

1931.

Kenya

No. 17142.

SUBJECT

C0533/410

Stimulation of Native Experts.

Previous
17073/A/30 (Marketing
conditions)
17165/31 (Storage of
Native Produce)

Subsequent
17216/32 (Development
of Native
Reserves)

Sir Cecil Cottonley

I understand that Sir John Campbell told you of the interesting discussion at ~~last~~^{Friday} night's meeting of Sir Basil Blackett's "Study Circle", at which Sir Sydney Henn and Sir Humphrey Leggett spoke. I understand that you wish me to make some record of the main lines of what passed. I am afraid that I am rather ill-prepared to do this as the discussion lasted for 3½ hours, and I made no notes at the time.

I should perhaps begin by saying that these meetings are more or less informal and entirely private. There were perhaps about 30 people present altogether.

The subject of discussion was economic conditions in East Africa generally, including the questions of labour supply and the future of railway development. ~~They~~^{It} opened with a read paper by Sir Sydney Henn, which he would no doubt be ready to lend if required. For the most part it covered ground which is fairly familiar to us. Points of special interest which emerged from it were:-

- (1) That he foresaw no shortage of labour for decent employers either now or in the future;
- (2) That he thought that the most important crops in the future would be cotton, sisal and coffee. In the case of coffee, he thought that the small producers (of whom there are at present hundreds) would be driven out and replaced in the course of time by large capitalist companies with highly efficient managers. If coffee was to survive, very great attention must be paid to obtaining only the best quality. He regarded it as one of the most difficult crops to grow.

(3) Two crops which he regarded as of growing importance were tea and rice. He saw no reason why a large scheme of development on the lines of the Gezira scheme should not be undertaken in the Kilombero Valley, the crop to be grown being rice. Very favourable reports had been received from India of the quality of East African rice. There was no doubt too that the output of tea from East Africa would increase very largely in the next few years, and it would be tea of a very high grade; (this opinion was confirmed by Sir Theodora ~~Amherst~~ who I gather was largely interested in Indian and Ceylon tea planting).

Sir Humphrey Leggett did not read a paper, but spoke entirely without notes. I understand however, that he will be preparing a memorandum for the Joint Committee before which he is to give evidence.

He began by endorsing all that Sir Sydney Henn had said. He went on to give various figures, e.g., that the bulk of the native population in the three Northern Territories was centred around the Lake basin that is approximately 800 miles from the sea; the white settler population, on the other hand, was 400 miles ~~also~~ from the sea. He emphasised the very small numbers of white planters, only about 2,000 altogether being engaged in agriculture. He gave figures as to the labour employed by the white settlers, which averaged 32 per cent of the available adult male population of Kenya; ^{as} presuming that these would come out for six months in every year, this meant that 64 per cent were really engaged on labour for the European employers. Although such labour might have some ~~educative~~ effect, the ~~social~~ effect

(Handwritten notes on the left margin, including a large '4' and various illegible scribbles)

3- on the point of a general native agitation, 4

on life in the Reserve, must necessarily be very great, and probably bad.

He went on to examine the state of the finances of the ^{three} Northern Territories. He showed the high rate of direct native taxation, and the high Customs tariffs already existing, ^{which together produce about 70% of the revenue} ~~of these territories~~ ^{respective} ~~of these territories~~ ^{revenue}. He does not

(I should have kept it in the margin)

in times when the export of goods falls very greatly, it is inevitable that there should be a large fall in the receipts from both these sources, particularly from Customs duties, since imports were the direct result of exports. *Such a fall is equal to a month's drain*

Yes, & to cause a serious source for that source (add to the margin)

He outlined the debt position of the three Administrations, and the Kenya and Uganda Railway, and gave figures of their surplus balances. All the Administrations would have to face a very considerable drop in revenue in the next year, and he thought that there would be no substantial rise for a year or two. He thought that Uganda and Tanganyika would be able to weather the "economic blizzard" safely by drawing upon their surplus balances, but that the position of Kenya was very serious one indeed, and that the next two or three years would be a period of real crisis in the Colony. ^{due to the combination of these factors} He thought that it was quite probable that at least ~~some~~ ^{the} ~~positions~~ ^{of} the planters would be driven off the land, and that welfare services would have to be restricted.

In examining Kenya's financial policy for the last 10 years, and the reasons for the present position he compared Kenya to Australia. Both countries had been maintaining a standard of living which was not justified. The Kenya Government had neglected the "gold mine" of the native population (in fact the native population were better than a gold mine, since a gold mine exhausted itself, and the native population did not). He gave as an instance the fact that in the

-4- before

Kenya Province during the war under the direct encouragement of Mr. Ainsworth the natives had begun to export ground nuts, etc., and this had reached considerable proportions. As soon, however, as Mr. Ainsworth left the district and the stimulus was withdrawn the trade stopped, and hardly existed at all now. Administrative Officers had no continuous policy of stimulating native agriculture. At present the amount of native exports was infinitesimal compared with Tanganyika and Uganda, i. e. it could not really be accounted for by saying that native produce was consumed locally.

Instead of developing their gold mine Kenya had incurred large expenditure on unremunerative objects, e.g., Government House, expensive schools, etc. In addition, the existence of the European population had made necessary large expenditure on municipalities, roads in European areas, etc. Further the salaries (including that of the Governor) were extremely high. In fact, altogether Kenya was an over-capitalized concern, and the amount of overhead charges which it had to bear was out of all proportion to its developmental resources. European industries which were not really suitable had been pushed. He instanced particularly wool which had been accepted in every possible way, e.g., by rebate of kerosene duty, by very low railway freights, and recently by agricultural advances and the subsidy. Both of the latter he regarded as sheer waste of money, and one of the main results of the subsidy was the increase in the cost of goods for labourers in other industries, thereby increasing the cost of production, e.g., in coffee by 21 or more a ton.

In the same way the railway was burdened with

interest

Handwritten notes:
 Another point is that
 many of the industries
 were for the benefit
 of the white man
 and not the native
 (i) ...
 ...
 ...

buying Japanese goods which were the next cheapest; when they were richer still, they would buy English cotton goods. When they were rich they would also buy English bicycles. A decline in native production

primary interest
in the purchase of English
bicycles, English cloth,
cotton goods, Japanese
cotton goods, American
cotton goods - in
that order

(2) The importance of cattle and mixed farming.

The highlands of Kenya had not been agricultural but cattle areas in native days, and it is usually wise to follow native lead in such matters. Reference was made to the good work done by the Naivasha Farm and to the necessity for a meat factory, which Sir Humphrey regarded as a very necessary measure of development. I was glad to see that there was a

(3) The necessity for planned development in East Africa.

There was world-wide over-production of most of the simpler food stuffs, and it was essential to direct energies into channels in which markets were likely to be obtainable, e.g. sugar, coffee, cotton, tea

Mr. McDougall, of the Empire Marketing Board, said that as far as one could tell the chief demand in future would be for the more "complicated" food stuffs such as fruit, ^(e.g. mango & banana) ~~which was no product available for sale at a margin in Kenya, to export~~

I fear there is a rather widespread

& big quantity of what took place there
can really like a nothing new in what
with lagged mind. What was impressive -
& depressing - was his prediction of
the past.

[Signature]
25 2 31

Good deal of emphasis
on this. But Sir
B. Mackenzie appeared
to have forgotten the
existence of the
De? Cite over the
large factory!

heavy headless
coffee. etc

Sir C. B. Rowley

12 15

Monday

23 March

D. H. B.
Sir E. Wilson.

You should see the annexed minutes of the discussion on East African affairs at Sir Basil Blackett's "Study Circle". These private meetings are rather difficult to deal with, as they may form the basis of criticism which we at a disadvantage in meeting.

I may add to what is said in the memorandum that when Sir John Campbell first mentioned the matter to me, he said that Sir H. Leggett said that General Rhodes, the General Manager of the Kenya-Uganda Railway had, while in England, told Sir H. Leggett that he did not expect to meet more than his working expenses this year. I gathered from Sir John Campbell that this meant that he would not be able to meet his loan charges, but Mr. Eastwood's impression is that it meant that loan charges would be first covered.

As Sir H. Leggett is going to address the Joint Committee we may perhaps wait before dealing seriously with the points raised, but I should like to put down the following rough points:-

It is undoubtedly true that Kenya has been dealt with as an expanding country into which money (Government and private) must be put before it can reach its full productivity, and it is not just to base any condemnation of policy on the fact that, when increasing production was most necessary, the country was affected in succeeding years by drought, locusts, excessive rainfall, and a

slump

slump in world prices.

The capital expenditure on railways and harbours has been due primarily to high policy here.

Just as the decision to build two deep water berths at Kilindini has led inevitably to the present six deep water berths, so the Uasin Gishu Railway, definitely routed as part of a future trunk line to Uganda, has led to extensions not only to Uganda but as far as Kampala, with a further extension already proposed.

In addition, the Soldier Settlement Scheme of 1919 has led to most of the complications now complained of. When people are put in the wilds, branch railways are inevitable and are expected to pay their way, not necessarily on a railway basis, but in the form of general prosperity. Similarly, it is an immediate consequence of Settlements of this kind that some land will be found unsuitable for the main staple products. Hence the introduction of the maize and wheat industries, of which the maize industry, at all events, has in the past led to a very material export of high quality maize, while wheat growing in Kenya was definitely blessed by a leading authority, Sir Robert Biffen, who visited Kenya in 1926. Even if wheat may never form a large export, as an industry, it is justified by the local demand, if good quality wheat can be grown.

The progress of native agriculture in Kenya has been very difficult to follow in recent years. But I am not prepared to admit that agriculture in the reserves has been of less money value to the natives than

Seen!
TDS. 4-3-31.

Mr. Shiels.

Mr. Morris has not been able to arrange anything earlier than Monday morning for our talk, and I have thought it worth while putting something down in paper in order to focus the discussion.

(1) Yesterday's telegram (copy-attached) shows that on up-to-date experience of revenue there is no need for panic, so far as the Colony is concerned. Possibly Sir H. Leggett has over-coloured the picture also as regards the Railway, but this only affects the terms of our communication to Kenya and not the desirability of a "push" in native cultivation.

(2) That communication must I think be by telegram. The preparation of the ground in anticipation of the rains will begin in May, if not earlier, and there is much to be done.

(3) As regards marketing, you will see from the despatch in 25330 that they want an expert to help them. This is, of course, not of the same order of urgency as cultivation. Ground sets will be ready for market about the end of June or the beginning of July, but should not until August. We propose waiting for Mr. Stockdale's return at the end of April before proceeding further with this point, and in order to make sure what sort of an expert is necessary, if one is necessary at all. In the last ten years Kenya have been rather given to employing experts instead of thinking things out for themselves. This is very often due to cross-currents in local interests, and in this case it may be that they want to fortify themselves against an allegation of ~~un-~~ Indian buyers. Apart from the complaints often made

that

that the Indian buyers actually cheat the natives over weights and measures, or over the actual payment of cash, there are the more solid facts that few of the Indian buyers are capable of a proper differentiation of quality, and that they pay on the basis of what they can ^{return} get for poorer qualities. This is notorious as regards hides, and it is also I think at the bottom of the fact that so little native produce is fit for export. The native will not, and cannot be expected to, take any trouble to turn out a first class article, or to use care in gathering if they do not get a fair return. There is the further point that the native buyer is also a seller, and that there is a tendency for the native to be encouraged to fritter away his money at once even if there is no actual barter. But all this is covered by the passage put into the Native Policy Memorandum (at my instigation), ~~that~~ the Government of Kenya are fully justified in taking action without too much regard for Indian susceptibilities. I think that so far as this season is concerned, Kenya must try to improvise some improved marketing arrangements without waiting for an expert's advice.

I have roughed out a draft telegram which we can discuss.

WCS
19 3. 31

S. S. Wilson

I have sent a proposal to draft which I think I have sent on Monday. Have shown it to the Purchaser who has promised me a valuable reference.

But as regards the late out of 47 11th 1931 I agree that I don't think it strikes in my head that either before or after the war would 5000.000, & that is a large sum with more than made up last year.

WCS 25.3.31.

Sec of State
(through D. H. H. H.)

For approval.

R. H. H.

WCS 27

T. H. H. 27.3.31.

2 Am. Tel. 108

30 March 1931

2 Nov. 118 8 April
with report more fully on native aspect;
1930 Trade Report shows value of Kenya produce
reported was £676,661 in excess of 1929 and
total of £3,722,591 was highest recorded.

Mr C. Patterson & Co. Ltd. London
St. Michael's Alley
I want to report

J. W. Allen
10/4/31
cc: Parliament
W. G. S.

10/4/31

I am very doubtful of the
wisdom of stimulating exports
without first inquiring what
the effect will be on the market,
& what prospect there is of
the produce obtaining a
remunerative price. I cannot
speak as to maize - but as
regards coffee what is wanted
is less & better export.

11.4.31 G.G.

Send thanks!

18-6-31

Co-operative marketing (1907/31)

Submits opinions with regard to suggestion of immediate
increase of native production, and also as regards
steps being taken to improve quality of native crops,
for export. Comments on question of marketing
organisation and promises further report on whole
question of marketing of native produce later.

Most of the ground covered by this despatch
is really covered by Mr. Stenhouse's fall and
interesting minute on 17073/31 below.

I really do not know that it is possible to
take any further action on this despatch than is
suggested on 17073/31.

? Put by.

J. W. Allen
19/4/31

See on 17073/31

cc: Parliament
17/6/31

4 To Gov. 456 (Government) 30 JUN 1931
10/17073/31

5 To J.M. Moore 50 - 30 June '31 (copy all)
(sent on 17073/31)

AA

Subscribed

How to handle the work of 17/4/31

Hand out of review

How to handle
17/4/31

5¹⁴

Copy

draft on
17073/31. K

DOMING STREET,

30th June, 1931.

My dear Moore,

This is to accompany the Secretary of State's despatch No. 456 of the 30th June about the stimulation of native agriculture and the improvement of the native produce.

Although the Secretary of State proposes to await the further despatch promised in the Governor's despatch No. 236 of the 29th April, we have obtained Stebbins's preliminary views, and it seems desirable to let you have at once a copy of his minute on the subject, especially as he disagrees with the opinion of the Provincial Commissioners that it would be a mistake to eliminate the small native buyer, who is generally the agent of an Indian shopkeeper or trader.

H. M. N. MOORE, ESQ., C. I. S.

17

If the promised further despatch has not left when you receive this letter we should be glad if Stockdale's views could be carefully considered before it is sent. If it has left, we should like them to be dealt with in a supplementary despatch, unless you are satisfied they have already been covered, in which case I should be glad if you would let us know.

(Signed) A. G. C. PARKINSON

COPY OF MINUTE BY MR. STOCKDALE.

The reliable buyer of native produce for export is only interested in bulk consignments and is prepared to give good prices for them. All that has to be done is to settle how these bulk collections can best be organized. The arrangements may have to vary from district to district. I entirely disagree with the expression of opinion from the Provincial Commissioners that it would be a mistake to eliminate the small native buyer - generally the agent of an Indian shop keeper or trader. It would eventually be in the best interests of the growers - and these are what count - to do so. Where it would be a mistake is that, at present, the growers would have no means for the disposal of their produce. If the Provincial Commissioners can organise regulated markets, provision for produce disposal will then have been made, and the small itinerating purchaser will go and the grower secure a square deal.

From what I saw of Kenya I came to the conclusion that the marketing of native grown produce was the most important economic problem connected with native development, and when Sir Joseph Byrne asked for my views on his arrival I indicated that I felt that no Colony such as Kenya could hope to be economically sound unless the mass of its people (and not only the handful of 2,000 odd European producers in the Highlands) were prosperous and able to contribute their quota to Government revenues. If these revenues are to expand and be secure, the taxable capacity

capacity of the multitude must be increased. I indicated that I had expressed this view in several quarters in Kenya, and that it had been accepted and that there would be no suggestion of opposition to a policy of development in Native Reserves. I had seen satisfactory signs of increased crop production, but there were no indications that improvements in production were of material benefit to the producers. Improved maize, for instance, unless specifically bought for export, gets no better price than the inferior stuff, and is bought in order that it may be mixed with the latter, and thereby tend to give some semblance of improvement of the whole. This is the work of the Indian middleman. I was also very struck, after my experience in Ceylon, with the absence of any attempt at organized marketing. In Ceylon markets have been established in all districts by administrative officers from local funds. They may be weekly markets in temporary buildings or sheds, or even in the open, or they may be daily markets. In the principal villages and small towns permanent buildings have been erected and considerable loans have been given for the Central Government to provide for the increase of such buildings. In some cases the markets are free, in others small charges are made for only stall-holders who sell manufactured articles, whilst in others charges are made on all. They are all, however, regulated. In Africa generally one sees, as yet, nothing of this. In certain districts we saw all
along

along the road side meat hung up on the branches of trees and masses out off for the purchaser as required. In Kenya, certain places have been set aside as markets, but there are no shelters of any kind, nor are there any latrines.

This is a direction in which marketing wants improvement and requires attention even before consideration is given to the marketing of export products. At the same time, material development is not to be expected until the marketing of export products is better organized. How this can best be done will have to be worked out in Kenya itself, but what has already been done for cotton - even in parts of Kenya - might also be done for other export products. Cotton would never have developed as it has done if the organization of markets had not been attended to. Special cotton markets have been set up and cotton auctions have proved successful in certain countries. Co-operative marketing is better organized for cacao in the Gold Coast and might be worth considering for such products as wattle and potatoes grown in the Kikuyu Reserve in Kenya. But conditions are not ripe in Kenya yet for any considerable extension of co-operation. If this is done a vast staff of supervisors will have to be engaged to supervise the movement, and practically (i.e. except in name) run the whole show. If detailed supervision

is not given, the movement will make no progress. I indicated to Mr. Moore that I felt that co-operative was a dangerous tool to play with for native agriculture until there was some degree of organization evolved for general marketing of produce and that co-operative organizations on the South African lines were what was being worked up for European agriculture. It is regularized marketing facilities that the Kenya native producer requires. He does not want, nor can he make use of, co-operative credit, and to start off with co-operative marketing would be a mistake. It was for these reasons that I advised Mr. Moore that I doubted whether the expenditure for a visit from Mr. Strickie would, at this stage, be justified.

copy
SECRET
W. 456
DOWLING STREET,

10 June, 1921.

Sir,

I have the honour to refer to Mr. Moore's despatch, No. 25 of the 14th January, in which he informed me of the reasons for which ~~He~~ decided not to take advantage of Mr. Strickland's visit to Lusitania to invite him also to visit Kenya.

1. I have also received your despatch No. 226 of the 29th April regarding the development of native agriculture generally. In paragraphs 6 and 7 of that despatch reference is made to the improvement of the marketing of native produce, and I now propose to await your further despatch upon this subject.

2. As regards the specific enquiry at the end of Mr. Moore's despatch, No. 25 of the 14th January, I have to inform you that the Ministry of Agriculture has a marketing branch through which it would be possible to arrange for an Administrative Officer from Kenya to study what is being done here to effect improvement in the marketing of agricultural products.

and

YOURS,

BRIDGES-GENERAL.

SIR JOSEPH A. STONE, K.C.M.G., K.C.S.I., C.S.,

etc., etc., etc.

and to visit some of the organizations in this country concerned with the marketing of fruit and vegetables. He could also be placed in touch with the Empire Cotton Growing Corporation and the British Cotton Growing Association in order to obtain details of the various systems of marketing of cotton on which, as you are aware, valuable information could also be obtained from the Government of Uganda.

4. On learning from you that an officer has been selected for the purpose, the necessary steps will be taken to secure all possible facilities for him.

I have the honour to be,

Sir,

Your most obedient,
humble servant,

Signed: PASSFIELD

KENYA.

No. 236



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
26 MAY 1931

29th April 1931.

My Lord,

I have the honour to refer to your Lordship's telegram No. 106 of the 30th of March, 1931, on the importance of stimulating exports and to my telegram of the 6th of April, 1931, in which I promised to report more fully on the native aspect of this matter.

2. With regard to the immediate increase of native production for export I am advised that no very substantial results in this direction can be anticipated this year for the following reasons.

(a). Such increase in production can only be brought about gradually and by sustained efforts. These efforts have been made for several years past and are bearing fruit; they have not been relaxed during the present year. Advice has been given, propaganda continued and seed distributed. To do more would require an increased staff of Agricultural and Administrative office which is not possible in view of the present financial position. The figures in the Agricultural Report for 1930 to which reference is made in your Lordship's telegram, show that there is already a steady increase in native production.

(b). In view of the present invasion of locusts of

HIS RIGHT HONOURABLE LORD PASSFIELD, F.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W. 1.

17073/31 B. 15/10/31
received 236 on 17073/31

a species whose main food appears to be the graminaceous plants and which appears to prefer maize to almost any other food, it is considered unwise at present to make any endeavour to increase maize plantings. Although the present swarms are unlikely to do much more damage to crops and the campaign against their progeny may be successful, it is feared that further flights from Uganda must be expected in June and July and I would prefer, therefore, to encourage the growth of root crops and other quick maturing non-graminaceous crops.

2. The question of the improvement of native agriculture is further complicated by the systems of native land tenure which render it difficult to obtain adequate land for Native Council Seed Farms which in the opinion of the Director of Agriculture are of the first importance in effecting progress in this direction, and which if they are to be of any value must be situated in the Native Reserves. This difficulty may perhaps be overcome in time when the value of such farms is apparent to the leaders of the communities concerned, but in the meantime the Director of Agriculture feels that no great improvement in the quality of native crops can be looked for over a relatively brief period of time. Your Lordship's Agricultural Adviser will have knowledge of this difficulty as the result of his enquiries in the Colony.

3. Ground Nuts are a suitable crop only in certain areas such as South Kavirondo and other areas in the Nyanza Province. In these areas they are already fairly extensively grown.

4. With regard to Simsim, I am advised that it is not likely to find a ready market at a remunerative price in future owing to the competition of cheaper substitute vegetable oils and it is therefore not being encouraged as a native crop, though it is not, for the present, being discouraged.

5. The importance of grading of native produce is

a species whose main food appears to be the graminaceous plants and which appears to prefer maize to almost any other food, it is considered unwise at present to make any endeavour to increase maize plantings. Although the present swarms are unlikely to do much more damage to crops and the campaign against their progeny may be successful, it is feared that further flights from Uganda must be expected in June and July and I would prefer, therefore, to encourage the growth of root crops and other quick maturing non-graminaceous crops.

2. The question of the improvement of native agriculture is further complicated by the systems of native land tenure which render it difficult to obtain adequate land for Native Council Seed Farms which in the opinion of the Director of Agriculture are of the first importance in effecting progress in this direction, and which if they are to be of any value must be situated in the Native Reserves. This difficulty may perhaps be overcome in time when the value of such farms is apparent to the leaders of the communities concerned, but in the meantime the Director of Agriculture feels that no great improvement in the quality of native crops can be looked for over a relatively brief period of time. Your Lordship's Agricultural Adviser will have knowledge of this difficulty as the result of his enquiries in the Colony.

3. Ground Nuts are a suitable crop only in certain areas such as South Kavirondo and other areas in the Nyanza Province. In these areas they are already fairly extensively grown.

4. With regard to Simsim, I am advised that it is not likely to find a ready market at a remunerative price in future owing to the competition of cheaper substitute vegetable oils and it is therefore not being encouraged as a native crop, though it is not, for the present, being discouraged.

5. The importance of grading of native produce is

fully realised and rules have recently been introduced for the grading of beans by means of which it is hoped that the overseas market may be improved.

Rules under the Crop Production and Livestock Ordinance are already in force for the improvement of the quality of Maize and Mungia for the Nyasa Province and Wattle Bark for Kilnya.

6. With regard to marketing organisation difficulty arises from the fact that the fundamental principle of marketing organisation, namely the attraction of the large buyer by offering native produce in bulk, has the effect of eliminating the small native buyer. In the opinion of the Provincial Commissioners who discussed this question at their recent meeting, this would be a mistake. An interesting experiment however has recently been made in the Kilnya Reserve where some enterprising natives have cooperated in erecting godowns for the collection of produce in bulk in order to attract buyers and to sell to greater advantage.

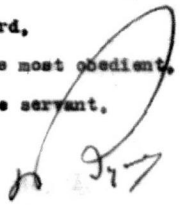
A report is awaited from the Agricultural Economist who is examining the general question of marketing, and the Acting Chief Native Commissioner is arranging a consultation with Mr. Strickland on his way from Shambhar.

7. I will report further on the whole question of the marketing of native produce at a later date.

I have the honour to be,

My Lord,

Your Lordship's most obedient,
humble servant,



BRIGADIER GENERAL.
GOVERNOR.

DECODE 275

RECEIVED
9 APR 1931
COL. OFFICE

Telegram from the Governor of Kenya to the Secretary of
State for the Colonies

Dated 8 April 1931. Received 4.14 p.m. 8 April 1931.

No. 116 Your telegram no. 108. Considerations mentioned by
you have not been overlooked and will continue to be
given full weight. I will report more fully on native
aspect obtaining report from my Advisory on such matters.
I have also report an advance copy which was sent on
10th and shows despite very considerable fall in
world market price value of Kenya produce exported last
year was £2,466,661 in excess of 1929 figures the total
of £3,422,591 being highest recorded in the Colony's
history and considerably superior to Uganda exports
which fell to £2,060,453. The importance of reducing
costs of production and of maintaining quality of
products is also fully appreciated.

(R. L. ...)
Amo 1083
Added serial 3. us 30/3/31



No. 108

C. O.
Mr.
Mr.
Mr.
Mr. F. ...
Mr. C. ...
Mr. J. ...
Mr. C. ...
... 25/3
... 29/3

In studying the financial

position of the Colony and Railway, you have no doubt considered the importance of stimulating export, not only on account of its bearing on imports and customs revenue, but also in view of large adverse balance of Kenya trade, (which is now to a much less extent than normally set off by Uganda's favourable balance), the importance of which increases with the amount of the external debt.

DRAFT TELEGRAM

GOVERNOR,

NAIROBI.

Please copy to ...
... X. 12/2/41

I have received your telegram No. 99 Received of the 16th March, which is reassuring so far as the Colony is concerned, but the question of railway finance remains, and in any case it seems necessary to stimulate native exports because of reduced East African market for their

produce

produce and reduced wage employment.

Trust you will consider ^{if you have a quantity of the so} ~~whether~~ ^{subject to the same} ~~stronger effort cannot be made~~ ^{prices of your supply, and then a}

towards the immediate increase of

native production, export,

possibly maintenance of

such products as ground nuts and

benzene, by technical improvement

and advice on distribution

where necessary, so that you may

know the matter is urgent to the

country because of the present

HP

fraking and

condition of the country and the

need for more technical assistance

and the need for more capital

and the need for more technical

assistance in the production of

the country and the need for

waiting for the first report it may be

possible to introduce some measure

which will safeguard ourselves this season.

(Just what)

As regards preparation of hides, see

(about 1911)

various passages in Nigeria Veterinary

Report, 1910, I have found several other

produce and reduced wage employment.

if you have not already done so

Trust you will consider ~~whether~~ *subject to the same financial*
prices of the country, and that
stronger effort cannot be made

towards the immediate increase of

native production for export,

possibly making, but where suitable

with products as ground-nuts and

kolanut, by intensive propaganda

and advice and distribution of

seed if necessary. You will realize

that the matter is urgent if the

coming season is not to be lost.

HP Question of *marketing and* native produce

is, of course, of first importance.)

I have received your despatch of

14th January, No. 28, and propose in

first place to wait for discussion with

Mr. Stockdale, but I hope that without

waiting for visit of expert it may be

possible to introduce some measure

which will safeguard natives this season.

As regards preparation of hides, see

various passages in Nigeria Veterinary

Report, 1929. *I have found paragraph 211*
of the report on preparation of hides in Nigeria.

[6 in 17073/10
W.W.W.]

(26 Jan 1931)
24

(Urban).

Mr.

Mr.

Mr.

Mr. [unclear]

Mr. J. [unclear]

Mr. [unclear]

Knox, U.S. of S.

Perry, U.S. of S.

Secretary of State.

(Handwritten note)

DRAFT

[unclear]

I have not observed
steady increase in water
exports (Departmental Report
1929 p. 47) and other
[unclear] improve quality of
groundwater (Notes of 7 August
1929) 0

Original preparation of
[unclear] on various passages in
[unclear] [unclear] Report 1929 0
I have been [unclear] [unclear]
[unclear] [unclear] [unclear] [unclear]
on [unclear] in [unclear].

[unclear]

TELEGRAM from the Deputy Governor Penya to the Secretary of State
for the Colonies.

Dated 16 March, 1931. Received 4.31 p.m. 16 March, 1931.

No. 99. Reserve. Your telegram No. 53 Reserve. Possibility of
short-fall in 1931 revenue became apparent during January.
Heads of Departments were directed immediately to reduce expenditure.
Revised estimate of 1931 revenue is approximately £5,370,000
and it is hoped to reduce expenditure by £150,000 to £5,220,000
resulting in surplus of £200,000. Revised and unforeseen expenditure
to date amount to £19,000 but it is hoped that such requirements
will not exceed a total of £40,000 for the year of £40,000 leaving a
net surplus of £40,000.