

1935.

Kenya.

No. 58232/1.

SUBJECT

C0533/461

White Settlement.

Proposed for settlement of

Ex-Indian Army Officers.

Previous

23167/34.

Subsequent

1936.

C.1.
LAND.

L. Gov. Byrns, No. 587.

15th, Nov. 1935.

Southey (1935)

Tra., with comments, draft paras. from report by Major Gathorn on a scheme of settlement for Kenya and requests that, if it is not possible to approve at present category "A" of the scheme, approval may be given to category "B".

la.
**not attached*

Since you discussed No. 1 with Mr. Grossmith and me, Colonel Pepys of the India Office has sent me the attached letter of the 3rd November and the pamphlet enclosed. It appears from the letter that the total number of War Block Officers is now placed at 400; the original estimate, according to Colonel Knagge, was 900. Moreover, it is clear from the pamphlet that Kenya is by no means the only competitor for the favours of these officers. Colonel Pepys told me that he would be very much surprised if as many as 50 in all decided to settle in Kenya.

This goes to show that the whole thing is of a small scale. But the objections raised in our discussion still hold good so far as the principles of the scheme are concerned.

1. Sir Philip Cunliffe-Lister wrote in 1931 that "No further subsidized settlement should be undertaken unless it can be established that it is economically justified". There is no evidence in this despatch that the officers settled under Scheme R will be able to farm their 200 - 700 acres at a profit even with the initial advantages of free land and cheap capital. It would be interesting to know which way the Director of Agriculture voted

PP 51-52 of Cunliffe-Lister

C.1.

LAND.

Cuthbert (L.H.)

L. Gov. Byrne, No. 587.

15th, Nov. 1935.

Trs., with comments, draft paras. from report by Major Cuthbert on a scheme of settlement for Kenya and requests that, if it is not possible to approve at present category "A" of the scheme, approval may be given to category "B".

1a.
**not attached*

Since you discussed No. 1 with Mr. Grossmith and me, Colonel Pepys of the India Office has sent me the attached letter of the 3rd November and the pamphlet enclosed. It appears from the letter that the total number of War Block Officers is now placed at 400; the original estimate, according to Colonel Knagge, was 900. Moreover, it is clear from the pamphlet that Kenya is by no means the only competitor for the favours of these officers. Colonel Pepys told me that he would be very much surprised if as many as 50 in all decided to settle in Kenya.

This goes to show that the whole thing is of a small scale. But the objections raised in our discussion still hold good so far as the principles of the scheme are concerned.

1. Sir Philip Cunliffe-Lister wrote in 1931 that "No further subsidized settlement should be undertaken unless it can be established that it is economically justified". There is no evidence in this despatch that the officers settled under Scheme A will be able to farm their 200 - 700 acres at a profit even with the initial advantages of free land and cheap capital. It would be interesting to know which way the Director of Agriculture voted

*pp 51-52 of
Cuthbert's report*

when

when the scheme was accepted by a majority of Executive Council (paragraph 4).

2. The safeguards proposed in paragraphs 7 and 8 are prudent and necessary. But in spite of them the possibility cannot be ignored that some officers may fail to make ends meet owing to sickness, locusts, a further drop in prices, etc. If an officer finds himself unable to meet the charges on the £1,000 advanced from the Land Bank (which will be about £120 per annum to begin with) the Bank can only foreclose; with the ultimate result that Government loses the whole of the £1,000 in cash, though it recovers the land which it had given away free.

3. The basic idea is that the officer settler will be mainly supported by his Indian Army pension. In the event of his premature death his widow and children, if any, will be left with an exiguous widows' and orphans' pension and an encumbered farm which they are probably incompetent to work and are not allowed to sell. There is a real risk here of adding to the poor white population of the Colony.

4. Paragraph 10 hints at another difficulty without propounding a solution. It is not clear why an Indian Army officer (who is ex hypothesi too young to have seen active service in the War) should be granted preferential treatment over many other deserving categories of His Majesty's subjects.

On the economic side I think we should ask the Governor

(a) ?

(a) for his grounds for supposing that the officer-settler will be able to farm his land at a profit:

(b) whether he has considered the position of the widow and children of an officer who dies prematurely.

On the political side, any reluctance displayed by the Secretary of State to give the scheme his prompt and unqualified blessing will assuredly give rise to the old cry that the Colonial Office is hostile to white settlement. But this risk is one that must be faced, and before approving Part B of the scheme I think we should write to the Governor on the lines suggested. By the time his reply is received we shall no doubt know where we stand in regard to the fresh capital for the Land Bank.

W. P. D. P.
5/12.

5.12.35.

This is all calculated to put the Gov and the S. of G. in a very awkward position. It has been repeatedly stated that Govt & the S. of G. are not hostile to "close settlement". Here is a sort of "close settlement" idea well settled, of the right kind (i.e. young men with a small assured income which they can't lose) and yet I think we shall have to demur to it. You will remember the 1919-20-21 settlement schemes and their failure.

I don't object to settlement but I do think that Govt is not justified in subsidizing it in any way as is proposed by waiving the stand premium and guaranteeing advances up to about £820 a head. The farmer in Kenya has had an awful time lately and newcomers would not be likely to make a financial success. That however is not I think contemplated.

Many of the factors under the main scheme are to eliminate some of the holders on other main farms in the ...

What is in view is that the man shall live on his pension and perhaps supplement it a bit. But if he loses on his farm as he well may then he'll get harder & harder up as he goes deeper into debt and will have to give up in despair and clear out or else swell the ranks of the hard up in Kenya.

Then para 10 is awkward. If you give a farm free to Capt A. B. who is retrenched from the Indian Army why not to Colonel Abbey whose only crime is that he wasn't retrenched but went on pension a year or two ago? The Gov. says this can be got over by arguing that it is due to the special circumstances of the War Block but that will be very hard to maintain in practice.

A small point is that it is hardly right of Govt to give away its only asset (land) in return for a negligible rent and the indirect benefit of the presence of a few Indian Army officers.

Govt must be B paid so much any officer who has a couple of 20 acres will probably keep himself in milk & vegetables no more than use a whole lot of small 'market gardens' in the usual sense of the term. Govt people probably won't care much of it all.

Class C will come anyhow & will be welcome but even if a man wants to buy a larger farm is he to be deterred from getting a small one free?

I look on the 'second generation' problem with some leas. An ex-officer on a pension may manage to live fairly well. But his pension will die with him and the ex-family will be done for.

So I would put all Mr. Freestone's points to the Governor and I would add that any officer assailed ought to sign a document stating that he is in no sense being invited by Govt. to come to Kenya & that he admits that Govt. has no responsibility towards him. This will help to stop subsequent charges that Govt. has lured them to ruin.

Sir J. Maffey.

I am afraid that the best that can be said for this scheme is that it is only a little one.

I supported the proposal for enlarging the capital of the Land Bank (on the ground that it would help to survive those present settlers who best deserve to survive) against the strong view that individual farming in Kenya is doomed. I do not share that view, provided the depression does not last indefinitely, but at all events it is a fluky business and the present is about the worst time possible to enter on it.

Mixed farming is excellent in general but not much of a stand-by when everyone is filling the local market and exporting, if at all, on an artificial basis.

On the other hand, we do not want to go too strongly against local opinion. The settlers are in favour of this kind of thing (1) because it shows that Kenya is regarded as a white man's country, (2) because more settlers mean more political weight, and (3) because of the money which the new arrivals will spend in the country.

I do not regard any of these points as strong arguments for the scheme but they make it undesirable to turn it down.

? As Mr. Flood proposes.

(I think we shall have to tell the Governor not to allow the Tigon area to be talked about in this connection for the present. We have protests from the natives whom it is proposed to

W.C.S.

remove to another area from Tigon, we have questions in the House of Commons on the subject, and we are expecting a despatch from the Governor making new proposals, the character of which we do not know).

W.C.S.

6.12.35.

Check who to discuss this.

W.C.S.

State the to me (high) the name
of the man Dept or Sir John
Campbell

W.C.S.

14/2/4

I am sorry that the nicest thing that I can say about this proposal is that it is sheer lunacy. The economics of the business have simply not been considered at all. Everything that I have been able to find out about Kenya over the last two or three years goes to show that most of the settlers now there are doomed to bankruptcy & we are about to help more people without experience & without capital to swell the existing confusion.

It is time that we faced this non-sense boldly & said bluntly that

kind of project in Kenya & will have nothing to do with it at all.

G. J. McCausland
12/12/35

I agree generally with all the preceding criticisms of the A scheme. (I had long experience of settlement on the land in Greece, and the difficulties in the way of success can hardly be exaggerated. History is strewn with the wreck of settlement schemes--in Australia, Canada, and elsewhere. The Greek scheme was I think far and away the most successful. It was successful because the settlers--hardly and very hard-working people--had a clean cut choice between succeeding and dying.)

2. The "second generation" problem cannot be too strongly emphasised.
3. The Govt: must be prepared to be sensible and accommodating as regards the approval of transfers, subleases, and so on. In that matter, their hand will clearly be forced by circumstances. It is idle to think otherwise.
4. The distinction made between "the Govt" and "the Land bank" is a distinction without a real difference. The Land bank is, in essence, the Govt.
5. The capital suggested will I think be found inadequate. The thing, once embarked on, will demand more and more money. Things political in Kenya are such that that further money will almost certainly have to be found.
6. I agree that if this proposal is agreed to, there will be other demands--from other classes--which it will be difficult to resist. In other words, and not only on account of the considerations mentioned in para: 5 above, the scope of the thing will be considerably greater than appears at first sight.

7. The basic objection is that we have no reason to think that this experiment will be economically successful. We have a good deal of reason to think that it will fail. On the political side, the dangers are obvious. Nor is it perhaps possible to assume that the G of India will be allowed to dissociate itself entirely from success or failure. Kenya is not exactly popular in India:-- and to many people there any stick ~~would~~ would be good enough to beat the Kenya Govt., and through them the British Govt., with.

8. I will therefore do everything possible to prevent this scheme-A from being accepted.

9. Scheme B seems to me to stand on a different footing. If the "second generation" problem could be avoided--which it could be in some cases--scheme B has a good deal to be said for it. It might also alleviate the political difficulties, rightly foreseen, if the G's could agree at once to scheme B. On the whole, the main objection to scheme B is the personal one--not any objection which the G of Kenya or the G's need take.

It means, in essence, "dividing up", it means placing the children, if any, at a very marked disadvantage; it means separating oneself from the main current of affairs while still young and active; it connotes a temporary and short-term solution of an immediate difficulty. But for some people these objections would not apply. I'd accept scheme B, then--merely pointing out its disadvantages and limitations, in as unobjectionable a form as possible.

The 16th: Be entry, 1930.

The draft, along the lines suggested by
Sir J. Campbell, should now be prepared.
The whole question is an absolutely
Kenya & susceptible point, & I
shall see to it that in due course

16/2/30

Mr. P. J. ...

You sent a tentative draft to me &
I made certain proposals for its
amendment, the two being now
embodied in the composite draft now
attached. It reads rather better
than I had expected and if you are
content that it should go forward,
I am

G. L. M. Dawson

23/1/30

Sir C. B. ...

Here it is then for comment

W.L.S. 24.1.30

Mr. Boyd

30/1/30

The B. G. has seen, but would like
to consider further after discussion with the B. G.
I expect that this might be taken up with
the House immediately after the discussion of
the Kenya Defence Force Bill on the evening of

10/12/30

Friday, the 16th January.

Extboyd
15/1/36

15/1/36

This was discussed with the
S.A. on Thursday morning and
he authorized us to send off the
dispatch by Comonow's air mail
subject to alterations being made
as now shown in paras 10, 11, 12.

W.L.D.
17.1.36
since

8/1/36 2 To Kenya 32 (1 amended) 18 Jan 1936

I assume that it is not intended
to say anything to the I.O. about
this, but it is for cover, whether
copy of the cover. pld. not go to
the E.A.T. & I.O.

J. J. G.
23/1.

A copy of the cover should definitely go to I.O.
& also to the I.C. office.

3 To I.O. (etc/1/2) 23/1

E.O.T. & I.O.
70 2-36
Deds. (44)
DESTROYED UNDER STAT. 13/1/36
above

G. O.

AIR MAIL.

2

Mr. Flood. 17/12.

Mr. Clauson 23/12

Mr. Flood 24

Sir C. Parkinson.

Sir G. Tomkinson.

X Sir C. Bottomley. 25

Sir J. Shuckburgh.

+ Permt. U.S. of S. 30/12

Permt. U.S. of S.

X Secretary of State.

(for comm.)

ansd. 1/26 f.s.

*See minutes
Wed. 17.1.26 f.s.*

Downing Street.

18 JAN 1936

Sir,

DRAFT.

KENYA.

NO. 32

GOVERNOR.

(1)

I have the pleasure to acknowledge the receipt of your despatch No. 887 of the 15th of November on the subject of the possible settlement in Kenya of Indian Army Officers who are about to be retired from the Indian Army during the next few years in consequence of the "war block" conditions.

2. I have carefully considered the proposals put forward but I feel that they are open to considerable objection. Admittedly, the number of ex-officers affected is not likely to be very great and the figure of fifty suggested in the sixth paragraph of your despatch is, I am given to understand, rather above than

below

copy to 1.0. (12.7.30) by Mr. A. P. (2 on 30.2.32/36)

FURTHER ACTION.

below the maximum that may be expected.
still, the objections in principle hold
good. I exclude from these objections,
of course, category C, which does not
contemplate any form of Governmental
assistance. If retired officers decide
to purchase and farm privately owned
land, the Government need not intervene
in any manner.

3. Categories A and B are more
conveniently discussed separately. In
his despatch of the 18th of July 1932
Sir Philip Cunliffe-Lister (now Viscount
Swinton) wrote that he was of opinion
that no further subsidised settlement
should be undertaken unless it could be
established that it was economically
justified. In this opinion I concur.

4. In the absence of all details
regarding the uses to which it is
suggested that the farms of Category A
should be put, it is impossible to examine

fully

G. O.

Mr.
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Mr.
Sir G. Parkinson.
Sir G. Tomlinson.
Sir C. Bottomley.
Sir J. Shuckburgh.
Parlt. U.S. of S.
Parly. U.S. of S.
Secretary of State.

DRAFT.

FURTHER ACTION.

fully the economic aspect of this
particular proposal, but it seems to be
~~fully~~ admitted that an officer
receiving a farm of this class, even
though he paid no stand premium and was
lent a substantial amount of capital on
easy terms, would not be able to live on
and work his farm, were he not in
possession of a pension. This is in
fact, the conclusion which I should have
anticipated, since there appears to be no
evidence to show that European farming in
Kenya on this scale is now an economic
proposition, particularly if the
farmer himself has had no previous
experience of farming.

6. Admittedly the officer will
be able to live in greater comfort in
this way in Kenya than he would enjoy
if he endeavoured to live simply on
his pension in this country; and,
admittedly, if he worked his farm and
paid his mortgage instalments for the

full

below the maximum that may be expected. Still, the objections in principle hold good. I exclude from these objections, of course, category C, which does not contemplate any form of Governmental assistance. If retired officers decide to purchase and farm privately owned land, the Government need not intervene in any manner.

3. Categories A and B are more conveniently discussed separately. In his despatch of the 13th of July 1932 Sir Philip Cunliffe-Lister (now Viscount Swinton) wrote that he was of opinion that no further subsidised settlement should be undertaken unless it could be established that it was economically justified. In this opinion I concur.

4. In the absence of all details regarding the uses to which it is suggested that the farms of Category A should be put, it is impossible to examine

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Secretary of State.

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FURTHER ACTION.

fully the economic aspect of this particular proposal, but it seems to be ~~fully~~ admitted that an officer receiving a farm of this class, even though he paid no stand premium and was lent a substantial amount of capital on easy terms, would not be able to live on and work his farm, were he not in possession of a pension. This is, in fact, the conclusion which I should have anticipated, since there appears to be no evidence to show that European farming in Kenya on this scale is now an economic proposition, particularly if the farmer himself has had no previous experience of farming.

5. Admittedly the officer will be able to live in greater comfort in this way in Kenya than he would enjoy if he endeavoured to live simply on his pension in this country; and, admittedly, if he worked his farm and paid his mortgage instalments for the

full

special facilities to officers of
the Indian Army who are being
retired owing to the "war block",
there can be no good reason why it should
not extend similar advantages to other
retired officers, or, indeed, to any
person of suitable character, and
possessed of some means, who may present
himself. It would, I fear, be difficult to
justify preferential treatment of any
one class in such a matter.

8. From the political point of view
it may perhaps be expected that the Govt.
of India will feel obliged to take an
especial interest in the success or
failure of the scheme and in the event of
failure may well be inclined to throw
Key impute
responsibility to
~~some share of blame on~~ the Govt. of
Kenya. Taking all these matters into
consideration I am driven to the
conclusion that settlement of Category A
is open to so many and such serious
objections that I cannot agree to the
project being pursued.

9.

G. O.

Mr.

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Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Robinson.

Sir J. Shackleton.

Frank U.S. of S.

Paul U.S. of S.

Secretary of State.

DRAFT.

9. I now turn to Category B.
I note that what is intended is to
provide small plots of land suitable for
residential settlement, assisted by
what is described as minor market
gardening. I presume that what you
have in mind is the case of the immigrant
who settles on his plot and cultivates
it primarily to supply his own needs,
possibly marketing any surplus produce
that may be available. I note that you
consider that there are sufficient areas
available for disposal to cover any such
cases which may present themselves. The
objection which I see towards
encouragement of settlement under
Scheme B is rather psychological,
inasmuch as it means that the immigrant
will practically be abandoning any
attempt to improve his circumstances but
will be content to exist on his pension.
It is assumed that the majority of the
immigrants contemplated will be men in
the

FURTHER ACTION.

full period of 30 years, the Government would incur no loss if he abandoned his farm thereafter. But if he abandoned his enterprise before the conclusion of that period on account of sickness, adverse climatic conditions, locusts, or inability to make a success of it, or if he was unable to keep up the payment of his instalments, the Bank would have no course save to foreclose and in that event the Government would lose the whole or a large part of the £1,000 advanced and would receive in return only the land which it had previously given away free of charge.

6. Moreover on a long view the proposal is open to the further objection that a family would be established on the land in Kenya on the strength of conditions which ~~are~~ ^{were} purely transitory. So long as the officer himself was alive his

C. O.

Mr.

Mr.

Mr.

Sir C. Phipps.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Sturges.

Parlt. U.S. of S.

Parlt. U.S. of S.

Secretary of State.

DRAFT.

FURTHER ACTION.

his pension would be available to supplement the deficiencies of his farm, but, when he died, his widow, if she survived him, and his children would be left with a farm, possibly still encumbered, which could not be operated in such a way as to provide the farmer with a living. The position of the family in that event would be extremely precarious, and the only result of the scheme in the long run would be to increase still further the poorer section of the European population of the Colony. This is in my view too high a price to pay for the ^{passing} ~~transitory~~ advantage that, for the time being, the officer would be drawing a pension from Indian funds and spending it in Kenya.

7. Apart from this, the difficulty which you mention in the tenth paragraph of your despatch is, I fear, one which is bound to assume no little importance. If the Kenya Govt. is prepared to offer special

special facilities to officers of
the Indian Army who are being
retired owing to the "war block",
there can be no good reason why it should
not extend similar advantages to other
retired officers, or, indeed, to any
person of suitable character, and
possessed of some means, who may present
himself. It would, I fear, be difficult to
justify preferential treatment of any
one class in such a matter.

8. From the political point of view
it may perhaps be expected that the Govt.
of India will feel obliged to take an
especial interest in the success or
failure of the scheme and in the event of
failure may well be inclined to throw
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Secretary of State.

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FURTHER ACTION.

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It is assumed that the majority of the
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the

and of action destination
the price of life, and it seems doubtful
how of their status
whether ~~such~~ would be content, *or ought to be expected, to*
settle down to such an existence
even though the advantages of life in
Kenya might prove sufficient to attract
them. Here, too, I foresee great
difficulty when the pensioner dies and
his family is left in possession of a
small property not sufficient to
maintain them in comfort. In these
circumstances, while there is not sufficient
ground for refusing such plots of land to
retired officers on the terms on which
they would be offered to any other
member of the public, I can see ^{no} reason
why the Government should offer them such
^{special} plots on favourable terms, especially as the amount of premium in respect of
each plot would ~~be~~ *be negligible.*
My conclusion therefore is that
the right course for your Govt. to adopt is
to inform the Government of India that, on
mature consideration they are not prepared to
give any special facilities to retired officers
of the Indian Army who desire to settle in
Kenya.

It would be difficult to justify the grant of preferential treatment to one particular class of persons, and derive from retired officers of the Army, or Civil Service, as well as from local settlers might be expected. In the end, it would probably be found that the only course would be to abandon all idea of charging a premium in

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- Secretary of State.

DRAFT.

as I have already said in regard to Category A.

10. Further, it would be difficult to justify the grant of preferential treatment to one particular class of immigrant, and claims from retired officers of the Navy, Army and Civil Service, as well as from local settlers, might be expected and could scarcely be resisted. In the end it would probably be found that the only practical course would be to abandon any idea of charging a premium on any lease.

11. A most serious objection to either scheme, which I have not hitherto mentioned, is that I can hardly regard it as sound policy in the present economic circumstances of Kenya to do anything which could be represented as holding out a definite inducement to anyone or any class of persons to settle in the Colony, especially on a small plot or a moderate sized farm. The

FURTHER ACTION.

and of active desertion
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case of the settler who decides to take up life in Kenya after looking over the country and examining its possibilities is different. Such a one may be assumed to have made himself acquainted with the risks involved and would presumably fall into category C when, as you say, Government would not be expected to find any assistance. But to offer special facilities to others would inevitably be regarded as a ^{definite} special inducement to attract settlers to Kenya, and in the event of failure it would be equally inevitable that settlers who failed would accuse the Government of misrepresentation even though the situation had been put plainly before them, and even assuming ^{that} they had been required to sign a formal statement to the effect that they recognized that they had no claim on Government of any kind. In that event the Colonial Government would be compelled by force of public opinion to take steps to relieve the failures and probably nothing short of refunding their capital and returning them to England would suffice.

C. O.

Mr.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Skutchburgh.

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Parly. U.S. of S.

Secretary of State.

DRAFT.**FURTHER ACTION.**

on farms or
trading sites
of the kind
contemplated

12. For these reasons I have come to the conclusion that the only safe course to adopt is for you to inform the Government of India that, after full consideration, the Kenya Government is not in a position to afford any special facilities to retired officers of the Indian Army who may wish to settle in Kenya, though of course no obstacles would be placed in their way and they would be given every facility to acquire land in the ordinary way should they wish to do so. It should be explained that the reason for this decision is that in the present circumstances of Kenya it is extremely doubtful whether any ^{with our slender resources} such settlers could hope to establish themselves with any degree of financial security, and that accordingly it would hardly appear to

any done?
J.

Mr Flood.

See revised
HPC

Downing Street,
December, 1935.

Sir,

I have etc. to acknowledge the receipt of your despatch No.587 of the 15th of November on the subject of the possible settlement in Kenya of Indian Army Officers who ~~were~~^{are} about to be retired from the Indian Army during the next few years in consequence of the "war block" conditions.

2. I have carefully considered the proposals put forward but I feel that they are open to considerable objection. Admittedly the number of ex-officers affected is not likely to be very great and the figure of 80 suggested in the sixth paragraph of your despatch is, I am given to understand, rather above

- Mr. Flood. 17.11
- Mr. Clouston
- Mr.
- Sir C. Parkinson.
- Sir G. Tomlinson.
- Sir C. Bottomley
- Sir J. Shuckburgh
- Permt. U.S. of S.
- Partly. U.S. of S.
- Secretary of State.

AIR MAIL.

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KENYA.
NO.
GOVERNOR.

FURTHER ACTION.

be in the ultimate interest either of Kenya or of the officers themselves (and more especially their families) to take any active steps which might be held to be an encouragement or inducement to such ex-officers to settle in Kenya.

I have, etc.

(Signed) J. H. THOMAS

than below the maximum that may be expected.
Still, the objections in principle hold good,

In ^{his} despatch of the 13th of July, 1932,
from Sir Philip Cunliffe-Lister (now

Viscount Swinton) wrote that he was of opinion
that no further subsidised settlement should be
undertaken unless it can be established that it
is economically justified, and I regret to say

that there is no evidence to show that officers
settled under Scheme A as put forward in your
despatch will be able to farm their holdings at
a profit even with the advantage of receiving
land free of ~~the~~ premium and being given a

substantial amount of capital assistance *on easy terms*

3. The safeguards proposed in the ^{seventh} ~~7th~~ and
~~8th~~ ^{eighth} paragraphs of your despatch are, I recognise,

prudent and necessary, but the possibility must
be faced that some officers assisted under the
scheme may fail to make a livelihood owing to
sickness, locusts, ^{drought,} or even a further fall in

prices. If an officer then finds himself unable
to meet the charges on the £1,000 advance which

he

C. O.

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Sir C. Parkinson.
Sir G. Tomlinson
Sir C. Bottomley.
Sir J. Stuchbury
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Parly. U.S. of S.
Secretary of State.

DRAFT.

he has received from the Land Bank,
the Bank will have no course save
to foreclose, in which event the Govt.
will lose ^{a large part} ~~the whole~~ of the £1,000
~~advance~~ ^{as advanced} and
~~or the Bank~~ will only receive in
return ^{the} land which it had previously
given away free of charge.

The scheme contemplates
that these officer settlers will be
mainly dependent on their Indian
Army pensions for support, and that
their gains from the farms allotted
to them will be supplementary to
those pensions. ^{It must} ~~The fact,~~ however,
^{be recognized} ~~must be faced~~ that some of them may
die, in which event their pensions
will cease and their families, if
any, will be dependent on whatever
they may receive as Widows' and
Orphans' pensions. The family of a
deceased officer will then be left
with an encumbered farm and a small
income

FURTHER ACTION.

income and their position may well be extremely difficult. The only result in such a case will be to add still further to the poorer section of the European population of the Colony.

5. Apart from this the difficulty which you mentioned in the ~~10th~~ paragraph of your despatch is, I fear, one which is bound to assume no little importance. If the Kenya Govt. is prepared to offer special facilities

to officers of the Indian Army who are being retired owing to the "war block", ^(there can be no good reason why it should) why should it not extend similar advantages to other retired officers, ~~(the case of Colonel Abbey will no doubt occur to you)~~ or, indeed, to any person

of suitable character, and possessed of some means who may present himself. It would, I fear, be difficult to justify preferential treatment of any one class in such a matter.

6. If such a scheme is adopted then Govt. must be prepared to be as accommodating as possible in regard to transfers, sub-leases, etc. It will be idle to imagine that

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Sir G. Tomlinson.

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Sir J. Shuckburgh.

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Parly. U.S. of S.

Secretary of State.

DRAFT.

FURTHER ACTION.

the hand of Govt. will not be forced by circumstances, and cases of difficulty will be bound to arise sooner rather than later. In this connection it will be impossible to draw a distinction between Govt. and the Land Bank, since for this purpose at any rate, the two are substantially identical.

7. In Kenya's present economic position it is, ^{at least} ~~in fact~~, doubtful whether the capital suggested ^(in every case) (£1,000) will be sufficient to enable intending settlers to develop and work farms. I recognise that you and your advisers are in a better position than I am to judge, and ^{to} estimate the amount of capital required, but, having regard to the experience of recent years I must express my doubt as to the advisability of encouraging anyone to begin farming in Kenya with

so small a capital as £1,000 - and that, too, borrowed.

8. From the political point of view

it may perhaps be expected that the Govt. of India will feel obliged to take an especial interest in the success or failure of the scheme and in the event of failure may well be inclined to ~~blame~~ ^{throw some share of blame} the Govt. of Kenya.

9. I fully recognise that ex-officers

of the type in question are in every way to be regarded as desirable immigrants in Kenya, provided there could be any certainty that they would be able to make a success of their new undertaking and would not run a totally disproportionate risk of failure and disappointment.

a even strong probability,

In such an event I need hardly point out that the resulting situation would be anything but a good advertisement for Kenya as a place for European settlement.

10. The foregoing remarks are, of course,

intended to apply only to ex-officers coming under category

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Sir G. Tomlinson

Sir C. Buxton

Sir J. Shackleton

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Secretary of State.

DRAFT.

FURTHER ACTION.

category A as set out in the fourth paragraph of your despatch. Officers falling into category C may be presumed to be in possession of sufficient capital to purchase and develop ~~their~~ estates, though it is difficult to justify refusing facilities for the cheap acquisition of land to an immigrant who is possessed of capital while such facilities are readily afforded to an immigrant without capital. As regards category B I note that what is intended is to provide small plots of land suitable for residential settlement, assisted by what is described as minor market gardening. I presume that what you have in mind is the case of the immigrant who settles on his plot and cultivates it primarily to supply his own needs, possibly marketing any surplus produce

produce that may be available. I note that you consider that there are sufficient areas available for disposal to cover any such cases which may present themselves. The objection which I see towards encouragement of settlement under Scheme B is rather psychological inasmuch as it means that the immigrant will practically be abandoning any attempt to improve his circumstances but will be content to exist on his pension. It is assumed that the majority of the immigrants contemplated will be men in the prime of life and it seems doubtful whether such would be content to settle down to such an existence even though the advantages of life in Kenya might prove sufficient to attract them. Here, too, I foresee great difficulty when the pensioner dies and his family is left in possession of a small property not sufficient to maintain them in comfort.

11. Like my predecessors I am of the opinion that the settlement of Kenya by suitable Europeans is a thing to be encouraged but the experience of

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Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

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Parly. U.S. of S.

Secretary of State.

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12. In any event, before any grant of land is made or any advance given it would I think be desirable that each settler should be required to sign a document acknowledging that he has not been induced to come to Kenya by any representations made by Govt. and that he has no claim in any way against the Govt. in the event of his not proving successful.

FURTHER ACTION.

recent years has, I think, proved to demonstration that a reasonably large amount of free capital is almost essential to the success of any European settler on the land, and I cannot see that the advance of £1,000 would provide the necessary capital to enable the settler to make a start and repay it within a reasonable time, while the risks to Govt. resulting from failure or death are serious and must be ~~good admitted~~.

13. I shall be obliged if you will take these points into consideration and furnish me with your remarks as soon as may be convenient.

I have, etc.

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Sir C. Parkinon

Sir G. Tomlinson

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Sir J. Shuckburgh

Permt. U.S. of S.

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Secretary of State.

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FURTHER ACTION.

3. In the absence of details regarding the uses to which it is suggested that the farms should be put, it is difficult to examine fully the

in principle held good. I exclude from these objections of course, ~~category~~ category C, which does not contemplate any form of governmental assistance. If retired officers wish to purchase & farm privately owned land, the Govt need not intervene in any manner.

Categories A & B are more conveniently discussed separately. In his report of the 13th of July 1932 Sir Philip Cunliffe - later (now Viscount Swinton) wrote that he was of the opinion that no further subsidized settlement should be undertaken unless it could be established that it was economically justified. In this opinion I concur.

~~So far as~~ all In the absence of details regarding the uses to which it is suggested that the farms of category A should be put, it is impossible to examine fully the economic aspect of

this particular proposal, but it seems to be fully admitted that an officer receiving a farm of his class, even though he paid no standard premium & was lent a substantial amount of capital on easy terms, would not be able to ~~make a living~~ carry on his farm except live on & work his farm, were he not in possession of a pension. This is in fact the conclusion which I should have anticipated, since there appears to be no evidence to show that ~~farming~~ European farming in Kenya on this scale is now an economic proposition, particularly if the farmer himself has had no previous experience of farming. Admittedly the officer will be able to live in greater comfort in this way in Kenya than he would enjoy if he endeavoured to live simply on his pension in this country; & admittedly, if he worked his farm & paid his mortgage instalments for the full period of 30 years, the Govt ^{would} incur no loss if he abandoned his farm thereafter. But if he abandoned his enterprise before the conclusion of that period, on account of sickness, adverse climatic conditions, or inability to make a success of it, or if he was unable to keep up

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Parly. U.S. of S.

Secretary of State.

DRAFT.

FURTHER ACTION.

the payment of his instalments, the Bank would have no course save to foreclose & in that event the Govt would ^{be whole or} lose a large part of the £1,000 advanced & would receive in return only the land which it had previously given away free of charge.

~~Moreover the proposal is open also to the objection to which all enterprises are open which are based~~

Moreover, the proposal is open to the further objection that on a long view a family would be established on the land in Kenya in conditions which are on the strength of conditions which are purely transitional. So long as the officer himself is alive his pension ^{would be} available to supplement the deficiencies of his ~~estate~~ ^{farm}, but, if when he died, his widow, if she survived him, & his children would be left with a farm, possibly still unencumbered, which could not be operated in such a way as to provide the ~~same~~ farmer with a living. The position of the family in that event would be extremely precarious, & the only result ~~of~~ of the scheme in the long run would be to increase still further

the poorer section of the European population of the Colony. This is in my view too high a price to pay for the transitory advantage that for the time being the office will be drawing a pension from Indian funds regarding it in Kenya.

5 as ~~stated~~

Omit 6 & 7

8 as ~~stated~~. Add at end.

Taking all these matters into account I am driven to the conclusion that settlement of Category A is open to so many such serious objections that I cannot agree to the project being pursued.

Omit 9. Refr 10 as follows:-

It is now turn to Category B.

I note that what is intended.

(as intfr to end of para)

Add:-

In these circumstances there is not sufficient ground for refusing such plots of land to ~~the~~ retired officers on terms ^{on} which they would be offered to any other member of the public. I can see no reason why the Govt should offer them

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Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

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Secretary of State.

DRAFT.

FURTHER ACTION.

such plots on favourable terms.
My conclusion therefore is that the right course to follow would be to adopt this to inform the Govt to inform the Govt of India that ~~the~~ on mature consideration they are not prepared to give any special facilities to retired officers of the Indian Army who desire to settle in Kenya, though of course no ~~of~~ obstacles would be put in their way, & that the reason for this decision ~~is~~ is that it does not appear to be in the ultimate interest either of Kenya or of the families of the officers themselves that settlement of this kind should be encouraged.

C. O.

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Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shackleton.

Parlt. U.S. of S.

Parlt. U.S. of S.

Secretary of State.

Kenya, though of course no obstacles would be put in their way, and that the reason for that decision is that it does not appear to be in the ultimate interest either of Kenya or of the families of the officers themselves that settlement of this kind should be encouraged.

I have etc.,

any circ^s

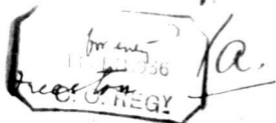
A very serious objection to either scheme, which I have not hitherto mentioned, is that ~~as~~ I cannot regard it as sound policy in present economic circ^s to do anything which could be represented as offering a definite inducement to settle in Kenya on a small plot or moderate sized farm. It is one thing if a suitable settler offers himself after looking over the country and examining its possibilities. Such a one will fall into ^{category} class C and, as you say, Govt ~~will not~~ ^{would} be expected to provide any assistance. But to offer special facilities to others would inevitably be regarded as a special inducement to attract settlers and, in the event of failure, it would be inevitable that a settler who failed would accuse Govt of misrepresentation even though

FURTHER ACTION.

to the effect that he recognized that he had no
claim on book of any kind.

3rd Dec. 1925

Dear



his reference to
our telephone conversation
this evening. I enclose a
copy of the Summary of
Information compiled in
India for the benefit
of the 400 officers who
are being exd. over a
period of 4 or 5 years.
About 30 of these officers
have been found jobs
in India & other adjacent

3rd Dec: 1925

Dear Director
C. M. H. G. I. A.

In reference to
our telephone conversation
this evening I enclose a
copy of the Summary of
Information compiled in
India for the benefit
of the 400 officers who
are being sent over a
period of 4 or 5 years.
About 30 of these officers
have been found jobs
in India & other adjacent

Parts of the East and certain
numbers, probably not
more than 20 so far, have
been filled out here by
the U.S. Employment Bureau
and by the War Office and
Army Office in conjunction.

We have not yet received a
copy of Major-General
- report on Kengas - and
on Mrs. Khatson.

Yours sincerely

W. P. Jones

AIR MAIL

KENYA
No. 587



24
GOVERNMENT HOUSE
NAIROBI
KENYA

RECEIVED
20 NOV 35
C. G. P. O.

NOVEMBER, 1935.

Sir,

I have the honour to inform you that, arising out of correspondence I had with the Commander in Chief in India and with Sir Edward Suck regarding the possible settlement in Kenya of retired Indian Army Officers, arrangements were made for an Officer who was being sent by Army Headquarters in India on a tour of inspection of African Colonies to include Kenya in his itinerary,

1. The special object of the tour was to examine the land available for settlement in each Colony and to obtain information from the respective Governments of the terms on which War Block Officers, who are being compulsorily retired from the Indian Army during the next few years, would be provided with suitable areas of land on which to settle.

2. The selected representative Major W. J. Cawthorn, of the 4/16th Punjab Regiment, was in the Colony throughout the month of August and during his stay visited all parts of the Colony suitable for settlement of the kind proposed.

At the conclusion of his visit Major Cawthorn expressed himself as satisfied that many parts of the Colony would be eminently suitable for the settlement of the officers whom he represented and requested that a definite scheme of assisted settle-

ment/.....

THE RIGHT HONOURABLE,
MALCOLM MACDONALD, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W. 1.

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AIR MAIL

KENYA
No. 587



GOVERNMENT HOUSE
NAIROBI
KENYA

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RECEIVED
2 NOV 1935
C. G. F. O. Y.

NOVEMBER, 1935.

lc

Sir,

I have the honour to inform you that, arising out of correspondence I had with the Commander in Chief in India and with Sir Edward Buxton regarding the possible settlement in Kenya of retired Indian Army Officers, arrangements were made for an officer who was being sent by Army Headquarters in India on a tour of inspection of African Colonies to include Kenya in his itinerary.

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THE RIGHT HONOURABLE,
MALCOLM MACDONALD, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W. 1.

*Copy of small to { 10 35 } (revised) (2)
54 7870 (4)
copy to Sir A. P. (2 on 35232 36)*

ment be formulated and, after approval, transmitted to India for the consideration of those concerned. A provisional scheme was accordingly drawn up by Major Cawthorn after consultation with the Treasurer, the Commissioner for Local Government, Lands and Settlement, the Land Bank Board and the Chairman of the Kenya Association (1932).

The draft of paragraphs relating to this scheme which I understand have been incorporated in Major Cawthorn's report is enclosed and you will observe that emphasis is laid on two points, namely that the officers will need to supplement their income and will require some active interests: but that they are not advised to go in for farming on a serious scale.

4. This scheme, with minor emendations made on the advice of the Advisory Land Board, has been considered by my executive council and accepted by a majority subject to your sanction.

Major Cawthorn contemplated three categories of settlement:-

- A. On small Crown Land Farms of 200 to 700 acres each for purposes of mixed farming with a view to supplementing the Army income.
- B. On small allotments of Crown Land for the purposes of residence assisted by minor market gardening.
- C. On land purchased privately.

Category C contemplates no form of Government assistance and the enclosed Scheme therefore deals only with Categories A and B.

5. As regards Category A it is proposed that no purchase price be charged for the land, the value of which would average about Shs. 15/- per acre.

It/.....

£150-£500

It is considered that, if the scheme turns out successfully, the loss of revenue from this source would be amply compensated by the settlement of a family spending in the Colony approximately £500 per annum from income. You will recollect that stand premia were remitted on all the farms allotted under the 1919 ex-Soldier Settlement Scheme.

6. It is estimated that a capital of at least £1,000 will be required by each officer who decides to go in for mixed farming on a small scale, for the erection of a house and the purchase of stock, implements, etc. The majority of the officers concerned will, however, be without capital, so financial assistance will be necessary. The Land Bank Board is empowered to advance only up to a maximum of 60% of the value of the land and it is proposed that the Board should advance £1,000 to each officer and that Government should guarantee the difference between 60% of the value of the land and £1,000 in order to enable the Bank to comply with section 28 (6) of the Land and Agricultural Bank Ordinance of 1931.

* The maximum number of farms available and suitable for the scheme is fifty and this is about the maximum number of officers whom Major Cawthorn considers might be expected to come to Kenya under these proposals. Taking an average of 400 acres per farm at a value of Shs. 15/- per acre, i.e. £300 the Land Bank would, in accordance with normal procedure, advance £180 and Government would be required to guarantee the interest on a further advance of £820 per officer.

7. Since the majority of the prospective settlers are entirely without farming experience and have no personal knowledge of conditions of life in the Colony an essential condition of the scheme would be that no application for a grant of either land or financial assistance would be considered until the applicant had spent at least one year on a farm in the Colony acquiring experience of local conditions and had thereafter satisfied the Commissioner for Local Government, Lands and Settlement that he was sufficiently capable and experienced to start farming operations independently.

8. Participants will not be permitted to commute any portion of their unemployed or retired pay.

Personal occupation for seven years within the first period of ten years will be required, subject to temporary absences approved by the Advisory Land Board. Transfer, sublease or mortgage of the property will be prohibited except with the approval of Government.

Further, the Land Bank Board will be requested to ensure that all sums advanced shall be economically expended upon the approved objects for which the money was borrowed.

9. Category B of the Scheme does not require the same special financial assistance. All that is contemplated here is the provision of free grants of small plots in areas suitable for residential settlement, assisted by minor market gardening. Sufficient areas of such land are available for disposal. Any capital required for building a house would have to be arranged for privately by each officer with a Building/.....

Building Society.

10. This scheme not only introduces a form of subsidized settlement but may be claimed as opening the door to demands for similar assistance from officers who have served the State well in other branches of employment and also from young men who have either been born in Kenya or have lived in the country for most of their lives.

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NR

I understand that the Governments of Rhodesia and Nyasaland are proposing concessions of the same character and if this Government desires to attract these officers it must also be prepared to make concessions. On this basis it is agreed that the scheme advanced is a reasonable one. The probability that other claims will be advanced is fully realized but it is considered that the position of the war Block Officers can justifiably be regarded as a special case and this Government's acceptance of the scheme is based on its being interpreted as a special scheme for the special purpose of attracting those officers of the Indian Army who are retrenched between the years 1935 and 1940.

11. In the operation of the Scheme the closest co-operation will be maintained with Kenya Association (1932) which will accept the responsibility for assisting prospective participants with advice and by making arrangements for their agricultural training on suitable farms.

12. The first influx of officers may, I understand, be expected in February next. It is, therefore, desirable that the scheme, if approved, be published as soon as possible for consideration by those/.....

those officers who may be willing to visit Kenya with a view to settlement.

13. So far as concerns Category A progress with the scheme is of course entirely dependent upon the provision of further funds for the Land Bank and it may, therefore, not be possible for you to accord approval to it at present. I trust however, that, if this is so, you would feel disposed to approve Category B of the scheme separately. The lands available for this part of the scheme comprise plots in townships such as Nyeri, Nanyuki, Thomson's Falls, Molo, Nakuru and Kitale and it is also expected that the Tigonj area will be available in 1936.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL
G O V E R N O R

1. Officers who contemplate visiting Kenya with a view to settlement, or who have decided to settle there, are advised to get into touch as early as possible with the Kenya Association. If the officer desires to avail himself of Government assistance and facilities as outlined below, the Association will place him in touch with the Commissioner for Local Government, Lands and Settlement and with the Department of Agriculture.

2. It is recommended that, before deciding where to settle or what to do, an officer, and if possible his wife, should visit all the centres of European settlement. Arrangements have been made whereby the Kenya Association will place officers in touch with members of the Association, who are not interested in the sale of land, in each district, and who will accommodate them as paying guests at reasonable rates while they explore the possibilities of the respective districts. It is suggested that the officer should make himself self-contained as regards transport (see Appendix for approximate prices of cars, conditions on which they may be hired, etc.).

Similarly, the Kenya Association, in conjunction with the Agricultural Department will, if desired, place officers in touch with suitable farmers under whom experience of agricultural methods etc. can be gained - an essential condition if advantage is to be taken of the facilities for settlement offered by Government and outlined below.

3. The Kenya Government has under consideration a scheme for assisted settlement which will be open to war Block Officers who wish to try some form of agriculture as a means of augmenting their incomes. The numbers for which the scheme will cater will necessarily be limited by the relatively small quantity of Crown Land available and suitable for this type of settlement. The Lands Department is undertaking an examination of Crown Land to determine how many suitable farms can be made available under this scheme. Details of the scheme, if approved, will probably be available by the end of the present year and particulars will be forwarded to Army Headquarters for distribution to officers who are interested.

The scheme is in principle similar to the Closer Settlement Scheme of 1928 and would contain concessions and safeguards designed in the interests of both the prospective settler and of Government.

4. The Scheme is based on the following considerations:

- (a) Mixed farming on a small but intensive scale appears to be the most suitable form of agriculture for the newcomer under present day conditions in Kenya.
- (b) the object is to enable the settler to augment an existing income rather than to make a complete living out of his farm. Acreage will be allotted and capital advanced on this understanding. Generally speaking acreages will be from 200 to 700 depending on locality, soil, water etc.

- (c) Officers availing themselves of the benefits of the scheme will have acquired some knowledge of the country, of the language, and of farming methods etc., before they start independent operations, and will not commute any portion of their unemployed or retired pay.
- b. The main provisions of the suggested scheme are:-
- (a) Before land and financial assistance are applied for and given the applicant must have spent at least a year on a farm acquiring experience, and must satisfy the Commissioner for Local Government, Lands and Settlement that he is sufficiently capable and knowledgeable to start farming operations independently.
- (b) Land selected to be approved by the Commissioner of Lands as suitable for the purpose proposed, and to be such that the experience referred to in (a) can be directly applied, i.e. if must approximate in district and type of farming to the farm on which experience was gained.
- (c) Subject to the above conditions, and land being available, the Government will allot Crown Land to the settler on leasehold under the provisions of the Crown Lands Ordinance, 1915, with the concession that no stand premium will be charged. Briefly the conditions of leasehold under that Ordinance are:-
- (1) Term of lease is 999 years from the date of grant.
 - (2) Rent is charged at the rate of 20 cents (20d.) per acre per annum up to the year 1945, when rent will be revised to 1 per cent of the unimproved value of the land. Subsequent revisions will take place every thirty years. At each such revision, rent will be increased by 1 per cent of the unimproved value of the land, until it reaches 3 per cent thereof, at which rate it will be stabilised for the rest of the lease.
 - (3) Certain development conditions are imposed, but these should be within the capacity of the settler to fulfil taking into account his income and the advance referred to below.
- (d) In view of the fact that land is granted free of the normal stand premium, the grantee may not subsequently dispose of the lease without the sanction of Government.
- (e) Under Section 28 (6) of the Land and Agricultural Bank Ordinance, 1930, advances for capital development and improvements up to a total of £1,000 per settler may be made through that Bank on the following conditions:-

- (i) the amounts advanced and the periods over which they are made available to be at the discretion of the Board of the Land Bank, who must approve of the manner in which it is proposed to expend them.
- (ii) Advances to be repaid in equal half-yearly instalments of capital and interest within thirty years, interest to be at the rate normally charged by the Land Bank.

6. Officers who do not desire to avail themselves of the Government scheme and who prefer to purchase land privately are advised to spend some months in the Colony gaining local experience before they decide upon any purchase proposition. Such officers will be eligible to avail themselves of the normal facilities of the Land Bank. The facilities are briefly as follows:-

- (i) Advances for the purchase of agricultural land or its development may be made up to a total of 60% of the fair agricultural value of the land, as determined by the Land Bank Board. Such advances are made upon terms at the discretion of the board, and are to be repaid in equal half-yearly instalments of principal and interest within a period not exceeding thirty years prescribed by the board.
- (ii) "Temporary advances" up to £500 may be made, repayable within three years with interest, subject to the total of advances of any kind outstanding against the individual not exceeding the 60% of the value of the property as defined above.
- (iii) All advances are made on the security of a first mortgage on the property.

7. For officers who wish to acquire Crown Land in small holdings of say 20 acres or less the Government has agreed to consider a substantial reduction in the price normally charged on condition that the lessee binds himself not to dispose of the lease except with the sanction of Government. Such plots would be granted on long lease and would have to be built upon within a reasonable period. Plots of this kind would ~~probably~~ probably be available at Ngoni, Limuru (about 16 miles from Nairobi). Normally a heavy premium would be charged for these plots. They would be very suitable indeed for the settler who wished to make himself self contained as regards farm produce, keep a horse or two, without the risk entailed in more extensive farming operations, and yet be close to the excellent amenities offered by Nairobi and Limuru.

- (i) the amounts advanced and the periods over which they are made available to be at the discretion of the Board of the Land Bank, who must approve of the manner in which it is proposed to expend them.
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