

1924

KENYA

565

C O
25357

VENUE CORNER, 556

5th May 1924.

27 MAY 24

COLD STORAGE PLANT AT KILISNIE.

Has approved allocation of £25,000 from Item No 1 (Further Port Development, £550,000) of £3,500,000 Loan in consequence of proposals of Economic and Financial Committee. States as to prospects of large export trade in dairy products. Has telegraphed to South Africa for assistance of expert.

Previous Page

MINUTES

I do not know the origin of the £25,000 of 1917-22 (1897%) - my things being spent £100,000 on my own estate and £25,000 on cold storage. I am sure that the Government had no funds available, and things were not to be paid the money in any other way. I have heard things too. It is better to say to the credit and the ground is however, not justify the action in allocating £25,000 out of loan for a cold storage plant by referring to the Chief Office telegrams of 1917-22. I have heard something

Subsequent Page

C O
25357

on the dairy industry by the
 Economic and Financial
 Committee it is impossible to
 judge what sort of a case they
 have made it. If we examine
 it, I cannot endorse the
 Government's attitude for the
 project. It is the fact that
 5000 private enterprises will
 not look at it for the same
 reasons that for many years
 conditions are being will
 expand revenue & that there
 be no guarantee that the
 project will eventually be a
 success. As Mr. Kelen's indication
 of the question is his mention
 of 3000/25, which is a reasonable
 figure and reasonable. In fact
 I am getting more and more
 afraid that advantage is
 being taken of Mr. Kelen's
 scheme in this country to
 find all sort of reasons
 which will be

following has. Having for the
 project must come from the
 within rather than from the
 since a proportion for loan
 expenditure it would have to
 come out of the later 3 million
 loan & would be available to
 be used to help for the 20 million
 loan; that until the 5 million
 loan for private has returned the
 S. of P. cannot decide whether
 approval can be given for the
 inclusion of the item, & that
 until the report on the dairy
 industry is received it is
 not possible to judge to what
 extent the position has altered
 since Mr. Kelen was to pay 1000
 of his name - 3000/25, that
 is a measure of - a period
 amount in regard to investment
 expenditure, in fact, however
 in progress, is a serious matter
 in view of the financial
 situation, that is at present

advised the S. of S. committee that
the provision of cold storage
plant and refrigerator cars
is a proper subject for railway
betterment fund, and that he
would have no objection to its
being undertaken when the
General Manager considered the
time opportunity and funds
available; and finally expresses
regret that in a matter of
this importance the Governor
should have taken action on
Jan. 177 without prior
consultation with S. of S.

W. C. 14

to B. A., the Attorney-
General July 1928 was the
direct outcome of the
discussion with Dr. Helms
about Timber on the
Reservoir log - awarded
on 3-7-28/28.

Along Dr. Helms changed
his mind before he wrote

the memo. in 399 40/23, (B)

KENYA

NO. 504



25357

GOVERNMENT HOUSE,

NAIROBI,

KENYA.

5th May, 1924.

Sir,

I have the honour to inform you that on the advice of my Executive Council I have approved the allocation of £25,000 from the £3,500,000 Loan Item No. 3 Further Port Development etc., £250,000, as reported in my telegram No. 135, of the 1st May, for the purpose of erecting a cold storage plant at Kilindini.

2. You will be aware that a similar allocation from loan funds for this purpose was suggested by your predecessor in his telegram dated 11th July, 1922; at that time, however, it was not considered necessary to provide the plant in view of other Port requirements which were regarded as of prior importance, and Government did not proceed with the project. It is now considered that this item should be charged against this vote and that the provision made will amply cover the expenditure.

3. The proposal has been brought forward again in connection with the investigations into the Dairy Industry by the Economic and Financial Committee, whose reconstitution was reported to you in my Despatch No. 109 of the 18th February, 1924.

4. I concur entirely in the recommendations

J. N. SIMON, F.C.S., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

Recommendations, para 4.

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20980

33274
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12247

of the Committee, a copy of which is enclosed, and consider that there is every prospect of building up a large export trade in dairy products from Kenya if the necessary provision of cold storage is made. A copy of the Committee's report will be forwarded in due course. It is clear from this report that development of the Dairy Industry is likely to be indefinitely postponed unless some guarantee of the establishment of a main cold storage plant at the coast can be given. The stimulating effect of the proposal of Government to instal cold storage has already been evidenced by considerable subscriptions being raised locally for the engagement of the services of an expert, from Australia or New Zealand in the establishment and running of creameries. It is understood that the engagement of such an expert has already been assured by settlers interested in Dairy produce. It is proposed to erect two central creameries in the Rift Valley and West Kenya District, which should ensure large supplies of butter and cheese for export purposes - all of which will pass through the cold storage depot at the Port.

5. During its investigations the Committee made efforts to interest private firms in the establishment of cold storage plant, and it was only after these efforts had proved unsuccessful that the recommendation was made for Government to undertake the work. It was clear that the establishment of the plant would attract trade in dairy produce, but that private firms would not be ready to meet the initial cost. Moreover it

seems

seems probable that the rights of private users of the cold storage will be more effectively maintained if the store is erected and controlled by Government; it is also the case that similar installations in the dairy producing dominions of Australia and New Zealand were originally controlled by Government, and I trust that you will not withhold your approval from this expenditure, which should form the initial step in the establishment of an important export trade. The very successful results obtained from the encouragement given by Government to the Maise Industry may be expected to ensue from this measure of assistance being rendered to the Dairy Industry, which is at present greatly in need of such a stimulus.

6. Until this industry has been firmly established it is probable that the revenue derived from the cold store will not be as large as the recurrent maintenance charges, and that some provision will be required in the Expenditure Estimates for the next few years.

3074
22

7. As suggested in Colonial Office telegram of 11th July, 1922, I have telegraphed to South Africa asking that Government to assist in obtaining the services of an expert for a few weeks to advise in regard to the site and type of plant to be erected, which it appears probable it will be necessary to purchase in England.

8. I may add that the response of the stock owning settlers to this action of the Government

is another instance of the recent growth of an excellent spirit of self-help in Kenya. It will moreover be realised that in encouraging the dairying industry a stimulus will be given to closer settlement, and a chance to the smaller men to win a reasonable profit from a relatively smaller area of land.

I have the honour to be,

Sir,

Your most obedient, humble servant,

R. T. Compton

G O V E R N O R.

RESOLUTION.

That this Committee regard it as essential to any scheme for the encouragement and development of the dairy and cattle industries in the Colony that immediate steps should be taken to establish cold storage at the Coast. The Committee consider that to enable such storage to be installed and maintained a sum not exceeding £20,000 for capital expenditure and such further expenditure as may be necessary on account of recurrent expenses should be provided by Government in the interests of the Colony generally.

4. That this Committee considers that an assurance of Government support in this matter is vital to the success of any steps which it can take to recommend the development on any increased scale of the Dairy industry in the Colony.

5. That in view of this expenditure being in the interests of the future progress of the Colony and being spent on industries which it is believed will give good returns in the future the Committee consider it would be reasonable that the expenditure should be met from loan funds, provision being made for interest and sinking fund.

.....

Code No. 57
1507
1912

DRAFT. July

See
March

James L. ...
556 Helen

considers it important

MINUTE.

- Mr. Callahan 5.1.24
- Mr. ... 5.6.24
- Mr. ...
- Mr. C. ...
- Mr. G. ...
- Mr. H. ...
- Mr. J. ...
- Mr. ...
- Mr. ...

that ...
expert should be
Hardy Assistant
Superintendent of
Division of ...

Downing Street,

JWA
574

11 June, 1924.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 556 of the 5th May, reporting the allocation of ~~the~~ £25,000 from the £3,500,000 loan for the purpose of ^{creating a} ~~raising~~ the Gold Storage ^{plant} ~~works~~ at Kilindini.

2. I have to observe that funds for this purpose cannot be allocated from the £3,500,000 loan which is definitely intended ^{for} ~~for~~ cotton services. If the proposal referred to in your despatch ^{is to be regarded as} ~~is~~ a proper subject for provision from loan expenditure it ~~will~~ be necessary to make such provision from the £3,000,000 loan which is to be issued at a later date, the money being borrowed in the meantime at 4% interest from the £3,500,000 loan.

3. Until, however, I receive your proposals regarding expenditure on the £3,000,000 loan it is not possible for me to decide whether

DRAFT.

603

3 COPIES .
MINUTE.

- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]

[Handwritten signature]

4 by [unclear] 20 OCT 1924

6. ~~Letter~~ ~~of~~ ~~June~~ ~~1~~ ~~1861~~
of June 1st 1861
concerning the
fact that Mr. Holm considers it
to have telegraphed to the

Prof. of the Union of South
Africa ~~with~~ ~~for~~ ~~the~~ ~~purpose~~
of ~~obtaining~~ ~~information~~ ~~concerning~~ ~~the~~
subject ^{as regards} ~~in~~ ~~the~~ ~~connection~~ ~~of~~ ~~the~~ ~~subject~~

DRAFT.

Do not connect
him to ~~the~~ ~~subject~~ ~~but~~ ~~the~~ ~~fact~~
that ~~the~~ ~~subject~~ ~~has~~ ~~been~~ ~~mentioned~~ ~~attached~~

MINUTE.

It is ~~to~~ ~~be~~ ~~understood~~
that ~~it~~ ~~is~~ ~~not~~ ~~probable~~ ~~we~~ ~~will~~
have ~~any~~ ~~more~~ ~~information~~ ~~concerning~~ ~~the~~ ~~subject~~

There ~~is~~ ~~no~~ ~~need~~ ~~for~~ ~~any~~ ~~more~~ ~~information~~
for ~~the~~ ~~purpose~~ ~~of~~ ~~obtaining~~ ~~information~~ ~~concerning~~ ~~the~~ ~~subject~~

The ~~fact~~ ~~that~~ ~~the~~ ~~subject~~ ~~has~~ ~~been~~ ~~mentioned~~
in ~~the~~ ~~minutes~~ ~~of~~ ~~the~~ ~~meeting~~ ~~of~~ ~~the~~ ~~11th~~ ~~inst.~~

It ~~is~~ ~~not~~ ~~probable~~ ~~we~~ ~~will~~ ~~have~~ ~~any~~ ~~more~~ ~~information~~
concerning ~~the~~ ~~subject~~ ~~but~~ ~~the~~ ~~fact~~ ~~that~~ ~~the~~ ~~subject~~ ~~has~~ ~~been~~ ~~mentioned~~

It ~~is~~ ~~not~~ ~~probable~~ ~~we~~ ~~will~~ ~~have~~ ~~any~~ ~~more~~ ~~information~~
concerning ~~the~~ ~~subject~~ ~~but~~ ~~the~~ ~~fact~~ ~~that~~ ~~the~~ ~~subject~~ ~~has~~ ~~been~~ ~~mentioned~~

Wm. J. H. THOMAS