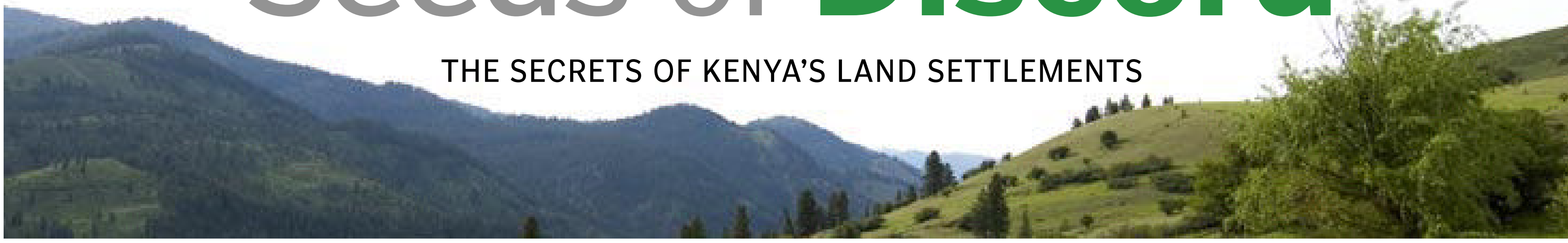
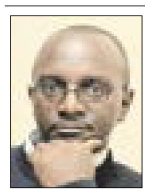
Seeds of Discord

THE SECRETS OF KENYA'S LAND SETTLEMENTS



BUSINESS DAILY Monday November 9, 2009

Settlement schemes: What went wrong?



Selfishness among whites and drunkenness by Africans blamed for collapse of a plan to transfer swathes of land in Rift Valley to Kenyans, reports **JOHN KAMAU**

When chaos broke out in the Rift Valley shortly after the controversial 2007 Presidential vote tally, the land question quickly emerged as the bone of contention.

But why, more than 45 years after independence? *Business Daily* has been poring over government files, letters and memos which trace the confusion to the colonial government's plan to create a set of elite African farmers to replace the white settlers in the Rift Valley, originally known as Yeomen Settlement Scheme project.

When it failed, the idea of peasant settlements was mooted but it too came a cropper at both the social and political level. Thanks in large part to the planning chaos associated with the failed settlement project, the land question has lingered over political discourse in Kenya like a bad dream.

The British government — under pressure from white farmers who feared being abandoned in Kenya after independence— convinced the freedom agitators, led by conservative teacher-turned-politician James Gichuru, to allow for a smooth transfer of farms lest the economy, which was anchored on colonial agriculture, suffer damage.

Jomo Kenyatta at the Nakuru Town Hall meeting where he told white settlers that they would not lose any land. FILE

Selfishness and drunkenness

The independence negotiators agreed to a scheme mooted in Lancaster House in which Britain would guarantee a World Bank loan to the new Government, which would buy all the land owned by white settlers and settle its citizens on it.

The Kenyan tax-payers were to pay for that loan— in essence pay for all the colonial agricultural development that had taken place in the white highlands. But there was already a complication — some of the white farmers had started mortgaging their farms with banks, leaving the politicians in a fix.

Mr Gichuru and his team knew that Kenya was an agricultural economy and if the land question was not solved quickly, they would inherit a bankrupt nation. At the time Jomo Kenyatta, the man who would inherit the mantle from Mr Gichuru, was still in restriction. Mr Gichuru found himself carrying the burden of informing his frenzied followers that there would be no free land, an issue that divided the Kanu party down the middle.

Meanwhile, in 1960 the World Bank had opened discussions with Kenya's interim chairman of the settlement board, Mr J F Lipscombe, on how to start settling the first group of Yeomen farmers – as they were then known – into the white highlands to become the first set of African farmers who would save the economy from ruin.

The Yeomen scheme as it turned out was a clever plot to give the best land to a few people.

Aware that radicals in independent Kenya might scuttle their efforts, the World Bank and the colonial government on November 29, 1961 entered into a pact which gave them the mandate to approve a list of all officials who would join the lands and settlement ministry, especially those who would take up positions that would directly impact on the loan. The Yeomen programme envisaged buying some 240,000 acres of high potential land which was to be broken into pieces of 100 acres each. But while money was borrowed from the World Bank as loan no. 303KE, the Yeomen scheme flopped after it became difficult to get enough African farmers to manage the farm. The idea had first been mooted by Governor Malcolm MacDonald who wanted to open the White Highlands to a select group of African farmers to farm alongside the white settlers.

> Yeomen farmers consider themselves to be gentlemen who are above the menial tasks of farming and they spend most of their time in the bars of Nakuru, the work being left to the women and labourers."

Documents seen by *Business Daily* show that Mr Lipscombe told the officials that the only way to get such a huge number of farmers was to hunt for them in the non-scheduled African land units. The first experiment was carried out on Luckhurst Farm, which was nicknamed Bahati and was divided into eight different farms — the largest portion being 186 acres and the smallest 49.7 acres.

The original idea was that the farmers would sell their maize to the Kenya Farmers Association (KFA) but only one farmer did so at the end of the harvest. An investigative report by J H Lategan which was sent to the Lands and Settlement permanent secretary, Mr N S Carey Jones, sheds light into what went wrong in the initial stages of the Yeomen experiment which was to be rolled out countrywide. It blames selfishness on the part of the white farmers and drunkenness and elitist behaviour on the part of the new African growers for the scheme's failure.

Mr Lategan wrote: "The European farmers, for purely selfish reasons, were anxious for this scheme to succeed when it was initiated, their idea being that if this scheme succeeds they would be in a favourable position to get rid of their own farms at good prices to the settlement board."

However, he continued: "Yeomen farmers consider themselves to be gentlemen who are above the menial tasks of farming and they spend most of their time in the bars of Nakuru, the work being left to the women and labourers."

The Yeomen Scheme was highly subsidised by the colonial government as a direct reward to those who had supported the colonial structure. While all the labourers had been supplied and paid for by the government, Mr Lategan found only one farmer at the Bahati farm. Besides the farmers' drunkenness, they did not have extension officers to assist them and relied on neighbouring European growers for advice.

"Some of them still appear to try peasant farming, which means that they plant crops, such as beans in between the rows of maize," said the report.

The failure of the Yeomen scheme compelled the government revise its policy. The British government and the World Bank then agreed that land transfer would be done through normal sales in the open market in which large farms would be transferred to new owners or cooperative societies. It was this last effort that became the accepted norm shortly after independence and which the government of Jomo Kenyatta flagged on enthusiastically.

The Yeomen Scheme only lasted until 1961, when it was re-named the Assisted Farmers scheme. While the Government, with funding from World Bank and British government started buying land for the Assisted Farmers, what slowly emerged was a new crop of big land owners amid a general state of landlessness and poverty. Meanwhile, the loans doled out meant that Kenya was becoming highly indebted.

Available data shows that by December 1962, the land settlement debt in relation to the entire Kenya's debt stood at 1.4 per cent and by December 1963 it shot to 5.45 per cent before rising to 11.7 per cent in 1966.

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How Kenyatta family and other elite acquire

BY JOHN KAMAU




Some of the beneficiaries: Clockwise from left Jomo Kenyatta, Paul Ngei, Jaramogi Oginga Odinga, Mbiyu Koinange, Dr Gikonyo Kiano, James Gichuru, Masinde Muliro, Ronald Ngala and Daniel Arap Moi. FILE

FLASH BACK **1960's**





Failure by both the British government and the World Bank to provide adequate funds to purchase all the land in the Scheduled Areas, also known as White Highlands, kick-started a private land-buying spree that tilted the balance in favour of the political elite, senior civil servants and business people, the *Business Daily* can now reveal.

Land Records and correspondence seen by *Business Daily* indicate that by December 1966, the Kenyatta family had acquired more than 3895 acres of land in both Nairobi and Ruiru at a total cost of Sh 472,740. The land was registered in either Kenyatta's name, his wife Mama Ngina's name, or in the names of Kenyatta's two eldest sons, Peter Magana and Peter Muigai.

Hitherto unseen documents and records show that the Government also allocated Kenyatta some 178 acres in Nairobi. He acquired a further 509 acres to lead the pack in big land acquisition in the country.

Land for free had been ruled out by the British government during the negotiations for independence under a constitutional clause that guaranteed whites their "right to property" and which brought to the fore the "sanctity of title deed". Senior politicians, led by the Kenyatta family, struck a fortune by "buying" land from fleeing white owners in Scheduled Areas who did not want to stay on in independent Kenya.

The *Business Daily* can now reveal some details of these land transactions and the amount of money paid. From available records, it appears that many political leaders, businessmen and land buying companies capitalised on the new government's inability to purchase all the land on offer. Indeed, failure by British government to commit more money to the repurchase of land in the White Highlands is today regarded as the trigger to the free-for-all land-buying spree that left the penniless scrapping for tiny pieces of shamba.

It also triggered a spate of land exchanges hitherto unseen in the history of this country. Land changed hands in quick succession as thousands of desperate white farmers with no recourse but to sell their land opted to leave and those Kenyans with power and money acquired thousands of acres of land and formed a new African elite.

Land-buying companies

It is these transactions that have for years shaped the national discourse on whether land, especially in the Rift Valley and other Scheduled Areas, was rightly acquired or was unlawfully appropriated, that is, 'grabbed'. Details in government books now reveal that this some of the land was acquired from individuals.

The question that is still unanswered is why the government allowed individuals to own huge tracts of land while millions remained landless.

For instance, hardly a year after independendence Mama Ngina Kenyatta bought 1006 acres in Dandora from Messrs. Hendrik Rensburg for Sh 200,000 although one government document puts the sum paid at Sh2,000,000, an astronomical figure by the standards of the day. Whichever figure is accurate, this farm lies within the modern day Dandora Estate in Nairobi and beyond.

Peter Muigai Kenyatta bought 700 acres of land around the same area for Sh51,000 and a further 1266 acres North East of Nairobi for Sh 87,000.

The only farm registered in Jomo Kenyatta's name in 1964 was a 5 acre farm he bought from a Mr J.R. Wood and for Sh400.

His two sons, Muigai and Magana Kenyatta also bought 165 acres of land in Ruiru for Sh 9,900 which computes to a price of Sh60 per acre.

Kenyatta also paid Sh45,000 to acquire 100 acres in Dandora as a "Trustee for minor son Uhuru."

How the Kenyatta family managed to acquire a fortune only a year after he became President is still unclear but by 1965, it appears they had started to own huge chunks of land that had been bought from their white owners. Former President Daniel arap Moi had by 1964 bought a 2,344 acres in Kampi-ya-Moto and for Sh 60,000. This appears to be a fairly modest acquisition when compared to the acquisition patterns of 1964 when large chunks of land were on offer.

Kenyatta's right hand man, Mbiyu Koinange, purchased 645 acres in Limuru for Sh497,000 while another cabinet minister Ngala Mwendwa purchased a 932-acre coffee farm in Kahawa worth Sh240,000. First Vice President Jaramogi Oginga Odinga appears not to have bought land under his own name. Rather he purchased land under the Luo Thrift Trading Company. In 1964 he bought 394 acres from the Estate of B.H. Patel in Miwani and a further 401 acres in 1965 from C. Patel for Sh 255,000.

But some of the largest land transactions involved organised land-buying companies which freely bought land on offer in the country.

One of those farms is the Kiambaa Farm in Eldoret where arsonists torched a church during the post-election violence. Records now indicate that the Kiambaa Farmers Co-operative bought the 500-acre farm from Giuseppe Morat in 1967 for Sh 80,000. Another farm that has always been synonymous with tribal clashes is the Kamwaura Farm in Molo which was bought in 1967 for Sh240,000. The 1,636-acre farm which was the first to experience clashes over land in 1990 and was bought from Lionel Caldwell who was leaving the country. Other big companies that bought land in the area include Kipsitet Farmers Co-operative which purchased a 2,302 acre farm in Kericho for Sh300,000 from Margaritis Ltd.

One of the largest purchases by a co-operative society was in 1965 when Ngati Farmers Co-operative bought a 16,000-acre farm for Sh1.6 million from Maiella Ltd in Naivasha. By 1969, it remained one of the largest farms ever bought by a society and besides Mama Ngina Kenyatta, nobody else had paid such large sums of money for land.

Another big landowner in Nairobi who emerged early on is City Council politician Gerishon Kirima. He acquired more than 1,000 acres

Kenyatta also paid Sh45,000 to acquire 100 acres in Dandora as a "Trustee for minor son Uhuru."

in different parts of Nairobi to become one of the city's biggest land barons.

In Western Kenya Burudi Nabwera and Benna Lutta were some of the largest purchasers of land. Nabwera, then a diplomat in Washington, bought 1,221 acres in Trans Nzoia for Sh240,000 from Ellen Jervis while Benna Lutta, later a judge, bought 1,685 acres in Kwanza.

Cabinet minister Paul Ngei is on the record as having bought a 1,263-acre farm in Machakos from Kakuzi Fibreland Ltd. His counterpart, Dr Julius Kiano also purchased 176 acres in Kabete which he later sold to University of Nairobi.

Others MPs who purchased huge tracts of land include Willy Kamuren (1,433 acres in Molo), JM Kariuki (880 acres in Ol Kalou), Fred Kubai (684 acres in Njoro), Harry Onamu (349 acres in Turi), and Yego arap Kibomet (1496 in Moiben).

Speculation

As this took place, Britain kept a close eye on the private land transactions with the High Commission in Nairobi occasionally demanding information to this effect. It appears that Kenya and the British government had established the Caren Working Party led by a professional valuer Mr C J Caren which established rules on how to purchase land.

The number of private sales peaked in 1966 to reach a total of 180 sales and 137,000 acres change hands but that volume consequently plummeted to 96,000 acres in 1967 as land became increasingly scarce. A letter dated December 13, 1967 to the lands and settlement PS from Senior Valuer, D H Kydd says that it was also "becoming very difficult to find a buyer who is able and willing to pay the true worth of the farm and sales evidence in respect of large scale well developed properties is almost non existent."

Co-operatives were buying cheap land in barren lands where few agricultural activities took place and which were not suitable for farming.

While the lands and settlement ministry through the Settlement Fund Trustee was scouting for farms to buy, it began to face competition from white settlers who were buying land from each other to stabilise the market price as well

ed choice land

Selected list of senior government officials who purchased land left by settlers or under the World Bank funded settlement programme

NAME	POSITION	PREVIOUS OWNER	ACRE	LOCALITY	LR No	Price (Sh)
Jomo Kenyatta	President	H. and E.K Van Rensburg	509	Nairobi area	11493	
Peter Muigai Kenyatta and Peter Magana Kenyatta	President's Sons	H. and E.K. Van Rensburg	200	Dandora	11522	51,,000
Jomo Kenyatta	President	Government of Kenya	178	Nairobi area	11591	33, 880
Mrs Ngina Kenyatta	President's wife	H. and E.K Van Rensburg	974	Dandora	11494	200,000
Mrs Ngina Kenyatta	President's wife	H. and E.K Van Rensburg	100	Dandora	11521	
Peter Muigai Kenyatta and Peter Magana Kenyatta	President's sons	Settlement Fund Trustee	299	Ruiru	61/1/2	60,000
Peter Muigai Kenyattaand Peter magana Kenyatta	President's Sons	Socfinaf Ltd	169	Ruiru	10902/1	9,900
Peter Magana	President's Son	Percy Randall	200	Nairobi	8401	30,000
Peter M. Kenyatta	President's Son	Quarries Ltd	1266	North East Nairobi	8479, 8480	87960
James Gichuru	Finance Minister	Settlement Fund Trustee	197.5	Kiambu	168/9	173,400
James Gichuru	Finance Minister	J.D. Sturman	21.6	North of Kikuyu town	4955/19	170,000
Daniel arap Moi	Home Affairs Minister	S.J. Botha	2344.5	Kampi-ya-Moto	487/26/4	60,000
James Nyamweya	State Minister	Alan Mowat	70	Nakuru North	9365	90,000
Dr Gikonyo Kiano (and wife)	Labour minister	J.R. Williams	176	Kabete	190	170,000
Jesse Gachago	Assistant minister (lands)	E.M. Gave	53	Kiambu	5839/2	141,000
E.K. Bomet	Assistant minister (works)	Settlement Fund Trustee	972	Solai	5231	200,000
J.K. ole Tipis	MP Narok East	Lands Ltd	637	Mau Narok	11569	200,000
V.K arap Too and others	MP Marakwet	Settlement Fund Trustee	1695	Moiben	9633& 9634	270,000
W Malu	MP Machakos West	Churanjilal Ltd	195.5	Kiu	1063	2,000
Waira Kamau	MP Githunguri	Ella Forster	20.1	Ruiru West	1713/2	55,000
J.K.arap Tanui & others	MP Baringo South	Settlement Fund Trustee	791	Sotik	5490/2	320,000
Masinde Muliro	MP Trans Nzoia	W.H. Newton	1270	Central Elgon	5772/2/R	260,000
Masinde Muliro	MP Trans Nzoia	Settlement Fund Trustee	385	Kitale	3790/4	100,000
Masinde Muliro	MP Trans Nzoia	Settlement Fund Trustee	1174	Kitale	4538/2	190,000
W.arap Chirchir	Senator	Agriculture Settlement Trust	851	Burnt Forest	666/2	64,000
W. arap Chirchir	Senator	G. Ferraroni	860	Timboroa	8898/1	240,000
W. Wamalwa	Senator	Settlement Fund Trustee	170	Kitale	3803/2	47,000
W Wamalwa	Senator	A.W & H.K. Grogan	602	North West Kitale	5364/2	120,000
W. Wamalwa	Senator	W.McPherson	97	Saboti	5570/1	10,000
Senator Chemjor & others	MP Elgeyo Marakwet	Settlement Fund Trustee	691	Eldoret	10325	196,000
Harry Onamu	MP Nakuru West	Settlement Fund Trustee	349.5	Turi	9266	154,000
Willy Kamuren & K. Komeni	MPs Baringo	Settlement Fund Trustee	1433	Molo	5695& 10384	256,000
JM Kariuki	MP Aberdares	Settlement Fund Trustee	808	Ol Kalou	3777	400,000
Ronald Ngala	MP Kilifi South	Settlement Fund Trustee	862	Kilifi	4237/1	130,000

SOURCE: MINISTRY OF LANDS AND SETTLEMENTS

as for speculative purpose. This practice came to the notice of the lands and settlement minister Jackson Angaine who, after obtaining a copy of the sales report and the names of purchasers, remarked to his PS: "I am rather surprised to see such a large list of the farms changing hands from one to another. May we discuss".

Whatever the nature of the discussion that ensued, land transactions continued to create a new class of propertied families. In the heat of the moment, the purchase of land became political and only those who had the right information prospered. The Kenyan and British governments encouraged purchase by private treaty because there was little paper work and no loans required to develop such properties.

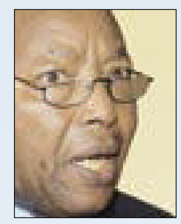
Very little economic activity took place on these acquired farms as they were left idle for decades. What was to be a springboard to prosperous economy became a drag on it instead. While the list above is not exhaustive, it provides a window into how land which was not acquired by the government ended up in the hands of powerful families and politicians or with poor peasants organised in land-buying companies.

–jkamau@nation.co.ke

DECLASSIFIED ■ JOHN KAMAU

The roadside debate

A refusal by the World Bank to allow some of the funds doled for the land schemes designated for building roads and providing water within the settlement schemes led to their collapse, archival details now show. It is still a paradox that the government expected the schemes to flourish without water. Declassified information shows that it took more than seven years for the matter to be revisited, by which time most of the farmers had lost confidence in getting their produce to the market and were unable to settle their loans and plan ahead. One such scheme was Project No. 5 known as Ol Kalou Salient. By 1969 when the settling of farmers had come to an end in this area it was realised that without adequate water it would be uneconomical to run the settlement housing hundreds of families. By then a total of 200,000 pounds had been used from the UK loan. Ol Kalou Salient, hived off from a forest, was to survive on wheat and livestock farming. Writing to PS Treasury John Michuki in 1969, the acting PS of the lands ministry S B Ogembo complained that "the absence of adequate water facilities has impaired the efficiency of Salient and it is not realising the possible returns from its existing large herds of livestock."



John Michuki, then PS Treasury

Ogembo said that the original "import content of the loan was intended to provide for machinery and equipment for wheat industry in the Salient scheme. This industry is considered uneconomic in the area and it is felt that any amounts available for expenditure in the Salient should not be invested in this manner."

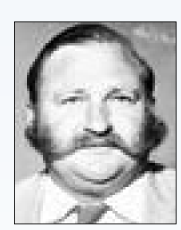
It took Treasury a long time to begin negotiating for funds to rehabilitate and build roads within the settlement schemes. The World Bank had, in a report dated April 1968, suggested that "settlers would have to do more in the way of self-help on the purely local roads" and the government should allocate funds to the county councils "to meet the worst cases".

The World Bank apparently wanted the new settlers to build roads on a harambee basis. When a Kenyan delegation left for an appraisal meeting on the Settlement loan 303KE they reached the conclusion that little could be done on the roads.

"There is very little that the delegation can tell the World Bank on Settlement Scheme roads which the later do not already know. The Bank has now agreed to consider the inclusion of such roads in the next World Bank loan project. It has been the Bank itself not the Kenya Government which has been hesitant on this," said the briefing in part. But this is not the message they took to London when they went to negotiate for a second loan. Instead, documents indicate, the Kenyan delegation led by Assistant minister for lands, Jesse Gachago agreed that the farmers should take care of the feeder roads.

The Israeli warning that went unheeded

Just before independence, colonial Kenya's agriculture minister, Bruce Mackenzie, who retained the position in the Kenyatta government secretly invited an Israeli group to study the situation in Kenya and recommend how to settle the landless - or rather, to advice how the landless would live with the propertied.



Bruce Mckenzie, Former minister of Agriculture

Israel had managed to settle jews who had arrived from elsewhere after the state of Israel was founded shortly after the second world war. The group – led by Arier Amir then a Deputy Director of Agriculture arrived at the Embakasi airport sometimes in May 1962 and was received by Mckenzie.

There are scanty details on the mission of this group but available documents show that most of their recommendations appear to have been adopted by Mckenzie and that some of their warnings now form the bulk of trouble at the settlements.

In their first recommendation which was sent to the Israeli consul in Nairobi - and now declassified- they warned that the land reform "has to avoid creating a class of big landowners and large scale farmers on the one hand and landless on the other."

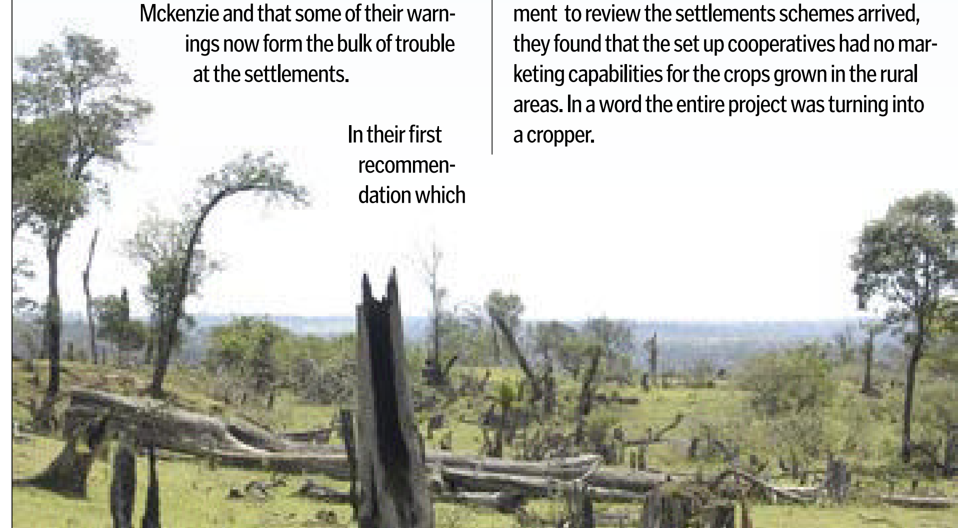
The Israelis suggested that for the country to prosper it has to build a "peasant" economy.

"As many people as possible have to be settled on their own land. To prevent an amassing of land in the hands of a few, and the building up of big landowners, the size of holdings which each farmer can own should be limited," their report said in part.

It is the group which floated the idea that farm workers should be given the first priority for settlement, while the second priority was given to those with farming experience.

Another suggestion that was adopted was the organisation of a strong co-operative movement.

It was then hoped that the co-operatives would become an integral part of a big system. But by 1966 when the Arkadie Mission, sent by British government to review the settlements schemes arrived, they found that the set up cooperatives had no marketing capabilities for the crops grown in the rural areas. In a word the entire project was turning into a cropper.



Seeds of **Discord**

Kenyatta's plot to settle Kikuyus in Tanzania

JOHN KAMAU reveals a scheme by the founding president of the nation to send hundreds of landless Kikuyu to a settlement scheme in Tanzania to tackle land problem

Jomo Kenyatta had planned a secret mission to settle excess Kikuyus in Tanzania, as one of the answers to the squatter problem in Kenya, we can now reveal.

Information now available shows that an attempt to offload hundreds of Kikuyus into tsetse fly-infested Mpanda Settlement Scheme in Rukwa region of Tanzania failed after a number of listed families refused to go and those that had already gone returned. Mpanda was supposed to be part of the early solution to tackle the incessant land problemin the Rift Valley and temper competing interests.

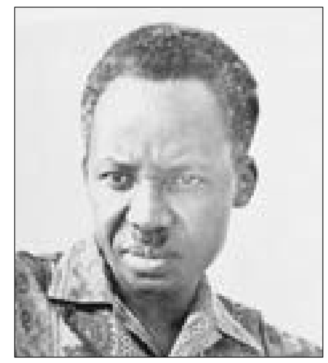
Documents indicate that the first meeting to deliberate the Mpanda Scheme proposal was held on June 26, 1963, some 25 days after Kenyatta was sworn in as Prime Minister.

Although, the *Business Daily* has not traced the original agreement between the Kenya government and Tanzania (then Tanganyika), we have managed to obtain original secret letters written by a government official on the subject, now archived in a file titled Mpanda – land policy.

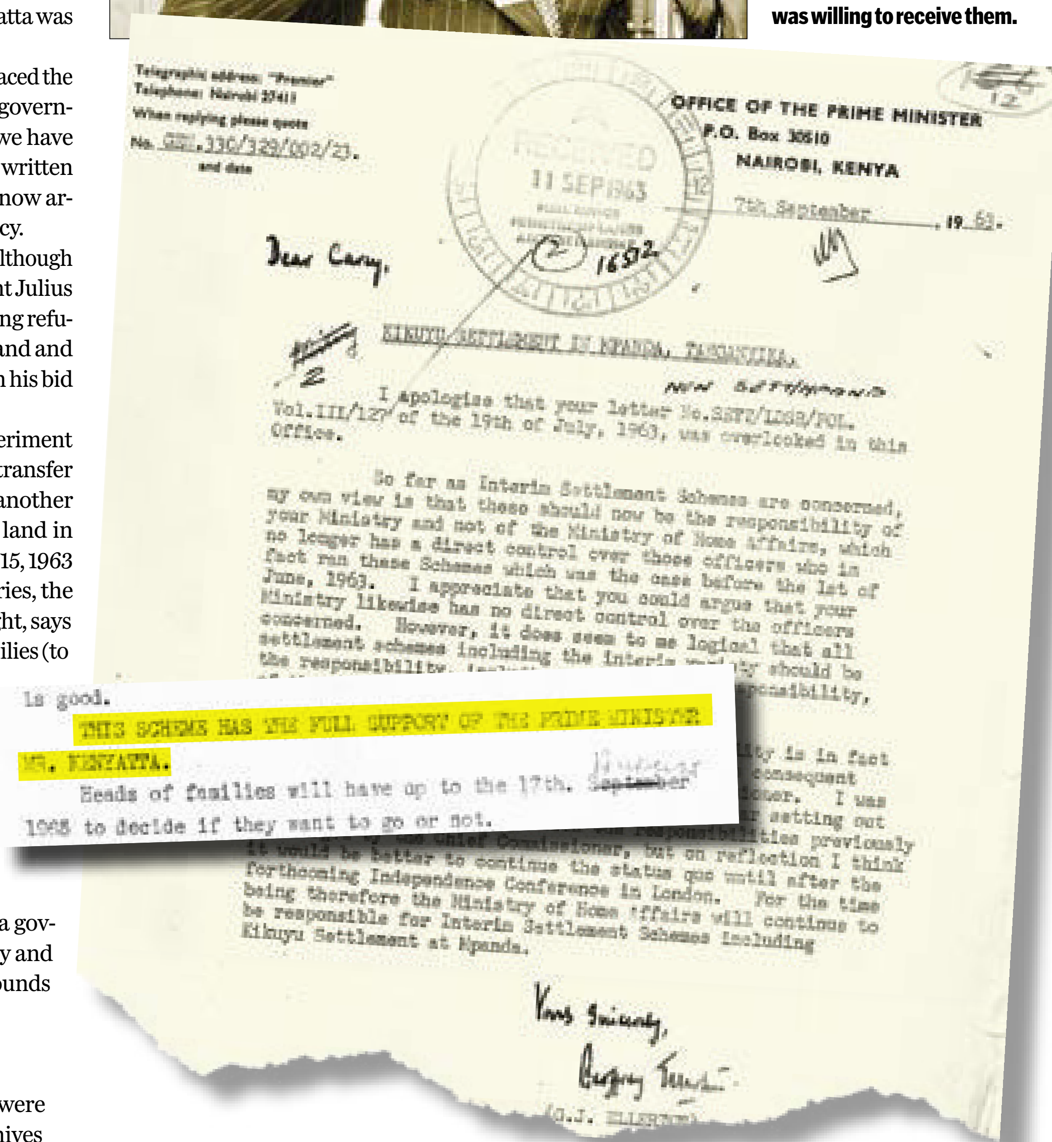
It is not clear who floated the proposal although it is known that former Tanzania President Julius Nyerere's government was in 1960s offering refugees from neighbouring countries free land and integrating them into local populations in his bid to build a formidable Ujamaa system.

Today, Mpanda is a long forgotten experiment that is not talked about as it involved the transfer of an unknown number of families to another country in order to deny them claim to land in the white highlands. In a letter dated July 15, 1963 and addressed to all permanent secretaries, the PS Ministry of Home affairs, R E Wainright, says that "the project to send more Kikuyu families (to Mpanda) has been discussed with the prime minister who has indicated his warm support for the proposal. I would be grateful, therefore, if you could take charge of the project for this season and organise the sending of the largest number of families that you can within the finance available."

Kenya was to pay the Julius Nyerere'a government some 30 pounds for each family and had already set aside a budget of 6,000 pounds for the exercise.



Jomo Kenyatta's (left) government sought to resettle Kikuyus in Tanzania and Julius Nyerere (above) was willing to receive them.



Telegraphic address: "Premier"
Telephone: Nairobi 27411
When replying please quote
No. GEN.330/329/002/23.
and date

OFFICE OF THE PRIME MINISTER
P.O. Box 30510
NAIROBI, KENYA

RECEIVED 11 SEP 1963

7th September, 1963.

Dear Cary,

KIKUYU SETTLEMENT IN MPANDA, TANGANYIKA.

I apologise that your letter No.SETT/LDS8/POL. Vol.III/127 of the 19th of July, 1963, was overlooked in this Office.

So far as Interim Settlement Schemes are concerned, my own view is that these should now be the responsibility of your Ministry and not of the Ministry of Home Affairs, which no longer has a direct control over those officers who in fact ran these Schemes which was the case before the 1st of June, 1963. I appreciate that you could argue that your Ministry likewise has no direct control over the officers concerned. However, it does seem to me logical that all settlement schemes including the interim ... should be the responsibility ...

is good.

THIS SCHEME HAS THE FULL SUPPORT OF THE PRIME MINISTER MR. KENYATTA.

Heads of families will have up to the 17th. ~~September~~ 1963 to decide if they want to go or not.

... it would be better to continue the status quo until after the forthcoming Independence Conference in London. For the time being therefore the Ministry of Home Affairs will continue to be responsible for Interim Settlement Schemes including Kikuyu Settlement at Mpanda.

Yours Sincerely,

(G.J. ELLERTON)

> One of the problems that Carey-Jones noted was that Kikuyu felt they "were being penalized, not privileged, in being offered settlement at Mpanda and this is another point I think should be corrected on the political front."

Penalised

It is not clear how the landless families were to be selected although the National Archives has a complete file of all the targeted families, members of their households and correspondence relating to the departure to Mpanda, which later became a settlement village for Burundi refugees who now occupy Katumba and Mishamo areas of Mpanda. The families selected to go to Mpanda were to leave on September 14, 1963 and had been housed in a farm coded Nakuru Transit Farm in the Rift Valley. But the families felt they were being punished for allegedly being ex Mau Mau freedom fighters and began to protest. Documents show that they sent a delegation to the lands and settlement ministry PS N S Carey Jones questioning why they could not be accommodated on Kenya settlement schemes.

Writing to the home affairs PS after that meeting, Mr Carey-Jones said he hoped that the squatters would not be compelled to go. "But I do not think that Mpanda Scheme will be a success if people are forced to go, and an opportunity of doing some good to the people will be lost if it gets a bad name. I would suggest that this needs action on the political front, and that your minister (Jackson Angaine) or a representative of the Kikuyu should visit Mpanda, and if satisfied, explain the position to the people and try to persuade them to go". One of the problems that Carey-Jones noted was that Kikuyu felt they "were being penalised, not privileged, in being offered settlement at Mpanda and this is another point I think should be corrected on the political front."

In one of the protest letters sent to Angaine by the farmers they said that the District Commissioner "should be informed that he has no right to use Mpanda as dumping ground for undesirable people in this country. We should consider Mpanda issue after Uhuru and not before," says the letter in part. They also wrote a separate letter to Kenyatta saying they "do not want to leave the country in exchange for any other."

By August 25, 1963, the Civil Secretary Rift Valley, J A Wolf admitted in a letter that it would not be easy to get Kikuyus to settle in Tanzania. By then only four families had volunteered to leave Uasin Gishu and none from Nakuru whereas the scheme had targeted at least 100 families before the onset of September rains.

Government officials had suggested two methods to overcome the resistance: "If one of the senior ministers were to try to encourage Kikuyu to volunteer and if such encouragement were disseminated by the minister for information, at least some of the opposition might be overcome," wrote Mr Wolf, who was coordinating the exercise. His other suggestion was that if overcoming opposition via propaganda failed, it will be hard to get the families depart for Tanzania "without exerting some form of pressure."

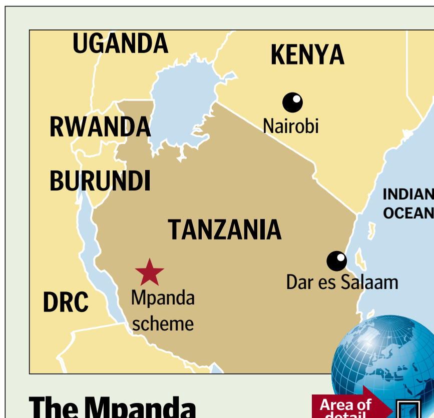
Mr Wolf had decided to get some desperate Kikuyu who had been dumped at Bahati Farm to be the first set of volunteers. "The conditions on which this farm was started were, as you know, purely temporary accommodation for displaced labourers and their families who had nowhere else to go….I have therefore instructed the regional Government agent, Nakuru to offer places at the Mpanda Scheme to all inmates of the transit farm and to go one step further by telling those who have been already six months on the transit farms that if they do not accept the offer of a plot in Mpanda they will have to leave the farm."

But when the order was made the squatters said they would not leave for Mpanda and would not leave the Bahati Farm. The plot also failed because there was a row between senior government officials on which ministry should coordinate the exercise and by September 11, 1963 Mr Wolf finally wrote a letter to the ministry of Home Affairs asking them to call of the resettlement of Kikuyus in Mpanda.

"I might have been able to ... had your minister agreed to my putting pressure on some of the inmates of the transit farm at Bahati to volunteer but as ... he does not agree to my taking such course…will you please ... inform the Tanganyika government that we are unable to take advantage of their offer of land.

–jkamau@nation.co.ke

FACTBOX



The Mpanda Settlement scheme

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FINANCE New data from the World Bank shows that remittance flows to Sub-Saharan countries remains resilient

Africans abroad beat the odds to send funds home

BY JAMES MAKAU

Africans living and working abroad might be facing uncertain times but they are still beating all the odds to send money back home.

This comes as newly available data from the World Bank showed that officially recorded remittance flows to Sub-Saharan countries had remained resilient or declined marginally even as the rest of the developing world recorded massive reductions.

Based on monthly and quarterly data released by central banks and in line with the World Bank's global economic outlook, the institution estimates that remittance flows to developing countries will fall to $317 billion in 2009.

Still, the World Bank notes that remittances to Sub-Saharan Africa are weathering economic adversities in the face of worsening unemployment outlooks and as harsher immigration policies take root in developed countries.

"Flows to Sub-Saharan Africa are doing better than forecasted, with Nigeria, Kenya and Uganda showing higher growth or smaller declines than expected," said Dilip Ratha, an economist with the World Bank in the bank's latest migration and development brief.

In Kenya, remittance flows in September 2009 declined 4.6 per cent from $ 55.9 million in August, 2009 to $ 53.3 million. The Central Bank of Kenya (CBK) survey shows a general upward trend in remittance flows between June and August 2009, and a decline in September, 2009.

> "Globally, remittance flows reached $338bn in 2008, higher than the bank's previous estimate of $328 bn.

According to researchers at the CBK, the decline is reflected in inward remittances from the rest of the world which decreased from $ 17.2 million in August, 2009 to $10.2 million in September, 2009.

In contrast, flows from North America and Europe increased from $ 25.4 million and $13.4 million in August 2009 to $28.3 million and $14.9 million respectively in September 2009.

So far, the country's remittance figures are $14.5 million below the $465 million that Kenyans living abroad had sent home by September last year.

What the World Bank says is now becoming clear is that existing migrants are not returning even though the job market has been weak in many destination countries; instead they are staying on longer and trying to send money home by cutting living costs.

"New migration flows are lower due to the economic crisis, but they are still positive," says Mr. Ratha.

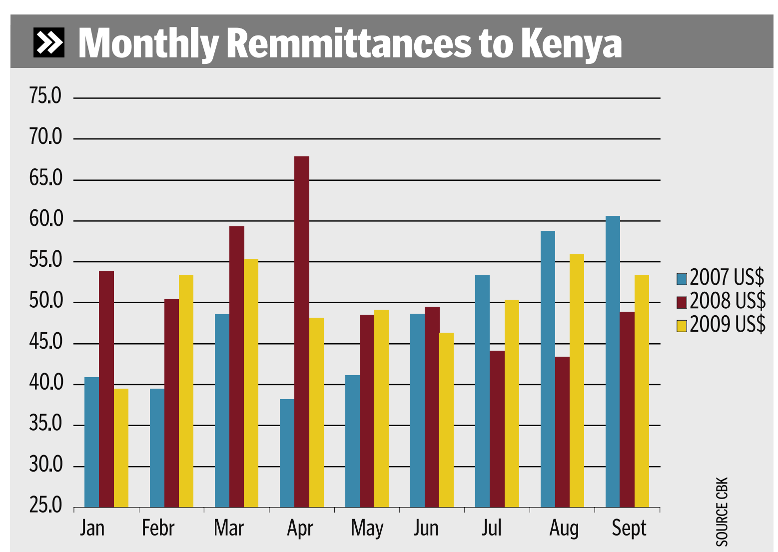
Although tempering their forecasts, economists maintain the expectation of a recovery in migration and remittance flows in 2010 and 2011.

According to the World Bank, while near-term policy response may tend toward erection of barriers to migration, a more appropriate policy response should involve efforts to facilitate migration and remittances, to make these flows cheaper, safer and more productive for both the sending and the receiving countries.

Monthly remittance flows

Globally, remittance flows reached $338 billion in 2008, higher than the bank's previous estimate of $328 billion. In Kenya, the CBK estimates that monthly remittance flows oscillate around $ 50 million.

Although tempering their forecasts, economists maintain the expectation of a recovery in migration and remittance flows in 2010 and 2011. FREDRICK ONYANGO



Gordon Brown in about-face over bank taxes at G20 meet

BY SUMEET DESAI AND ANNA WILLARD, REUTERS

Britain pressed the G20 on Saturday to come up with a plan to make banks pay for any future bailouts but one idea of imposing a global financial transactions tax was immediately shot down by the United States.

Meeting for the third time this year, Group of 20 finance ministers and central bankers made little progress on a deal on the cost of climate change after heated exchanges that did not bode well for next month's environmental summit in Copenhagen.

They did, however, launch a new framework aimed at rebalancing the global economy, committing to present detailed economic plans for each other to check by the end of January 2010 to ensure better policy coordination.

And they agreed it was too early to pull the plug on emergency economic support packages because the recovery from the global recession was uneven and dependent on ultra-low interest rates and the trillions of dollars thrown at the problem. "We are not out of the woods yet," British finance minister and meeting host Alistair Darling said when the meeting ended.

Day's biggest surprise

While most of the conclusions had been widely expected, British Prime Minister Gordon Brown produced the day's biggest surprise, saying there was an urgent need for the G20 to look at existing proposals to impose a levy on financial institutions. "We should discuss whether we need a better economic and social contract to reflect the global responsibilities of financial institutions to society," Brown said.

The IMF is already looking into this very issue for the G20 but Britain's intervention was striking given it has always previously backed away from supporting any global tax given London's pre-eminence as a financial centre.

Washington and Ottawa immediately made clear they would have no truck with a transactions tax though U.S. Treasury Secretary Tim Geithner said there was a case for making financial institutions, which have been bailed out with taxpayer money around the world, pay.

"We agree that we have to build a system in which taxpayers are not exposed to the risk of losses in future, where markets and investors don't live with the expectations that governments are going to save them from their mistakes," Geithner said.

The G20 started life 10 years as a club for finance ministers and central bankers with little clout. Over the crisis last year, however, it has grown in importance until leaders at a summit in Pittsburgh declared it the premier economic governing council for the world, given it includes countries like India and China, unlike the G7 or G8.

It took another step forward on Saturday after the policymakers set out a detailed timetable for a new process that is hoped will mean there is no return to the kind of imbalances in the global economy where countries including the U.S. run huge deficits paid for by surpluses in Asia.

Thorny problems

At the heart of those issues for now, though, are the thorny problems of devaluing or revaluing currencies including China's yuan and the dollar, and the forum again steered clear of any formal or public discussion on the issue.

G20 countries will now submit economic plans for 3 to 5 years at the end of January for mutual assessment in April. Policy options would then be developed for leaders to consider in June with specific recommendations to be made next year.

The question is whether that process will do more to address the most divisive of the trade and currency issues.