

1923

E. AFRICA

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DATE

Sept 6, 1923

CIRCULATION :-

Mr.

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Asst. U.S. of S.

Exec. U.S. of S.

Part. U.S. of S.

Secretary of State.

SUBJECT

The memorandum for use
in connection with
Imperial Economic
Conference

Copy

Previous Paper

MINUTES

Noted brought the original
memo. up to date as far
as practicable.

Copy, as revised, sent to
Mr. James.

This is reference for record.

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8.9.23

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Part by J

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Subsequent Paper

EAST AFRICAA. KENYA1. Flax.

Before the war the flax industry of Kenya was still in an experimental stage, and no figures of production or export can be given.

The export of flax for the year ended December 31st 1922 was as follows:-

38,800 cwt - value 260,491

As on June 30th 1922, 10,209 acres were under cultivation with this crop as against 14,227 acres in the preceding twelve months and 24,174 acres in the twelve months ended June 30th 1920.

The heavy and continued slump in market values has caused a very real contraction in the acreage under flax and now only those areas in which it grows well remains as producing districts.

There are indications that flax for seed purposes (Linseed) can be profitably grown and recent offers of £10 per ton and over, (f.o.b.) cause more attention to be paid to the recovery of the seed in flax growing.

In 1918, when flax cultivation in the United Kingdom was vigorously encouraged, a similar movement was started in Kenya and it was taken up with enthusiasm by existing settlers and later by those who went to Kenya after the War. Much capital was invested and the prospects, with the high price offered (reaching £500 a ton early in 1920), were very favourable.

Flax growing is practically extinct at home, no doubt because at present prices it is unremunerative,

and

and similar causes have led to its being greatly reduced and in many cases stopped in Kenya. The latest information shows that the value in Kenya of flax, tow, linseed is £60, £20 and £30 per ton respectively.

The matter was taken up by the Director of Agriculture and His Majesty's Trade Commissioner for East Africa when they were recently in this country, with a view to making Kenya flax better known by home users, but there is evidence that much remains to be done and the Colonial Office is in communication with the Empire Flax Growing Committee. The Belfast linen industry wants Empire grown flax and Kenya could easily produce all that the United Kingdom requires, given a certain market, assured and fair prices, and a reasonable rate of ocean freight. Arrangements have been made by the Government to restore the system whereby flax grading is carried out by the Government Flax Officer.

2. Coffee.

Statistics are not available of the quantity of coffee produced in Kenya in 1914, but the value of the coffee exported during the year July 1913 to June 1914 was £15,694.

During the 12 months ended December 31st 1922 77,902 cwt of coffee were exported, the value being £279,722.

Up to 1921 the production of coffee in Kenya increased rapidly. The actual yield of "clean" coffee, however, for the period July 1921 to 1922 was very low (47,425 cwt.) This fall was due entirely to abnormal and unfavorable climatic conditions.

"Muir" coffee has a very good reputation in London and it is already the most promising form of

permanent cultivation in Kenya. Increase of production is hampered in present circumstances by the difficulty settlers find in sinking their money in crops which take some four years to mature, but if the Empire will buy Empire-grown coffee a large yield may be expected.

3. Sisal

Comparative table of exports of Sisal for the periods July 1918-June 1914, and January-December 1922

1918/1914		1922	
Quantity	Value	Quantity	Value
30,011 cwt	£19,692	179,400 cwt	£249,344

The total area planted as at June 30th 1922 was 37,118 acres; an increase of 6968 acres over the previous year.

Twenty one factories, with a capacity of 52.5 tons of fibre per diem, were established at the end of June 1920.

The quality of East African fibre is high, and the chief producers grade their crops.

Except for necessary supplies of first class manila hemp, it is probable that the whole of the Empire's requirements could be provided from Empire sources, principally New Zealand hemp and East African (Kenya and Tanganyika) sisal.

4. Rubber

Comparative table of exports for the years July 1918-June 1914 and January to December 1922.

1918/1914		1922	
Quantity	Value	Quantity	Value
178,825 cwt	£11,102	532,715 cwt	£222,108

The increase in the quantity of maize exported in 1922 over previous years is due to the fact that more attention has been given to maize recently in view of the slump in flax, Kenya having been driven from the cultivation of a high value to a low value crop simply because it is far more stable in world price. Moreover, the natives are being strongly encouraged to produce this crop in suitable parts of the Native Reserves.

Maize is now to be graded and it may be mentioned that arrangements are in contemplation for the erection at Kilindini of a maize drying and cleaning plant.

5. Fattletark.

Comparative Table of Exports for the years July 1913 - June 1914, and January - December 1922.

1913/14		1922	
Quantity.	Value.	Quantity.	Value.
3,559 cwt.	£1,865	9,414 cwt.	£2,708

On June 30th 1922 10,283 acres were under plantation in the Colony. The prospects of marketing have been discouraging, although it is understood that tanners here attach importance to the production.

COFFEE
Exports

Comparative Table of Exports for the years
April 1913 - March 1914 and January - December 1921.

1913/14		1921	
Quantity.	Value.	Quantity.	Value
12,252 cwt.	£23,167.	48,856 cwt.	£94,038

In his report for the year 1921 the Director of Agriculture stated that the industry had been handicapped by general economic causes, and that owing to trade depression, many estates were closed down. Even so, the advance from the pre-war production is remarkable, and with the passing of current difficulties the capacity of Uganda for ^{office} cotton-growing should be capable of considerable expansion.

The bulk of the production is grown by Europeans, but native cultivation is being encouraged.

The remarks under Kenya apply to Uganda also, but Uganda coffee has never commanded as high a price as "Nairobi" coffee.

2. Rubber.

Comparative table of exports for the year April 1st 1913 to March 31st 1914, and January - December 1921.

1913/14.		1921.	
Quantity.	Value.	Quantity.	Value
174 cwt	£2934.	74,002 cwt	£4,441

Although the advance upon the pre-war figure is so remarkable, the figures for 1921 were even smaller than those for 1920; due to the slump in rubber prices which has temporarily put a stop to development.

Any

Any measures such as those suggested in paragraph 6 of the outline memorandum to revive the prospects of the rubber industry in other Colonies will undoubtedly affect the position in Uganda.

3. Cotton.

Cotton exports in hundredweights for the years 1913-1921.

1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.
88,576	139,448	88,063	80,595	104,741	90,942	127,846	186,301	290,592

The figures for 1922, not yet complete will show a fall, but those for 1923 should be much higher than the previous list.

The value of the exports of lint cotton from Uganda in 1920 was £3,919,453, and in 1921, £1,281,357⁺ in spite of the fall in prices, the output has been maintained, partly owing to the action of the Government in purchasing the crop when, owing to the fall in cotton, private enterprise was not willing to purchase.

Although most of Uganda's cotton usually goes to Liverpool, the exports to India are increasing, as the following table will show:-

April 1st 1919 to March 31st 1920	43,157 cwt.
April 1st - December 31st 1920	59,090 cwt.
January 1st - December 31st 1921	170,721 cwt.

The Uganda cotton industry, in common with that in other parts of the Empire, depends on the Lancashire market and on the American supply. So long as the tendency continues for the American crop to be required to an increasing extent for consumption in the United States of America, there should be no danger of over production or of a price which will not give a fair return to the native grower.

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C. ZANZIBARCloves.

Comparative Table of Exports of Cloves in 1913²²
and in 1921 (including both Pemba and Zanzibar).

	1913	1922
	lbs.	lbs.
Europe	8,789,655	6,497,015
America	1,975,505	4,208,960
Asia	6,772,535	9,555,490
Africa	275,030	443,170
Australia		197,225
	17,812,775	20,901,860
Average price per frasil of 35 lbs	Rs. 14.36	Rs. 22.14
Value of Exports	7,368,306	13,221,919

It cannot be said that the Zanzibar clove industry has been other than prosperous of late years. It has so great a command of the world's clove market that fluctuations of the local crop, such as are constantly experienced (the export in 1920 amounting only to 8,811,119 lbs) tend more to stabilise the return than to cause violent fluctuations in prosperity or depression.

The position may be less favourable later if clove cultivation in Madagascar becomes a serious competitor.

Paragraph 4

Paragraph 4 of Memorandum.

Mention might be made of Kenya amongst those Governments which have been financially embarrassed by the failure of their chief exports and the difficulty of marketing their crops - especially flax and sisal. Acreage devoted to flax is being given over to maize and other more reliable if less profitable crops.

Paragraph 6

In addition to increased consumption of raw materials East Africa would benefit by a reduction in freights.

In connection with (a) of this paragraph attention should be drawn to the comparative ignorance of East African products which exists at home....e.g. Belfast linen industry in need of flax, Kenya with large stores of flax on its hands.