

1923

NG

KENYA

39

36995

12 AUG 25

DATE

AUGUST

REPLY: R.

REGULATION:—

MEAT CANNING FACTORY.

U.S. of S.

Correspondence with Col Franklin.

U.S. of S.

U.S. of S.

Secretary of State.

Previous Paper

MINUTES

DA G. 18895

Registered for record.

Pety

W.S.

128.15

again

Col. Franklin's letter of

13 Sept attached. We must

not be too hopeful.

W.S. 12.8.25

See copy of letter to Col

a to be

Franklin attached. He had had for months  
that he had "no success" in formation;  
Oct. 23. 25

Col. Franklin has been shown an  
attached application to the Co. It will  
be a basis for real

Put by

CA 18895

manuscript "organizer of interest."

Wed

3. 21. 25.

DEPARTMENT OF OVERSEAS TRADE  
(DEVELOPMENT AND INTELLIGENCE),

35, OLD QUEEN STREET,

LONDON, S.W.1.



F.640.

Ref. No. 8038/T.C.

14th August 1925.

Dear Bottomley,

I find a further letter from Kennedy in which he says :

....."I know B.E.A., fairly well and "damned" the country in my own mind from a money making place, apart from appreciation in land values, because the lack of Transport and especially rail facilities for semi-perishable goods - there was no Port worth talking about then either. I am told that all these drawbacks are fast disappearing hence my willingness to venture some money on the country if I have the open and whole hearted support of those in authority in Kenya. I don't ask for any favored treatment which would be withheld from "the other fellow" as I consider that those who would be handling this business capable enough to look after themselves in the open market, if granted equal treatment. But what I would appreciate would be the grant of a few thousand acres, freehold or 999 years lease at a nominal rental, as a gift of recognition for first venturing on the project in a really up to date manner, as, if a success, there is no doubt in my mind at all that it would be the real first step in the actual development of a fine country.

The native loves finery and all that money buys for him and when he realises that in exchange for his cattle he can get all the "finery" he desires, surely then the cattle will come along automatically."

I send it for your eye but as it is marked "private" I don't want included on the official file but you should see it as it certainly shows that Kennedy is not too grasping.

Yours sincerely,

*W. H. Franks*

W.C. Bottomley, Esq., C.M.G., C.B.E.,  
Colonial Office,

Discussed with Col. Haulin today.

He has said that I must put it

on record but that I could find

that it is a subject to

bring

up to A. I said that this  
must be taken to refer to  
the (old) working area, so that  
there would be no question

of fraud or 474 4000.

(A. T. agreed and suggested

47 years but I said

that, whatever the term, the

area would have to

stop of the factory

clipped.

attached was.

17.8.25

W. H. H.

R. to from Mr. Kennedy

Canning Factory

Conf<sup>ce</sup> with Mr. Franklin

and agree this sheet.

Mr. Franklin's letter of 11 August was written after discussion with us. I take him of what Hays had been prepared to offer, of the decision here that we should rather make offers than make them, & of the breakdown of the Howland negotiations. Also that it was now up to Hays to make the best move & that they apparently found difficulty in doing so.

Wed. 12.8.15.

I have concurred by *[unclear]*  
with an agreed addition to *[unclear]* 42  
*[unclear]* on the slip. *[unclear]*

36995  
12 AUG 25

F.612.  
8036/T.O.

12th August 1925.  
(To be sent 12/8)

Dear Sir,

CANNING FACTORY IN KENYA.

I have been considering our conversation and your letter of the 15th June more fully and think possibly the following opinion may be useful to you.

- (1) I do not think any guarantee could be given by the Government of Kenya as to an assured supply of cattle to any factory but an assurance could be given of all possible help by the Government towards obtaining a constant supply - *[unclear]* It is not likely that any factory could service a supply of 100,000 head per year - 15,000 to 20,000 would be the largest figures it would be safe to budget for -
- (2) I believe there would be little difficulty in arranging for land adjacent to the factory wherein sufficient cattle could run to ensure continuity of supply - Also I think you could arrange for a further area - away from the factory - where cattle could be conditioned, if necessary, before being brought into the factory area -
- (3) I think we
- (4) All new machinery for new ventures would come into the country duty free. *[unclear]* pay duty - Building materials pay duty - *[unclear]* necessary conditions you would be liable to count on our rebate on *[unclear]* freight - You would *[unclear]*

44

NOTES of INTERVIEW with Mr. R. Kennedy ~~and~~, at GLASGOW

15th June 1925.

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Interested in Cattle -

Knows East Africa

Considering formation of Company to can meat and make  
Meat Extract.

Has £70,000 at least available - expects venture would  
necessitate him acquiring further capital.

Knows Capt. Hutchison of Athi River whom I think is  
trying to interest Kennedy in the venture.

Fears the difficulty will be to obtain a constant flow  
of cattle -

Promised further particulars and I outlined to him from  
memory the discussions that had taken place  
on similar matters -

Assured him of Government's wish to help any sound scheme.

11th August 1925.

-2-

9th July.

Mr. Kennedy informs me that his enquiries in U.S.A., in regard to plant fully efficient to deal with 20,000 bullocks per year cost Kennedy £45,000 and is anxious to know what supply of cattle he can be reasonably sure of before investing such an amount.

(K does not say whether the £45,000 is for factory at place of manufacture or erected in Kenya - enquiring about this )

Note: He is now talking of 20,000 head per annum instead of 100,000 as in his first letter - quite a different proposition.



R. & H. Kennedy, Ltd.,

Milk Contractors,

346, Fallschows Road,

GLASGOW.

18th June, 1925.

Colonel W.H. Franklin, C.B.E., D.S.O.,  
Member of Congress,  
7, West George Street,  
GLASGOW.

Dear Sir,

Proposed Canning Factory in E.A.A.

I must thank you for the courteous hearing  
extended to me over the above subject and in its pursuance  
would be extremely obliged for some definite information  
on the following heads:-

- 1) Can 100,000 head of cattle per annum be relied on,  
at economic prices, to keep a factory going, if  
not, how many?
- 2) Are the Kenya Government prepared to grant a  
concession in land to feed the necessary number of  
cattle to have always on hand, to ensure the con-  
tinuous working of the factory?
- 3) Would the Kenya Government be prepared to define  
a prescribed area, in which no other canning factory  
concern would be allowed to operate, if the pro-  
posed cannery be created?
- 4) What concessions on duties and railway freights  
might be granted on building material and plant  
brought into the Colony to equip the factory?

These points are all more or less vital for anyone  
to know about, before launching out an amount of money such  
as is contemplated here.

I am,

Yours faithfully,

(signed) R. Kennedy, Jnr.

DEPARTMENT OF OVERSEAS TRADE

(DEVELOPMENT AND INTELLIGENCE),

35, OLD QUEEN STREET,

LONDON, S.W.1.



Ref. No. F. 635.

8038/T.C.

13th August 1925.

Dear ~~Bottomley~~,

Please add the attached to Kennedy's papers re Canning Factory in Kenya.

The whole of these papers have gone out to Denham and I hope he will be able to put forward suggestions that will lead to business -

Certainly Kennedy seems keen enough -

Yours sincerely,

*W. H. Franklin*

C. Bottomley, Esq., C.M.G., C.B.E.,  
Colonial Office,  
S.W.1.

*W. Bottomley*

COPY.

R. & H. Kennedy, Ltd., 47

8038/T.O.

Milk Contractors,

346, Pollokshaws Road,

GLASGOW.

12th August 1925.

Colonel Franklin, C.B.E. D.S.O.,  
H.M. Trade Commissioner in B.E.A.  
35, Old Queen Street, S.W.1.

Dear Sir,

Proposed Canning Factory in Kenya.

I beg to acknowledge receipt of your favour of the 11th inst.

According to my estimates, which have been submitted by the best people in that line of business in America the minimum cost of the Plant (at the Works) to efficiently handle from 10 to 20,000 cattle per annum and bye products would be £45,000. Erection costs, buildings etc. would be an additional burden and would bring the Capital expenditure up to if not beyond the £100,000 figure, which at present we are seriously considering putting up on venture. I do not think it would be wise policy, in a new venture in a new and untried country with the outstanding difficulty of not being assured of the raw material as a constant factor, to go in to any larger extent. This outlay would be the minimum necessary to put up to handle the business in a really efficient manner. In fact, we would regard it much as a "commercial gamble" with an open eye on the "long odds" coming in, when of course the industry could be indefinitely extended to the capacity of the cattle supply.

Could you give me some particulars of the Uplands Factory? I saw tinned stuff of theirs at the Kenya Section last week at Wembley.

Yours faithfully,

(Sgd) R. Kennedy Junr.

P.S. I do hope you can let me have some definite reply to the queries in my last letter very soon.

COPY.

F.613.

11th August 1925.

Dear Sir,

CANNING FACTORY in KENYA.

It would be interesting to know whether your estimate of 45,000 for cost of efficient plant to handle 20,000 bullocks per year is for the whole cost of the factory and plant erected in Kenya or for only the plant at the makers.

Your original queries were based on a supply of 100,000 head per year - am I right in supposing you have amended your scheme to the 20,000 figure? Naturally the latter figure would be more easily met?

Yours faithfully,

L. W. F.

H.M. Trade Commissioner in E. Africa.

R. Kennedy, Esq., Junr.,

GLASGOW.

COPY.

R & H. Kennedy, Ltd.,

Milk Contractors,

Col. Franklin, G.B.M.D.M.C.  
35, Old Queen St.,  
S.W.1.

Wolfehill Road

GLASGOW.

8th July 1925.

Dear Sir,

Many thanks for yours of the 8th instant (Ref. No. 8038/T.C.) and what you have already done in connection with my proposed Canning Factory.

Since my interview with you I have a letter dated 25th June from friends in Chicago which states that the cheapest efficient plant to take care of ten to twenty thousand bullocks per annum would run me into \$1,000,000, at least, so naturally I want to know my position definitely before putting up that amount of dead money.

I look forward with interest to any word you may care to send me.

Believe me,

Yours faithfully,

(R.H.) R. Kennedy, Jnr.

Downing Street,

49

23 September, 1925.

Dear Franklin,

Meat Industry.

I have now found what I could not trace yesterday, and I enclose :-

(a) Montgomery's print of information. This is our last copy but one, and I suggest that you should only lend it.

(b) An extract from our letter to the man Montgomery found last year. As I have edited it, there is no reason why you should not show it to Mr. Kennedy, if you think he is sufficiently serious. But, as I have told you, the man whom it was addressed simply said that it was not "business" as it involved a certain loss in the first (side-products) stage.

Yours sincerely,

COLONEL W. H. FRANKLIN, C.B.E., F.S.O.

IT CANNOT BE TAKEN NECESSARILY TO  
REPRESENT THE TERMS WHICH THE GOVERNMENT  
OF KENYA AND THE SECRETARY OF STATE  
WOULD NOW AGREE TO.

September, 1925.

2. As a result of telegraphic correspondence with the Governor, Mr. Amery is now able to furnish the following general outline of the scheme which is proposed:

(a) The Government is not in a position to give you an absolute monopoly of the Meat export industry in Kenya, but would be prepared to introduce legislation giving power to the Governor (a) to license a factory for dealing with native cattle for export purposes, and (b) to make rules reserving a district for the service of such factory for such period and on such conditions as the Governor may think fit, and further (c) when a district has been so reserved, to retain the right, on application being received for permission to build a factory to serve another district, of first inviting an application from the licensee of the first factory. This protection would, of course, be subject to your continuing your operations actively: for example, for so long as any animals which are offered at a price not exceeding 5 cents of a shilling per lb. live weight are freely bought for the factory.

(b) The Government would also assist by endeavouring to stimulate the flow of cattle to the factory by pointing out through administrative channels to the natives the advantage of being able to dispose of their cattle

and by continuing to the best of its financial ability the work of cattle conservation by combating disease and improving the breeding. It would limit to reasonable fees and taxation for recovering some part of the expenditure involved, but would not take a financial share in the enterprise.

(c) On the other hand, you would give an undertaking on the following lines, it being understood that the numbers suggested are provisional and subject to consideration:-

(i) You would erect and operate a factory capable of dealing with 25 head of cattle per diem for handling the usual by-products;

(ii) When the flow of cattle reached 50 head per diem you would erect and operate a canning and extract plant.

(iii) When the flow reached 100 head per diem you would erect a freezing plant, with cold storage at the coast, the Government undertaking to provide a site for cold storage on condition that space would be set aside in the cold storage warehouse for other products not in competition with your work, for example, dairy products.

(d) It is necessary to observe that the first call on the supply of cattle in Kenya must be for immense oxen for draught purposes. Such animals, however, command a high price, and it is not expected that there will in fact be any competition of this kind between you and the buyers of draught oxen.

3. Mr. Amery will be glad to be informed whether, in view of the foregoing you decide that you will visit



Kenya. It will be understood that, if you do so 52  
there will be ample opportunity for discussion and  
clear definition of the scheme with the local Government.  
The Governor will be asked to report by telegram the  
progress of negotiations and any modifications of major  
importance which may be considered necessary, and it is  
hoped that it may thus be possible to conclude the  
negotiations while you are still in the Colony.

X X X X

EXTRACT FROM A LETTER SENT FROM THE COLONIAL OFFICE

IN 1924. IT CANNOT BE TAKEN NECESSARILY TO REPRESENT THE TERMS WHICH THE GOVERNMENT OF KENYA AND THE SECRETARY OF STATE WOULD NOT AGREE TO.

number, 1925.

2. As a result of telegraphic correspondence with the Governor, Mr. Amery is now able to furnish the following general outline of the scheme which is proposed:

(a) The Government is not in a position to give you an absolute monopoly of the Meat export industry in Kenya, but would be prepared to introduce legislation giving power to the Governor (a) to license a factory for dealing with native cattle for export purposes, and (b) to make rules reserving a district for the service of such factory for such period and on such conditions as the Governor may think fit, and further (c) when a district has been so reserved, to retain the right, on application being received for permission to build a factory to serve another district, of first inviting an application from the licensee of the first factory. This protection would, of course, be subject to your continuing your operations actively: for example, for so long as any animals which are offered at a price not exceeding 5 cents or a shilling per lb. live weight are freely bought for the factory.

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X X X X