 1932 in excess of the £100,000 on the understanding that the £7000 is recovered as quickly as possible. This further appropriation to be a temporary charge against the Surplus Balances of the Colony".

10. The following statement may be of interest in reference to paragraph 7 above:-

From June, 1930 to 30th April, 1933	
the amount of interest accrued on	
advances is	<u>£17,631:16:75</u>
Of this amount there has been repaid	11,509:3:86
Still to recover	<u>6,122:12:89</u>
	<u>£17,631:16:75</u>

Of the £11,509:3:86:-

£5,885:17:47 has been allocated to meet administration expenses from June 1930 to 31st December, 1932.

£3,725:9:70 has been allocated to General Revenue to 31st December, 1932.

£1,897:16:69 has been recovered since January 1st 1933 and is not yet allocated.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER GENERAL.

GOVERNOR.

A.

THE TREASURY.
NAIROBI.

REF: NO. 4408/215.

13th April, 1933.

The Hon'ble,
The Colonial Secretary,
NAIROBI.

AGRICULTURAL ADVANCES.

REF: YOUR NO. AGR. 1/11/33 of 28th
November, 1932.

Authority was given to the Board by His
Excellency on 31st August, 1932, to exceed temporarily
the sanctioned provision of £100,000.

This sanction was limited to a maximum excess of £7000
and to the remainder of the current year (1932) only.

2. The position at 31/12/32 as disclosed by the
Books of the Central Board was as follows :-

Net debit to Treasury.	102,652
Add. Transfer to General Revenue in respect of Interest repayments to 31/10/32.	2,632
Ditto. November & December 1932.	<u>1,095.</u>
	£ 106,377.

To this must be added £112
advanced in January & February
1933 in respect of Commitments
in 1932.

(This figure was estimated at
£2000 in para. 3 of the Board's
Report).

1,121
£ 107,498

3. The Secretary of State has sanctioned
advances during 1933 amounting to £21382 (including cost
of administration) but as the result of re-examination
this figure has been reduced by the Central Board to
£19810.

4. Repayments from 1932 crops were estimated

- 2 -

in the Board's Report at £30,099. This figure has been revised, in keeping with the reduced price of Maize, to £25,900.

In addition to these repayments, the Central Board estimate that some £4000 should be available in 1933 from 1933 coffee crops, harvesting of which should begin in July. At this juncture and until the long rains have broken, it is impossible to make any accurate estimate of the proportion of the total coffee crop which will be marketed before the end of 1933. (The estimate made has been based on the proportion of the 1932 coffee crop which was realised before the end of 1932 and is considered conservative).

5. So far as can be estimated at the present date therefore, the position at the end of 1933 should be as follows :-

Nett debit to Treasury as para. 2. above	£ 107,498.
Advances & Administration in 1933.	<u>19,810.</u>
	£ 127,308.
Repayments from 1932 crops.	£25,900
" " 1933 "	<u>4,000</u>
	£29,900
Less estimate of allocation to General Revenue in respect of Interest.	<u>5,000</u>
	<u>24,900.</u>
Nett debit to Treasury at 31/12/33.	<u>£ 102,408</u>

6. In view of the position outlined above the Central Board desire that Government should give explicit instructions as to how the Board's operations in 1933 will be effected by the limited authority given by His Excellency on 31st August, 1932.

(SD) H.H. RUSHTON.

TREASURER,

CHAIRMAN,

CENTRAL AGRICULTURAL ADVANCES BOARD.

COFY

Ref.No. 4408/317.

THE TREASURY,
NAIROBI.
13th April, 1933.

The Hon'ble
The Colonial Secretary,
Nairobi.

AGRICULTURAL ADVANCES.

REF:YOUR AGR.1/11/33 of 28TH NOVEMBER,1932.

Since the Report of the Central Board submitted to His Excellency on January 15th, the Central Board have been engaged in a close re-examination of each case and the figures quoted in their Report have now been adjusted to meet the present day prices of cereals and the reduction, where possible, of the expenses of Participants.

2. Schedules, supplementary to those in Appendix A of the Board's report, are attached hereto.
3. The result of this revision shows that Advances recommended by the Board for 1932 have been reduced by £1572 to a figure of £19810.
4. Repayments from 1932 crops are now estimated at £25,900, a reduction of £4199.
5. The following cases which were recommended for further assistance have, on further revision, been deleted and transferred to the following classes:-

<u>Class.</u>	<u>Name.</u>	<u>Transferred to Class.</u>
A. II	Hancock	B. 5
A. II	Jones and Southey.	B. 3
A. IV	Dooner.	B. 5
A. IV	Hopwood	B. 3
A. IV	Murphy	B. 3

6. The Central Board desire to point out that during 1932 the price of Maize fell from Shs. 6/50 to Shs. 5/- per bag and it is realised that the present price is unremunerative. The reason why further advances are recommended to certain Maize Farmers is that, on the best information available, there is reason to anticipate a recovery in price for the 1933 crop.

H. H. Rushton.
TREASURER.
CHAIRMAN,
CENTRAL AGRICULTURAL ADVANCES BOARD.

Name.	Repayment in 1933 from <u>1932 crops.</u>		Increase.	Decrease.	Requirements in 1933.		Increase.	Decrease.	Remarks.
	Estimate in Board's Report.	Revised estimate on present prices.			As estimated in Board's Report.	Revised estimate.			
									1932 crop unsold.
				C L A S S. A. I.					
Bowker.	400	240	-	160	£100	-	-	-	1600 bags maize.
Byron.	660	460	-	200	354	564	-	-	2000 bags maize. 4 tons coffee
Guy and Finch.	700	375	-	325	274	426	152	-	2500 bags maize.
Megson.	500	300	-	200	327	327	-	-	2000 bags maize.
Rolt.	880	795	-	85	461	564	103	-	18 tons Coffee. 500 bags Maize Further report called for.
Brochner.	1110	1110	-	-	1400	1400	-	-	Initial sales of Coffee realised £109 per ton average
				C L A S S. A. II.					
Arnold & Collins.	1150	700	-	450	760	1175	415	-	10 tons Coffee. 2000 bags maize 1933 crop estimated 40 tons of which a proportion should be available in 1933.
Newton.	725	725	-	-	600	600	-	-	Crop position uncertain. Further report has been called for, but proceeds should come up to estimate.
Bird.	510	330	-	180	500	395	-	105	1800 bags maize. 1 1/2 tons Coffee.
Englebrect.	135	nil	-	125	274	389	115	-	Only enough maize to cover Posho requirements.
Nash.	570	345	-	225	387	387	-	-	1500 bags maize. 3 tons Coffee
West.	500	300	-	200	470	370	-	100	2000 bags maize.
Williams & Robinson.	285	265	-	20	241	128	-	113	4 tons Goffee. 700 bags maize.
Goldsworthy.	500	500	-	-	297	297	-	-	
				C L A S S. A. III.					
Owles.	300	500	-	-	497	497	-	-	Coffee.
Frank.	240	120	-	120	480	480	-	-	Coffee.
Boedeker.	360	360	-	-	793	476	-	317	Coffee.
Duncan.	650	1015	365	-	395	395	-	-	25 tons Coffee. 100 bags maize.
Morton.	100	100	-	-	522	522	-	222	Coffee.
Hallowes.	698	698	-	-	872	672	-	200	Coffee.

Name.	Repayments in 1933 from 1932 crops.		Decrease.		Requirements in 1933.		Increase. Decrease.		Remarks.
	Estimate in Board's Report.	Revised estimate on present prices.			As estimated in Board's Report.	Revised estimate.			
			C L A S A . A. IV.						
Boyce.	750	450	-	300	750	633		117	Further report called for on Tobacco proposition.
Newton.	830	340	-	490	1200	1855 (For further review)	655	-	Further report called for.
Dempster.	500	300	-	200	657	401		256	2000 bags maize.
Risley.	428	300	-	228	1386	1386	-	-	Coffee.
Rendall.	150	206	56	-	488	488	-	-	1000 bags maize. Pension £56.
Beasley.	400	400	-	-	1654	1764	110	-	Special advances sanctioned for spraying.
Knapman.	700	675	-	25	1000	1000	-	-	3000 bags maize. 300 bags wheat.
Fenwick.	700	700	-	-	1058	1108	50	-	Payment of Govt. Rent (50) sanctioned.

25
H

Mr. Priestman. 27/2

Air mail of 28th February.

Mr. ~~Crosby~~

Mr. ~~...~~ 29/2/33

Mr. ~~Partridge~~

Mr. Tomlinson.

DOWNING STREET,

28 February, 1933.

X Sir C. Bottomley. 28/2

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Handwritten: Award 6/5

Sir,

I have, etc., to refer to my

(1) telegram, No. 64 Confidential of the 23rd February, sanctioning a further temporary extension of the Agricultural

DRAFT.

KENYA

CONFIDENTIAL

Gsv.

Advances Scheme, as recommended in the fourth para. of your despatch, Confidential No 18 of the 23rd Feb.

Handwritten: (1) Copy to Treasury

2. I regret to have to state that ~~the~~ view with ~~great~~ concern the

position of the Agricultural Advances Scheme, which was ~~never~~ ^{originally} intended to be

other than a ~~temporary~~ ^{measure} measure

applicable to the year 1930.

3. I recognise however the force of ~~the~~ ^{which led} circumstances leading up to

the present proposals, and I have therefore accepted with ~~reluctance~~

the recommendations contained in your despatch.

Handwritten: Copy 1, 2/2 this to [unclear]

4. I rely on you to use every effort to prevent any further extension of the scheme, and to avoid, if at all possible, any further advances this year, or any carrying over into 1934 of the recoveries due in the current year, so that surplus funds may be restored as soon as possible by what can be recovered of the £100,000.

5. I observe that it is stated in paragraph 7 of the report of the Central Agricultural Advances Board, enclosed with your despatch under acknowledgment, that my authority, restricted to the year 1932, was given for the limit of £100,000 to be temporarily exceeded. I would, however, invite your attention to paragraph 4 of my confidential despatch of the 12thth October, 1932, from which

it

(11 in 18027/32)

C. O.

- Mr.
- Mr.
- Mr.
- Mr. Parbinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shackelagh.
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

DRAFT.

for the proposals
then before me

it will be seen that I did not give any authority to exceed the limit of £100,000 in 1932. On the contrary I stated that I would withhold my ~~approval~~ ^{approval} etc., if it was clear that the amount outstanding was not in excess of that limit.

(Sgd.) P. CUNLIFFE-LISTER.

C. O.

3079/53 Kenya

27
2
R 24 EB
D 24

Mr. Hood 18-2

Mr. Sir J. Campbell

Mr. Parkinson

Mr. Tomlinson

X Sir C. Doolanley 20-2.

Sir J. Shuckburgh

* Perms. U.S. of S. 22.2-53

Parly. U.S. of S.

X Secretary of State.

DRAFT.

PM (1)

28/2

Gov. Nairobi

Revise. to Dept.

Copy to Treasury (5)

Coded Letter

P.O. PM

23/2/53

ab

7064. Conf

Your conf. disp. No 18 of 4 February

while I am very reluctant to sanction further extension of agricultural advances scheme yet in view of reasons set out in despatch and report I cannot refuse to accord sanction to proposals in para 29 of report as recommended by you. I also agree to write off losses as you recommend. Despatch follows.

AIR MAIL

KENYA

No. 18



28
1
GOVERNMENT HOUSE
NAIROBI
KENYA

CONFIDENTIAL.

February, 1933.

Sir,

No. 12

With reference to paragraph 9 of my confidential despatch No. 142 of the 26th November, 1932 on the subject of the continuation in 1933 of the Agricultural Advances Scheme, I have the honour to transmit copies of a report I have now received from the Central Agricultural Advances Board.

2. The Report reviews the working of the Scheme during 1932 and contains recommendations for its continuation in respect of 33 cases in 1933, based upon very careful consideration by the Local Boards and a further review and reclassification by the Central Board. The Schedules enclosed with the Report contain notes on the various cases which are designed to give an appreciation of the factors which have led to the individual recommendations.

3. For the year 1932 it will be observed that, although recoveries fell seriously short of the Estimates, the general position of the Scheme was not unsatisfactory. The sum of £37,000 approximately was advanced. The sum of £27,187 has been recovered, and the proceeds of the 1932 crop recoverable in 1933 are expected to realize £30,099. Owing to the difficulties, which I feel sure you fully appreciate, attached

to.....

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

Ans'd tel (No. 7) for unword (4)

Copy to Treasury 5

to estimating the value of a crop which is not planted at the time of estimation and which is subjected to the vicissitudes of seasonal conditions, locust depredations and market collapse, the Central Board has made no estimate of probable recoveries from the 1933 crop, but there is every reason to expect that in anything like normal circumstances recoveries will be made both to cover the advances in 1933 and to improve the position of Government and of the borrowers.

4. This Report has been considered in Executive Council which unanimously advised acceptance of the Board's recommendations. With this advice I fully concur and trust that it will command your approval also. There are two cases where special advances for spraying and manuring are embraced in the Board's recommendations and, as it is essential that this work, if it is to serve its purpose, should for climatic reasons be undertaken at once, I have authorized advances for this purpose up to the sum of £500. It is also most desirable that January advances should be paid out at once. I should be grateful, therefore, if you would telegraph whether you approve advances being made for January and February pending the communication of your final decision on the complete recommendations.

5. I should also be grateful for authority to write off the ascertained losses of £2,868. 16. 35 principal and £25. 15. 35 referred to in paragraph 18 of the Report. The sum of £100,000 would be written
down

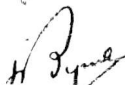
- 3 -

down by this sum, and it is not suggested that the sums written off should become available for further advances.

I have the honour to be,

Sir,

Your most obedient, humble servant,



BRIGADIER GENERAL.
GOVERNOR.

... AD ...

... 1931 ...

... 1931 ...

... 1931 ...

1. Recoveries in 1932

From figures supplied in December, 1931, ... recoveries would amount to £18,405 (£11,700 in respect of 1931 crops and £6,705 in respect of 1932 crops).

The following table shows the results of the tests conducted on the material under consideration during the period from January 1, 1942, to December 31, 1942.

The material was tested for its resistance to impact, and the results are shown in the following table:

Date	Impact Energy (ft.-lb.)	Result
Jan 1, 1942	100	Passed
Jan 15, 1942	100	Passed
Feb 1, 1942	100	Passed
Feb 15, 1942	100	Passed
Mar 1, 1942	100	Passed
Mar 15, 1942	100	Passed
Apr 1, 1942	100	Passed
Apr 15, 1942	100	Passed
May 1, 1942	100	Passed
May 15, 1942	100	Passed
Jun 1, 1942	100	Passed
Jun 15, 1942	100	Passed
Jul 1, 1942	100	Passed
Jul 15, 1942	100	Passed
Aug 1, 1942	100	Passed
Aug 15, 1942	100	Passed
Sep 1, 1942	100	Passed
Sep 15, 1942	100	Passed
Oct 1, 1942	100	Passed
Oct 15, 1942	100	Passed
Nov 1, 1942	100	Passed
Nov 15, 1942	100	Passed
Dec 1, 1942	100	Passed
Dec 15, 1942	100	Passed

The material was also tested for its resistance to corrosion, and the results are shown in the following table:

Date	Corrosion (mg./sq. cm.)	Result
Jan 1, 1942	0.1	Passed
Jan 15, 1942	0.1	Passed
Feb 1, 1942	0.1	Passed
Feb 15, 1942	0.1	Passed
Mar 1, 1942	0.1	Passed
Mar 15, 1942	0.1	Passed
Apr 1, 1942	0.1	Passed
Apr 15, 1942	0.1	Passed
May 1, 1942	0.1	Passed
May 15, 1942	0.1	Passed
Jun 1, 1942	0.1	Passed
Jun 15, 1942	0.1	Passed
Jul 1, 1942	0.1	Passed
Jul 15, 1942	0.1	Passed
Aug 1, 1942	0.1	Passed
Aug 15, 1942	0.1	Passed
Sep 1, 1942	0.1	Passed
Sep 15, 1942	0.1	Passed
Oct 1, 1942	0.1	Passed
Oct 15, 1942	0.1	Passed
Nov 1, 1942	0.1	Passed
Nov 15, 1942	0.1	Passed
Dec 1, 1942	0.1	Passed
Dec 15, 1942	0.1	Passed

The material was also tested for its resistance to fatigue, and the results are shown in the following table:

Date	Cycles to Failure	Result
Jan 1, 1942	100,000	Passed
Jan 15, 1942	100,000	Passed
Feb 1, 1942	100,000	Passed
Feb 15, 1942	100,000	Passed
Mar 1, 1942	100,000	Passed
Mar 15, 1942	100,000	Passed
Apr 1, 1942	100,000	Passed
Apr 15, 1942	100,000	Passed
May 1, 1942	100,000	Passed
May 15, 1942	100,000	Passed
Jun 1, 1942	100,000	Passed
Jun 15, 1942	100,000	Passed
Jul 1, 1942	100,000	Passed
Jul 15, 1942	100,000	Passed
Aug 1, 1942	100,000	Passed
Aug 15, 1942	100,000	Passed
Sep 1, 1942	100,000	Passed
Sep 15, 1942	100,000	Passed
Oct 1, 1942	100,000	Passed
Oct 15, 1942	100,000	Passed
Nov 1, 1942	100,000	Passed
Nov 15, 1942	100,000	Passed
Dec 1, 1942	100,000	Passed
Dec 15, 1942	100,000	Passed

THE TREASURER,

NAIROBI.

25th January, 1933.

REPORT OF THE CENTRAL AGRICULTURAL ADVANCE BOARD FOR THE YEAR
ENDING 31st. 1932. TO HIS EXCELLENCE, THE GOVERNOR.

Your Excellency,

I have now the honour to submit, on behalf of the Central Board, the following Report for the year ending December 31st. 1932, together with the views of the Board in regard to the desirability of continuing the scheme in 1933.

2. At the end of 1931, the net amount due to the Treasury in respect of Advances and Administration, after deducting Recoveries was approximately £95,055.

3. Advances in 1932.

In January 1932 the Central Board recommended that during the year further advances should be made to the extent of £12,708 and administration expenses authorized to the extent of £2,250, a total of £14,958.

Advances actually made from 1st. January to 31st. December 1932 are approximately £33,405, Administration expenses during the same period amount to £1,843, a total of £35,250. These figures show a saving of £2,702 on estimate, but there will be certain advances payable in January 1933, in respect of December commitments which may amount to £2,000, but will not exceed this figure, There are also certain commitments in respect of Interest on Mortgages which are dealt with later in this Report.

4. Repayments in 1932.

From figures supplied in December, 1931, by participants through the Local Boards, it was estimated that during 1932 recoveries would amount to £49,605 (£31,708 in respect of sales of 1931 crops and £17,897 in respect of 1932 crops).

Recoveries, actually made up to 31st. December, 1932 amount to £27,187 (£20,900 in respect of Principal, and £6,287 in respect of Interest) a shortfall of £22,410.

This admittedly serious shortfall in recoveries is attributed by Local Boards to the following reasons :

- (a). Lack of knowledge by farmers of the effects of Locust damage to growing maize crops. The extent of damage could not, in fact, be ascertained till the maize had been shelled (some considerable time after reaping).
- (b). Over estimate of crop, particularly maize, which on information supplied by the Kenya Farmers' Association appears to have been general throughout the Colony.
- (c). Wastage owing to crops having to be stored for long periods.
- (d). Certain items of expenditure e.g. Gunny bags, oil etc. have been deducted from the proceeds of crops. This has affected the estimated repayments from crop sales but is reflected in a corresponding saving in advances, referred to in para. 5. of this Report.
- (e). In certain districts the prolonged period of cold dull weather, together with the late arrival of the short rains have delayed the ripening of coffee crops, and in some cases this has resulted in a loss of bulk. The following are extracts from reports on three Estates :

"Weather conditions have been altogether against the speedy ripening of coffee, and it may be that the blackening of the cherry is nature's method of getting rid of the crop... to give the flowering now in evidence a chance to set."
(Sotik District).

"Cold, wet and sunless weather have retarded ripening and given Coffee Berry Disease, and Brown Blight a chance to get ahead."
(Sotik District).

"The Coffee on the trees simply will not ripen. Rain is very badly wanted, and the Coffee trees are feeling it, especially those with a heavy crop."
(Thika District).

5. The position at 31st. December 1932 (subject to Audit) is as follows :-

Nett balance due to Treasury as at 31/12/31.	£95,033.
Advances from 1st. January to 31st. December 1932.	£33,403.
<u>Less Recoveries of Principal</u>	<u>20,900</u> 12,435
Interest repaid.	£6,219
<u>Less Administration expenses for same period.</u>	<u>1,833</u> 4,366.
	<u>£103,102.</u>

6. The instructions of the Secretary of State (vide letter from Colonial Secretary Agr.1/11/33 dated 28th. November, 1932) are that :

"The amount by which interest paid on advances exceed expenses of administration since the inception of the Scheme should be credited to general revenue and may not be used for further advances."

In accordance with these instructions the Treasury have transferred to General Revenue an amount of £2,832 from monies repaid by the Central Board, representing the excess of interest over administration expenses, from June 1930 to October 31st., 1932. A corresponding transfer, estimated at £1,050, will be made in respect of the months of November and December, making a total credit to General Revenue from June 1930 to December 31st., 1932 of £3,882. The net debit to the treasury will be therefore increased by this amount.

It was confidently expected even as late as 9th. November last, that apart from the question of interest, there would on December 31st. be no excess on the £100,000. The reason for the excess, apart from interest, may be attributed to delay in shipment and marketing of coffee crops which, it was anticipated, would have been available before the end of the year.

7. If no modification can be made of the Secretary of State's limitation to the year 1932 of the authority given to the Central Board to exceed temporarily the sanctioned provision of £100,000, it is manifest that the operations of the Board must cease except in so far as efforts are made to recover outstanding advances and interest.

In this event the Central Board can hope to recover little during the next year, beyond the 1932 crops which will involve some expense in marketing and harvesting.

8. The Central Board desire again to emphasise that the end of the calendar year does not correspond with any definite

crops. In many cases a proportion, or the whole, or the proceeds of coffee sales has been devoted to a reduction or extinction of such commitments, and the record of indebtedness to the Central Board, in such cases, properly reflect the progress made by farmers towards a recovery of financial stability.

10. Locusts.

In para. 6. of the Report of the Central Board dated 15th. January 1932, it was emphasised that future prospects were dependent chiefly on two factors - a recovery in the prices of produce, and the extent of the depredations of Locusts. While prices for Coffee have remained fairly satisfactory local conditions indicate that Maize and cereal crops will realise a price which will hardly and perhaps not even cover the cost of production and the total yield has been seriously affected by Locust damage to growing crops. Both factors are beyond any control the Board can exercise but are undoubtedly largely responsible for the disappointing results of the Board's operations in 1932.

11. Interest on Mortgages.

In the early part of 1932 the Central Board entered into an arrangement with some mortgagees under which Interest due by participants should be deferred until crops had been reaped and marketed, and the advances made by the Board during 1932 should form a first charge against crop proceeds. In the majority of cases Mortgagees agreed to accept a lower rate of interest.

The liability of the Board in respect of these interest payments cannot be known, however, until the results of 1932 operations is ascertained, but payment will only be made after satisfaction of advances made to the farmer concerned for 1932. It is estimated that out of a total of £5,619 due on Mortgages some £1,904 will fall to be paid under the arrangement with Mortgagees.

attitude of Mortgagees. In the majority of cases Mortgagees are prepared to waive or to postpone payment of interest under the same is on a sliding basis. The Board, however, would emphasize that, if the recommendations made in the last paragraph of this Report are confirmed, no advances will be sanctioned until satisfactory arrangements are made which will secure the Mortgagee against foreclosure, and the Board from loss on this account.

12. Maintaining etc.

The Board have recognised that expenditure on repairs and on protection against Mosquito Bug and other pests is essential if production on Coffee Estate is to be maintained on a profitable basis. Such expenditure has been sanctioned after inspections and reports by Officers of the Agricultural Department and in many cases the beneficial results are already apparent. The only prospect of recovering such advances is to maintain the Estate until the increasing crops which are anticipated will enable the farmer to repay.

Some cases have so far improved as to enable them to put up a reasonable business proposition to a Merchant House for future finance which will be agreed to on terms acceptable to this Board. Such arrangements will relieve the Board from any future liability, in respect of advances and any surplus, after meeting the expense of maintenance will be paid to the Board on reduction of advances.

13. To facilitate an appreciation of the present position and prospects, all cases have been closely scrutinised during the last month in consultation with Local Boards, and have been classified under the following headings :

Participants who will require further assistance :

Class. A. I. Farmers who may be expected to repay advances in full within two or three years, if assistance is continued.

Class. A. II. Farmers who will require assistance for a longer

period than Class I.: who are maintaining their position notwithstanding locusts and other circumstances outside their control; and who may be expected to make good eventually.

- Class.A.III. Cases where new areas coming into bearing or extended areas under crops show that advances have been justified, and are likely to be repaid if further assistance is afforded.
- Class.A.IV. Successful cases where results have been disappointing which, however, show prospect of repayment in time, but where the farmer will certainly go under if not assisted further. The Board have given special consideration to the character of the farmer and the quality of the farm before recommending this class for further support.
- Class.A.V. Cases governed by special considerations, where the commitment of the Board is large and where recovery depends on production being maintained.
- Recommended
Class. B.1. Cases where further assistance is not required or where repayment will be made in full during 1933 without further advances.
- Class. B.2. Cases where arrangements have been, or will be made with Merchant houses to finance future operations on terms satisfactory to the Board.
- Class.B. 3. Cases where no further advances are required or recommended but in which time should be given for repayment, with a reasonable hope of eventual recovery.
- Class. B.4. Cases where results have been disappointing and where no further advances would be justified but where time should be given for the farmer to make other arrangements, if he can, in the bare hope that the Board may recover more than if they took immediate action.
- Class.B.5. Definitely bad cases where the Board recommend realisation when a favourable opportunity offers.

14. Details of the above classifications are annexed here-to (Appendix A.) but the following summary is given for easy

reference :-

Number of Cases	Class	Due to Board 31.12.32	Further repayments from 1932 crops in 1933	Estimated requirements for 1933
A. 6	I	£8,399	£4,250	£2,916
10	II	11,396	5,050	£4,151
6	III	8,216	2,346	£3,365
9	IV	18,765	3,708	£7,512
2	V	9,206	1,400	£2,058
35		£55,780	£16,754	£19,982

Number of Cases	Class	Due to Board 31.12.32	Further repayments from 1932 crops in 1933	Estimated requirements for 1933
5.7		23,858	25,650	-
10		17,137	6,661	-
16	3	11,095	391	-
10	4	16,793	2,336	-
4	5	1,751	-	-
27		53,294	35,345	

15. 19 participants have repaid advances and interest in full, and 7 others will repay in 1933.

Classes A.I, II and III, comprising 23 cases, may be expected to repay in full provided further assistance is forthcoming. Classes A.IV and V will require assistance over a longer period but eventual repayment is probable.

16. It is difficult to estimate the full extent of the losses in Classes B. 3, 4, and 5, which are likely to be incurred. In some cases the Board hold a first charge on the property, but land is not readily saleable at favourable prices at present. In cases where the Board's security is limited to a second charge and to a Chattels Mortgage it is impossible to assess the value of these securities on realisation. The situation of the farm, the state of the market when realisation takes place and other considerations must affect the result.

Also, an improvement in prices might enable some farmers to recover, whose cases, at present, appear hopeless.

17. The conditions under which the Board have operated and continue to operate have been and are so uncertain and difficult that no approximately accurate forecast of the eventual loss can be made. The position will depend almost entirely upon conditions in the world's markets but it is not anticipated that the losses which may ultimately be incurred will outweigh the benefits which the Scheme was designed to confer and which, in the opinion of the Board, have been conferred.

18. The actual ascertained losses up to December 31st. 1932 are as follows :-

Name.	Debit balance as at 31st. December, 1932		Still to be recovered.	Loss.	
	Principal.	Interest.		Principal.	Interest.
Fronside.	2944.12.84.	nil	275	2669.12.84.	-
Tonnet.	14.19.23.	-	-	14.19.23.	-
Jambo, Ltd.	1625.00.00.	134.00.60.	350.	1439.00.60.	-
S. Miller.	384. 6.13.	-	-	384. 6.13.	-
Bairbairns	180.17.55.	25.15.35.	-	180.17.55.	25.15.35.
				2268.16.35.	25.15.35.

These Losses are referred to in detail in Appendix "B" to this Report.

19. The Central Board see no alternative but to recommend a partial continuation of the Scheme. They would again emphasise that, since the Board started its operations, the Colony has suffered very severely from the collapse of markets, and the ravages of Locusts, neither of which could have been foreseen when advances were first sanctioned.

The withdrawal of support to Farmers who, by the aid of the Advances Scheme, have been enabled so far to weather this storm, would inevitably result in heavy loss to Government. The long continued depression and the loss of crops from the Locust invasion have resulted in many farmers being more heavily indebted to the Board than was first contemplated and in a longer period being necessary to effect rehabilitation.

The Central Board are of the opinion, however, that these cases which are now recommended for further assistance, show a reasonable hope of eventual recovery.

20. Recommendations.

The Central Board therefore recommend :-

- (a) That further assistance during 1933 be sanctioned to the 33 cases in Classes

- 10 -

Classes. A.I. to A.5.

This sanction will involve further advances amounting to : £19,982.

(3) That administration expenses in 1933 be sanctioned to the extent of : 1,400.

£21,382.

If the above recommendations are approved the position may be summarised as follows :-

1.	Further advances in 1933.	£19,982.
2.	Administration expenses.	1,400.
3.	Repayments in 1933 from 1932 crops.	<u>£30,099.</u>
		<u>£21,382. £30,099.</u>

No estimate has been made of Repayments in 1933, from a proportion of 1933 crops.

Sgd. H.H. RUSHFORD.

Chairman,

CENTRAL AGRICULTURAL ADVANCES BOARD.

CLASS. B. 5.

Definitely bad cases where the Board recommend realisation
when a favourable opportunity offers.

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Payments 1932.	Due to Board 31/12/31 including interest.	Remarks.
Humphrey Moore.	Maize.	5834	nil	2725	18	2910.	Owner has left Kenya. Farm recently valued at £5000. Board hold Title Deeds and are endeavouring to dispose of the property. A sale should cover advances and interest, or nearly so.
Tryon.	Maize.	2153	-	922	-	942	No development being done. Farm mortgaged. Probable loss.
Swanson.	Coffee.	500	70	205	-	217	Farm almost derelict. An unsatisfactory case, and an inefficient farmer.
Whitehead.	Poultry	20	-	627	-	682.	Position doubtful but may repay in small instalments. Board hold the Title Deeds of this small property.
				£4477.	£16.	£4751.	

CLASS. A.I.

Farmers who may be expected to repay advances in full within two or three years if assistance continued

££

Name.	Type of farm.	Total Area under crops		Due to Board 31/12/51 including interest.	Advances made 1/1/52 to 31/12/52.	Repay-ments in 1952.	Due to Board 31/12/52 including interest.	Further repay-ments in 1955 from 1952 crop.	Estimated require-ments in 1955.	Remarks.	
Bowker	Maize	1000	200	319	105	29	424	400	100	The farm operations are financed by the sale of Fruit & Vegetables and supplemented to a small extent by the Board. Position satisfactory in spite of complete loss of 1951 crop.	
Byron.	Maize Coffee.	1510	25	150	195	238	120	370	660	254	Will require support at least until 1952 crop has been sold.
Guy & Finch	Maize	1855	-	400	744	544	655	704	700	274	" " " "
Megson.	Maize	400	200	616	424	638	503	500	500	327	A good farm giving a high average yield per acre.
Rolt	Maize Coffee	2200	30	150	295	562	452	453	880	481.	Will require support at least until 1952 crop has been sold.
Breakner.	Coffee.	562	320	-	4981	2890	2395	5945	1110	1400	1952 crop - 75 tons. Cost of 1953 operations will be shared between the Board and Lessees. Arbutnot Latham & Co. Crop proceeds will also be shared. 1953 crop 100-120 tons. This Estate produces a very high quality of coffee.
				£7150.	£4765.	£4267.	£8599.	£4250.	£2916.		

CLASS. #.II.

Farmers who will require assistance for a longer period than Class I; who are maintaining their position notwithstanding Locusts and other circumstances outside their control; and who may be expected to make good eventually.

Name.	Type of farm.	Total area.	Area under crops		Due to Board 31/12/31 including interest	Advances made 1/1/32 to 31/12/32.	Repayments in 1932.	Due to Board 31/12/32 including interest.	Further rebt-ments in 1933 from 1932 crop.	Estimated require-ments in 1933.	Remarks.
Arnold & Collins.	Maize Coffee	2270	150	150	2585	925	620	3117	1150	760	
Newton. B.M.	Wheat Maize.	1267	-	330	1553	475	285	1908	725	800	
Bird.	Maize Coffee.	804	16	320	997	557	510	1120	510	500	
Englebrect	Maize	1627	-	540	475	474	576	424	125	274.	
Hancock.	Maize Coffee.	860	50	260	516	455	29	1033	445	323.	
Jones & Southey	Maize Coffee	815	20	200	272	294	285	307	240	279	Young coffee only fly picking in 1932.
Nash	Maize Coffee.	789	35	200	459	596	81	806	570	387.	Locust damage to 1931 crop estimated at £550.
West.	Maize Coffee.	2853	25	450	893	500	307	1122	500	470	Farm under new and efficient management.
Williams & Robinson	Maize Coffee.	1443	20	350	5157	101	255	401	285	241.	Position improving. Farm managed in economical manner.
Goldsworthy	Coffee	272	73	-	694	395	-	1158	500	297	1932 crop 10 tons. 1930/1 crop extinguished Lien. Crop now free for liquidation of advances.
					£8942	£4552	£2947	£11396.	£5050.	£4151.	

CLASS. A.III.

Cases where new areas coming into bearing, or extended areas under crops show that advances have been justified, and are likely to be repaid if further assistance is afforded.

Name.	Type of farm.	Total area	Area under crops		Due to Board 5/12/31 including interest.	Advances made 1/1/32 to 5/12/32.	Repayments in 1932.	Due to Board 5/12/32 including interest.	Further repayments in 1933 from 1932 crop.	Estimated requirements in 1933.	Remarks.
Owles.	Maize Coffee.	1915	65	30	376	310		1275	300	497	Over 40 acres fully bearing. Farm is reported to be well and economically run. 1 1/2 crops until 1932. Loan for area for protection of advance.
Frank.	Coffee.	2077	80	-	1583	902	573	2041	240	480	Some new areas now coming into bearing. Farm being supervised by Major Dunbar. Reports indicate increasing production.
Bosdeker.	Coffee.	263	100	-	710	685	100	1409	360	795	1st crop badly affected by Mealy Bug. The Board advanced money for protection against this pest and for manuring, which operations are being conducted under the advice of the Agricultural Department. Latest reports indicate that the Estate is recovering. The participant is a young hardworking farmer.
Duncan & Partners.	Maize Coffee.	1458	100	100	561	351	302	595	650	395	New areas of young coffee coming into bearing, and productions increasing year by year.
Morton.	Maize Coffee.	323	85	20	692	339	121	1007	100	328	All young coffee, 1st crop 4 tons in 1932. 8 tons estimated for 1933.
Hallowes. P.C.	Maize Coffee.	1053	55	230	1354	705	288	1689	696	872	Coffee now coming into full bearing.
					<u>£5759</u>	<u>£3270.</u>	<u>£1444</u>	<u>£8016</u>	<u>£2346</u>	<u>£3365</u>	

Doubtful cases where results have been disappointing which, however, show prospect of repayment in time, but where the farmer will certainly go under if not assisted further.

The Board have given special consideration to the character of the Farmer & the quality of the Farm before recommending this Class for further support.

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repayments in 1932.	Due to Board 31/12/32 including interest.	Other payments in 1932 from 1932.	Estimated requirements in 1933.	Remarks.
Boyce.	Maize Coffee.	796	9 350	1898	598	10	2654	750	750	Has recently taken up Tobacco which is now being sold on the local market.
Newton J.W.	Maize Coffee.	1004	85 250	2588	1156	658	3102	630	1200	Mr. Newton is a highly respected member of the community, bears a good character, and is a hard working farmer, who is making every endeavour to meet his obligations. Locusts have caused considerable loss but the Board consider that in their support will be justified.
Dempster.	Maize.	686	- 370	541	745	540	801	500	341	
Risley.	Coffee.	1107	200 -	2882	1554	1502	2496	428	1588	1932 crop 18 tons. Not yet a paying proposition, but in view of the fact that Col. Risley will inherit a very large sum of money and that he holds a good reputation, the Board consider that advances made will be repaid.
Doonee.	Coffee.	1912	83 -	1328	598	83	1963	400	350.	A small portion of the Farm, of which there is a prospect, would relieve the position. Farm is run on economical lines and Tung Oil promises to be successful. Coffee area coming into full bearing.
Hopwood	Maize Coffee.	1280	50 190	1035	359	244	1234	250	433.	Farm favourably situated for sale of produce in the Reserve. Worthy farmer who has suffered severely from Locusts.
Murphy.	Maize Wheat.	400	- 250	550	116	0	499	-	224.	A hard working Dutch Farmer. Crops 1931 & 1932 entirely destroyed by Locusts.

CLASS. A. IV. (CONTINUED.)

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repay-ments in 1932.	Due to Board 31/12/32 including interest.	Further repay-ments in 1933 from 1932 crop.	Estimated require-ments in 1933.	Remarks.
Rendall.	Maize.	1037	- 500	644	620	65	1273	150	488	Reported by the Local Board as a capable and hardworking farmer whose position is due entirely to locust damage both 1931 & 1932 crops having been entirely destroyed.
Beesley.	Coffee.	640	300	3738	1492	1170	4741	400	1554.	1931 crop realised over 22,000 and extinguished lien. 1932 crop failed owing to leaf drop and special treatment is under consideration. In view of results in the past, the Board consider that the estate should be given a chance to recover, as only in this way can advances be repaid and all crops are now free for the redemption of the liability to the Board.
				214185	27286	24278	218763	23708	27512.	

CLASS. . V.

Cases governed by special considerations, where the commitment to the Board is large, and where recovery depends on production being maintained.

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repayments in 1932.	Due to Board 31/12/32 including interest.	Further repay-ments in 1933 from 1932 crop.	Estimated require-ments in 1933.	Remarks.
Knapman.	Wheat Maize.	530	- 700	4914	1004	-	6342	700	1000	A very capable farmer whose case was referred to in the Board's Report dated 15th. January, 1932. 1931 crops were entirely destroyed by locusts and more than half of the 1932 crop by the same cause. The farm is favourably situated and has, in the past, given yields well above the average. The main crop is wheat which is a more stable and higher priced crop than maize, and for which the farm is eminently suited.

CL SS. A. V. (CONTINUED).

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repay-ments in 1932.	Due to Board 31/12/32 including interest.	Further repay-ments in 1933 from 1932 crop.	Estimated require-ments in 1933.	Remarks	
Knapman. Continued.										Continued. One good crop would materially reduce the indebtedness to the Board and two normal crops would go far to extinguish the liability. The Board anticipate that £700 will be paid from the sale of 1932 crop, and recommend an advance of £1000 to enable a crop to be grown.	
Fenwick.	Coffee	234	189	14	2249	948	531	2864	700	1058	Advances were discontinued in 1931 owing to unsatisfactory reports of the manner in which they were being expended. On representations from Mrs. Fenwick's lawyers, limited advances were made in 1932 in order to reap the crop. The result has been a reduction in the total liability of some £300, the farm is being managed under expert supervision and the Board are confident that support in 1933 will result in a further reduction of the liability by £400.
					£7183.	£1947.	£551	£9206.	£1400	£2058.	

CLASS. B. I.

Cases where repayment will be made in full during 1935 without further advances.

Name.	Type of farm.	Total area.	Area under crops.		Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repayments in 1932.	Due to Board 31/12/32 including interest.	Further repayments in 1933 from 1932 crop.	Estimated requirements in 1933.	Remarks.
Webber.	Coffee. Maize,	1036	180	80	1628	221	604	1548	1648	-	Full amount of indebtedness will be repaid by Messrs. Dalgety & Co.
Kidman.	Coffee.	145	102	-	610	399	780	251	251	-	Will repay in full when 1932 crop is marketed.
Poster.	Maize Coffee.	312	70	85	603	600	987	251	251	-	Will repay from father's Estate. (Young coffee only 15 acres fully bearing.)
Welldon.	Coffee.	1618	360	-	555	-	-	596	596	-	Will repay when 1932 crop is reaped.
Hallowes F.W.	Coffee.	150	103	-	359	-	33	352	352	-	Will repay when 1932 crop is reaped.
Morgan.	Coffee.	3000	118	-	722	640	673	752	752	-	Portion of Farm sold. Purchase price payable in instalments to be completed by Sept. 1933, and which are payable to the Board until advances repaid.
Bourdillon.	Maize Coffee.	600	100	30	100	-	-	108	108	-	Repayment will be made when 1932 crop is sold.
					£4577.	£1857.	£3077.	£5658	£3658.	-	

CLASS. B. 2.

Cases where arrangements have been, or will be made with Merchant Houses to finance future operations on terms satisfactory to the Board.

Name.	Type of farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repay- ments in 1932.	Due to Board 31/12/32 including interest.	Further repay- ments in 1933 from 1932 crop.	Estimated require- ments in 1933.	Remarks.
Armstrong.	Maize Coffee.	1275	9 700	1035	739	-	1885	1500	-	Will be financed by Dalgety & Co.
Barnett.	Coffee.	252	158	931	1030	655	1405	462	-	Favourably reported on by Major Taylor. A case where advances have been fully justified and well applied. Will be financed by Merchant House.
De Witt.	Coffee.	305	150	2872	1384	741	3462	1770	-	Now financed by Dalgety & Co. Crop 45 tons estimated for 1935.
Clayton.	Coffee.	550	180	2660	1018	1201	2633	990	-	An improving Estate. 1931 crop - 3 tons. 1932 crop 30 tons. 1933 estimate 40 tons. Now being financed by Dalgety & Co.
Vair.	Coffee.	1500	100	966	527	312	1242	288	-	A new shamba. Coffee not yet fully bearing. Crops increased 1931 - 4 tons. 1932 - 10 tons. 1933 estimate 15 tons. Being taken over by Dalgety & Co., or Gilliat & Co.
Harraway.	Coffee.	140	110	734	143	81	858	400	-	Is being financed by Arbuthnot Latham. Position improving and will repay in full.
Monckton.	Coffee.	116.	75	421	538	540	451	451.	-	Has made other arrangements for finance and will repay in full.
Irvine	Coffee	964	112	2954	75	242	3012	100	-	Is financed by Dalgety & Co. Board hold Title Deeds of Farm.
Hervey & Hutchins.	Coffee	4263	285	1187	-	-	1255	300	-	1935 operations being financed by Dalgety & Co. Surplus after meeting expenses is shared between the C.B. and Bank. 1932 crop 30 tons. 1933 operations will be financed by Messrs. Durant Radford.
Innes Walker	Coffee	500	55	656	406	138	985	400	-	
				£14564.	£5560.	£5970.	£17187	£6661.	-	

CLASS. B. 2.

Cases where arrangements have been, or will be made with Merchant Houses to finance future operations on terms satisfactory to the Board.

Name.	Type of Farm.	Total area.	Area under crops. Coffee. Cereals.		Due to Board 31/12/51 including interest.	Advances made 1/1/52 to 31/12/52.	Repay-ments in 1952.	Due to Board 31/12/52 including interest.	Further repay-ments in 1953 from 1952 crop.	Estimated require-ments in 1953.	Remarks.
Armstrong.	Malze Coffee.	1375.	9	700	1023	739	-	1885	1500	-	Will be financed by Dalgety & Co.
Barnett.	Coffee.	965	158	-	925	1050	655	1405	462	-	Favourably reported on by Major Taylor. A case where advances have been fully justified and well applied. Will be financed by Merchant House.
De Witt.	Coffee.	305	150	-	2872	1084	741	3453	1770	-	Now financed by Dalgety & Co. Crop 45 tons estimated for 1953.
Clayton.	Coffee.	3550	180	-	2660	1018	1261	2833	990	-	An improving Estate. 1951 crop - 3 tons. 1952 crop 80 tons. 1953 estimate 40 tons. Now being financed by Dalgety & Co.
Vair.	Coffee.	1500	100	-	956	527	312	1242	288	-	A new shamba. Coffee not yet fully bearing. Crops increased 1951 - 4 tons. 1952 - 10 tons. 1953 (estimate) 15 tons. Being taken over by Dalgety & Co., or Gilliat & Co.
Harraway.	Coffee.	140	110	-	734	143	81	858	400	-	Is being financed by Arbuthnot Latham. Position improving and will repay in full.
Monckton.	Coffee.	116.	75	-	421	538	540	451	451.	-	Has made other arrangements for finance and will repay in full.
Irvine	Coffee	964	112	-	2954	75	242	3012	100	-	Is financed by Dalgety & Co. Board hold Title Deeds of Farm.
Hervey & Hutchins.	Coffee	4263	285	-	1167	-	-	1255	300	-	1953 operations being financed by Dalgety & Co. Surplus after meeting expenses is shared between the C.B. and Bank. 1952 crop 30 tons.
Innes Walker	Coffee	500	55	-	656	406	158	985	400	-	1953 operations will be financed by Messrs. Durant Radford.
					£14564.	£5560.	£5970.	£17187	£6661.	-	

CLASS. B. 3.

50

Cases where no further advances are required or recommended but in which time should be given for repayment, with a reasonable hope of eventual recovery.

Name.	Type of Farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repayments in 1932.	Due to Board 31/12/32 including interest.	Further repayments in 1933 from 1932 crop.	Estimated requirements in 1933.	Remarks.
Turton.	Coffee Maize.	2199	100 -	1422	-	85	1442	-	-	Board hold Title Deeds of the whole property. Position uncertain but security believed to be ample to cover advances.
Case.	Stock.	1600	- -	688	-	-	734	-	-	Stock Farm. Interest paid to date. Repayment of principal will begin in 1933.
Griffin.	Stock	540	- -	276	-	-	298	-	-	Stock Farm. Grazing destroyed by Locusts but position improving.
Polhill Bros.	Stock.	1366	- -	1365	-	103	1366	-	-	Has made payments in respect of Interest only up to June 1932.
Strong Collier.	Stock Maize.	301 1039	- -	408 401	- -	-	439 461	-	-	Repayment will be slow. 1932 crop allocated for 1933 operations.
Pringle	Maize Wheat.	1198	- 350	441	-	396	59	-	-	1932 crops allocated for 1933 operations. Should repay in full.
Williamson Molony.	Maize. Coffee.	1410 440	- 250 50	285 271	-	7	308 291	-	-	" " " " " "
Faton.	Vegetables	50	- -	53	-	-	57	-	-	Owner deceased. Farm has been taken over by son but as the Estate is not in full bearing it is not yet a paying proposition. Contributions to farm expenses are made by the present owner's mother and brother.
Hodgson.	Stock	4947	- -	223	-	-	240	-	-	Repayment, if made, will be slow.
Hopkins.	Stock Maize.	1765	- 200	680	-	27	704	-	-	Revenue from Farm allocated for 1933 operations. Locusts destroyed grazing. Should repay.
Hervey.C.G.	Coffee.	2000	180 -	1167	-	-	1255	-	-	1932 crops allocated for 1933 operations. Locusts destroyed grazing. Should repay.
Hoey's Bridge.	Sisal	4108	Sisal. 1642	242	1760	-	-	1899	-	Owner deceased. Property in hands of Public Trustee. Arrangements for future not yet complete.
Hately.	Sisal	3273	- 450	831	-	-	947	90	-	Production may begin in 1933. The Board hold a personal guarantee from the members of the Syndicate in addition to the usual security over the property.
Hughes.	Wheat Maize.	3250	- 290	572	-	2	613	600	-	Production started. Will repay £10 p.m. March 1933. An unsatisfactory case but should repay in full. Has recently received a legacy.
				£10641.	-	£618	£11095.	£690.	-	

CLASS. B. 4.

Cases where results have been disappointing, and where no further advances would be justified but where time should be given for the Farmer to make other arrangements, if he can, in the bare hope that the Board may do more than if they took immediate action.

Name.	Type of Farm.	Total area.	Area under crops. Coffee. Cereals.	Due to Board 31/12/31 including interest.	Advances made 1/1/32 to 31/12/32.	Repay-ments in 1932.	Due to Board 31/12/32 including interest,	Further repay-ments 1932 from 1932 crop.	Estimated require-ments in 1933.	Remarks.
Lewis & Champan.	Maize Coffee.	333	10 200	2197	307	12	2666	-	nil.	Has suffered severe Locust damage. Board hold Title Deeds of Farm.
Matney	Maize Fruit	245	42 100	1393	501	2	2020	-	-	Is not planting for 1933 crop. Has asked for time to make other arrangements.
Evans G.C.	Maize.	1886	- 300	1436	632	-	2199	554	-	Local Board do not recommend further assistance.
Cumming.	Coffee.	1055	110 -	1453	3	-	1565	-	-	Owner deceased. Condition of Farm bad, but may be able to arrange outside finance.
Guays	Maize.	1108	- 700	1712	672	91	2493	835	-	Local Board do not recommend further advances. Mrs. Guays is reported to be able to help farm finances.
Williams G.V.	Maize.	2811	- 432	1212	290	302	1303	200	-	If satisfactory arrangements can be made with Mortgagees the position might improve but it appears likely that foreclosure action will be taken. In view of this uncertainty it is not recommended.
Babington	Maize Coffee	1665	20 215	742	311	234	1094	480	-	Local Board do not recommend further advances.
Ellison.	Maize.	497	20 160	616	371	226	795	265	-	Local Board do not recommend further assistance.
Kimotho Bros.	Wheat.	-	- -	1142	182	186	1237	-	-	No crop planted for 1933. Position uncertain. Board hold personal guarantees from both Partners.
Athi Bend.	Sisal	1872	<u>Sisal</u> 550 -	1142	-	-	1351	-	-	Not producing. Board hold first charge on portion of Farm (246 acres) which has 100 acres of Sisal and the managers house. First Mortgage on the remainder held by a Director of the Company.
				£13047	£5269.	£1055.	£16705.	£2336.	-	

APPENDIX A

Paragraph 18 of the Report of the Committee Board refers to the financial statement. Losses up to 1932. December, 1932.

Details of these, and the reasons which have led to the losses are given in order :-

1. NB1.2. - K.L. Ironside (Loss £2,814.84)

First advance made August, 1930.
Last advance made July, 1932.

The 1931 crop from this Estate realised £902 (2000 more than the estimate). At the end of 1931 the Estate was reported to be in a good state of cultivation with the prospect of a 25-30 ton crop. A further report in July 1932 indicated that the Estate had gone back, and that the earlier estimate would not be realised. The disappointing result is attributed by the Agricultural Officer to (a) Lack of Manuring (b) Wrong methods of pruning and (c) the presence of *Hemileia*, *Antestia* and Leaf Drop.

The property was subject to a First Mortgage of £2000 bearing interest at 4% per annum, and the Mortgagee gave notice calling for immediate payment of the Mortgage.

The Board were faced with the alternatives of allowing foreclosure to take place or of paying interest on the Mortgage amounting to £420 and maintaining the Estate at an annual cost of approximately £1200 with the prospect of only a small return from the crop.

It was hoped that the Land Bank would be able to assist, but the Mortgagee would not agree to the proposals made.

The securities held by the Board were a second charge on the property, and a Bill of Sale over the Implements.

Before a decision was arrived at the Estate was again inspected by an officer of the Agricultural Department, and the Implements by the Secretary, and their reports submitted to the Board.

After prolonged negotiations with the Mortgagee the Board agreed to release their securities and to allow the Mortgagee to take possession on the following terms :-

1. That a payment of £420 be made by the Mortgagee to the Board.
2. That the Board retain the proceeds of the Coffee picked and railed from the Estate.

In view of the attitude of the Mortgagee the settlement arrived at must be considered satisfactory. The £420 has been paid : £175 has been received from the proceeds of crops and a small quantity has still to be disposed of.

K. S. Ironside. (Continued)

Mr. Ironside was on sick leave for some time in 1931 and in 1932. His wife and three children to support. He has a large property in the district of the Colony and will be receiving...

K. S. Ironside. (Loss £14,125.00)

First advance made 14th. August, 1930.
Last advance made 17th. November, 1930.

Mr. Turner filed a petition in Bankruptcy on 14th. April 1931. At that date he was a member of the Board to the extent of £44,125.00.

The securities held by the Board were, 1. Shares in the property (subject to mortgages of £1,000) and 2. Lien over cattle and crops.

The Estate was insolvent and the securities were sold under order of the Board for £14,125.00.

William James Hill. (Loss £14,000.00)

This Estate was heavily indebted to Messrs. Hillier & Co. for mortgage of £14,000.00.

Arrangements had been made for maintenance of operations based on estimates of crops supplied by the farmer. Owing to closing of the crop estate was not profitable and it was not possible to come to any satisfactory arrangement with the Mortgagees which would warrant the surrender of the Estate for a very long period without the prospect of eventual repayment.

At the instance of the Mortgagees the Estate was sold by public auction on 10th. April 1931 and realised £4,200. Prior to the sale the Board had agreed with the Mortgagees that an independent valuation of the value of the Board's securities, the amount of this valuation to be paid to the Board from the proceeds of the sale and the Estate put up for auction as a going concern. This valuation was £350 and the amount will be available in the near future.

First advance made 14th. August, 1930.
Last advance made 11th. January, 1931.

W. Z. - Beton Miller. (Loss £200,000.00)

First advance made 20th. Sept. 1930.
Last advance made 8th. December, 1930.

Petition in Bankruptcy filed on 9th. April 1931. Failure was due to the closing down of a local Saw Mill and the loss of logging and transport contracts, the area under crops being immature and the crop insufficient to cover expenses.

The farm was taken over by the Mortgagee. The securities held by the Board were valued at approximately £1,500, but owing to the isolated position of the farm and the depressed state of the Colony, the sale by auction realised only £225,10.45

B. T.E. 10. - Mrs. Fairbairns:

Loss £160.17.55. plus Int. £25.15.35).

Only one advance made 1st August 1930.

Mrs. Fairbairns died in September 1930.

Only one advance had been made by the Board. The advance was in the hands of the Public Trustee and was finally wound up on June 1932. The Estate was insolvent and there was nothing available for distribution.

The following payments in respect of Interest have been recovered from the above cases, and are not taken into account in estimating the capital indebtedness :-

Ironside.	£215.16.54.
Tennent.	26. 7.58.
Jamb. Ltd.	- - -
Seton Miller.	35. 9.78.
Fairbairns.	- - -
	<u>£275.13.90.</u>