

Seeds of Discord

THE SECRETS OF KENYA'S LAND SETTLEMENTS

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How 'big shots' gobbled up the finest farms



In the second part of a series on land politics at independence, **JOHN KAMAU** reveals how senior government officials came to own choice land meant for peasants across Kenya. The first part was carried yesterday

The take-over by the rich of farms meant to settle the poor in the high-potential areas infuriated the British government and confused officials who did not want to take action or stop continued allocation of the 100 acre plots to the elite, otherwise code named Z plots in government documents.

Only one man — James Wanjigi Maina, then Director of Settlements — dared to issue a directive to stop the allocation but he was quickly overruled by Lands Permanent Secretary, Peter Shiyukah. Maina was actually asked by Shiyukah to compile a list of the VIPs — or “big shots” as he (Shiyukah) later described them — who had received such land.

These details reveal why the settlements went wrong from the beginning and why the land equation in the country was tilted in favour of those close to power. But angry that government officials had started to allocate themselves development funds, and plots in schemes they had funded to settle the landless, the British Ministry of Overseas Development asked the High Commission in Nairobi to seek more details.

Key politicians

On June 18, 1965, a year after funds from the World Bank and CDC had been used on the Z plots without their knowledge, the British High Commission in Nairobi wrote to Peter Shiyukah asking whether the proposal to set aside “some of the best farm houses...with a certain amount of surrounding land had been implemented”

By the time Neil Brockett of the British High Commission was writing this he already knew that some key politicians, among them Jomo Kenyatta, had acquired land in the schemes.

It appears that an April 1964 warning that use of the World Bank/CDC money to finance the elite takeover might backfire by the officer administering the settlement fund N.S. Carey Jones, was not heeded.

Business Daily can now report that this warning, nay appraisal, was given to the Settlement Fund Trustees who were then ministers James Gichuru (Finance), Bruce McKenzie (Agriculture) and Jackson Angaine (Settlement) suggesting that they should refer the change of policy to the British government which had given money to purchase land for the settlements schemes.

Mr Jones suggestion, dated April 15, was that the Z Plots could “perhaps be accepted against IBRD (World Bank) schemes without reference back, provided that the buyers are men with agricultural experience and sufficient capital. If they are not then I would foresee that we could not claim any development loan finance for



James Wanjigi Maina



Jackson Angaine



Robert Ouko

them and this could in turn raise with the British government the use of the land purchase money,” wrote Jones in the Directive paper No. 35.

Actually nobody contacted the British government on the same and by July 1965, the Financial Controller (Settlements) after “searching through old files” could not find such a letter. “We have therefore now to approach the British Government to obtain approval for the existing arrangements to continue...”

One person took the bold initiative to stop any further allocation of 100 acres on July 29, 1965. He was the director of Settlements, James Wanjigi Maina. In his directive, after a special visit by the World Bank and CDC officials Maina stopped any further allocation of Z Plots because they appeared “to be inconsistent” with the financial agreements reached between Kenya and the lenders.

“Until this matter is cleared with the lenders, I am afraid we have got to discontinue any more approvals for 100-acre plots,” said Maina.

But when these directive reached Peter Shiyukah, he called Mr Maina to discuss the subject and followed it up with a letter. Apparently Shiyukah was one of the

beneficiaries of the Z Plots...

He wrote: “I confirm once more that if the decision of suspending the allocation of 100 acre plots is implemented, it would be met with a lot of opposition from the President, Ministers and the public at large.” “I agree that as a first step we should have asked permission from the World Bank and CDC to make alterations in our agreements with them. While we are negotiating with them it is not necessary to halt our practice of allocating 100 acres plots since we are too far advanced in it,” wrote Shiyukah.

As he gave this directive, Shiyukah also wrote a three-page explanation to the British High Commission alluding that the original proposal came from the Officer Administering the Settlement Fund. It was a lie for in all the documents the directive had come from Kenyatta.

One of the worry of the lenders was that 100 acres were not envisaged in the funding proposal since those type of farmers could have acquired land by private means and without using the British funds to get access to such loans. Actually, on September 6, 1965, Bruce

Greatbach of the British High Commission wrote to Shiyukah asking: “Have any development loans been issued to the purchasers and if so how much?”

That was where the scandal was. When the list was compiled some of the purchasers who had also taken development loans were omitted.

Documents also indicate that some of the land was dished by Kenyatta without paying a penny. For instance, it is noted in a confidential document that Cilliers House in South Kinangop “was given free to Jesse Kariuki by President and he paid nothing.” Kariuki was a pioneer freedom fighter. So secret was the administration of this Z plots that when Angaine was to go out of the country in November 1965 his PS, Shiyukah, asked whether he could delegate “your power of approving application of 100 acres and the Low and High Density plots to the Assistant Minister as opposed to the Acting minister”

Angaine replied: “To await my return!”

When Shiyukah asked Maina to compile the list of all those who had received land, he appears to have left out some names. But Shiyukah was glad that he finally had a list of who had received what land. “I thank you for this list you have produced which has names of the big shots who have been allocated 100 acre plots by the ministry of lands and settlement,” wrote Shiyukah.

Missing names

“On examining the list with (ministry of lands), we have discovered that there are many more persons who had been allocated plots but their names do not seem to appear on your list. For example Mr Lugonzo, the Deputy Mayor, Mr Ngaira, the chairman, Public Service Commission, Mr Robert Ouko, PS Ministry of Works, Mr Ndisi, PS Labour Dr Minjo, Mr Kibaki, Assistant Minister Planning etc...”

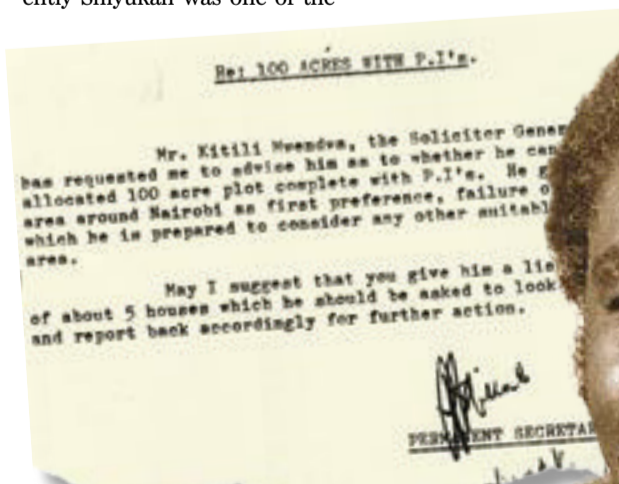
Shiyukah said that “the minister would like a list of these persons to be included even though some other snags are still existing...”

“In addition, the minister (meaning Angaine) would like a list of other persons who obtained other type of farms from us which are not within the settlement schemes e.g. Mr Muliro etc.”

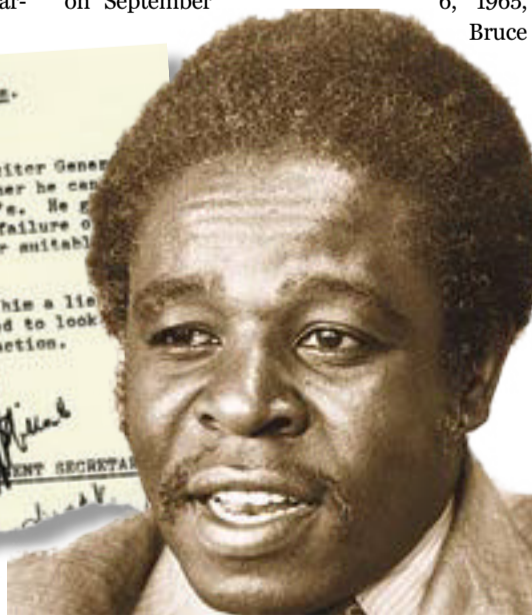
Former President Moi appears to have been a late entrant in seeking his share of 100 acres. New details now show that it was only in 1966 that Moi applied to get Gunson's House within the Perkera Scheme in Eldama Ravine. Initially left as a State Lodge. Moi had a reason to ask for the house and told the Lands PS Peter Shiyukah that “most MPS and other prominent people have bought 100 acre plots with houses.”

“I do not know how many acres are there. All I know is that the value of the land surrounding this house is very poor and I would like to buy it so that I can keep a few cattle on it,” wrote Moi.

When lands minister, Jackson Angaine received Moi's letter he asked the Director of Settlement to check whether he can “demarcate 100 acres to make the house more attractive.”



A letter written by lands PS Peter Shiyukah (right). FILE



London applies pressure in an effort to stem takeover

When a Mr Wooton from the Ministry of Overseas Development arrived in Kenya in May 1966, an official at the Ministry of Lands and Settlement took advantage of that visit to get a feel of why London was making the 100-acre plot allocation a major issue.

In a brief he prepared to the Director of Settlement, James Wanjigi Maina and dated May 27, the financial controller A. Collings said he had managed to find out "just what it is Her Majesty's Government objects to."

He told Mr Maina that their main objection was they "were not consulted before the idea was put into practice and that as a result of the idea, few (peasant) settlers will be put on the ground that was originally promised by the Kenya government."

The other objection was that the 100-acre plots might pass to owners without adequate farming experience, and the plots may not be farmed as well as they would have been by individual settlers living on their plots.

Suspend allocations

Mr Collings suggested that they should suspend the allocation (Maina had tried it before) and that no further excisions of 100-acre plots should take place in the British funded settlements.

Mr Maina agreed and wrote a small brief to Mr Collings: "Agreed. I am also sure IBRD/CDC (World Bank) officers are again going to raise this matter since they were very much annoyed last time they were here."

Another embarrassment that the government faced was that they had told the lenders that the 100 acre plots were earmarked for farmers with great potential who would be good examples to the poor in the adjacent settlement schemes. But when they compiled the list, it read like a who-is-who in the government and tens of civil servants with hardly any farming experience.

When questioned on this by the lenders, Mr Shiyukah replied in a three-paragraph letter which partly said: "I regret that in the great majority of cases, the farming background of the purchaser is not available in our records since the selections were not made by this ministry."

Actually the list sent to the British



Agriculture Minister Bruce McKenzie. FILE

High Commission contained only 51 names while the ministry had 200 plus names. It is not clear why the ministry was reluctant to send the full list to the lenders, but London did not tire.

On April 22, 1966, they demanded the full list and "farming background of the purchasers." They also said: "You say in your letter that the selections of purchasers for these farms were not made by your ministry. Could you say who are the selecting authorities?"

By this time the dishing of 100 acre plots had reached its peak and senior government officials were on a roll purchasing huge tracts of land and amassing as much as they could afford.

"While the whole matter is under consideration by the British government, I shall be grateful for your assurance that no further excisions of plots of this nature will be made from land purchased under the settlement schemes," wrote Neil Brockett to Peter Shiyukah.

He also reminded him of something else: "The object of the land settlement schemes approved by our two governments has been to provide subsistence and loan repayments, together with a given net income for each settler.

The UK government also wanted to know "how these units are regarded as compatible with the terms of the agreed settlement programme."

When cornered on this, Lands minister Johnstone Angaine prepared a Cabinet paper which wanted the Cabinet to ask the Ministry of Finance to bear the cost of the Z Plots. What that

meant was that taxpayers money would be used to fund the take-over of land by a select few since the British government was questioning the farming capability of the people allocated.

When Agriculture Minister and one of the Settlement Fund Trustees Bruce McKenzie, saw the Cabinet paper, he wrote a note to Finance minister, James Gichuru asking him that they try to approach the British government one last time. McKenzie was of the feeling that Britain should bear the cost of settling the elite on these 100 acres parcels of land. Angaine's Cabinet paper pointed to the "danger" that the British government might withhold funds in respect of the purchase of 100-acre plots.

The issue of coming up with a Cabinet paper was masterminded by Peter Shiyukah who told the minister: "In view of the fact that the original decision to issue 100-acre plots was made by the President in the Cabinet, I feel that the decision taken to suspend issue should also have been referred to the Cabinet."

Funds withheld

By then an infuriated British Ministry of Overseas Development had threatened to withhold funds if the matter was not tackled and if they did not get answers.

As government officials dilly-dallied with the answers, the High Commission followed them every week with a reminder!

While UK was willing to hear any "representations" on why the government had decided to excise 100-acres from the schemes, it was informed by Mr Bruce Greatbach that it would be "misleading if we give you the impression that approval of the British funds will be easy to give."

By that time only a few allocations had not been done and the government quietly continued to give 100-acre plots to those close to power. The excuse was that they would help peasants learn a few farming tricks from them and that they could mingle and make the settlements a great agricultural success. But their farms became and remained out of bounds to the farmers.

An experiment to settle the landless and put them on road to prosperity had collapsed even before it began.

DECLASSIFIED ■ JOHN KAMAU

Kenyatta's reaction

Jomo Kenyatta was infuriated by the dictations that Britain was giving concerning the Z Plots. When the Cabinet finally deliberated on the issue on April 25, 1967, official minutes say that Kenyatta "strongly objected to the fact that the British Government, through its High Commission had interfered" in the sale of 100-acre farms. Kenyatta ordered that the sale of 100-acre farms should be resumed and that the Treasury "should guarantee the funds involved" He also directed that the agreement with the British government on the settlement fund repayments should be reviewed.

This became a tricky affair for the ministry officials since it was both political and financial. It was not clear who was to assume responsibility for the other costs of settlements that were triggered by the excision of 100-acre plots. Kenyatta's order meant that the Kenya taxpayer was to shoulder the burden of assisting the 100-acre farm owners by having a special fund to cater for the upkeep of their farms.

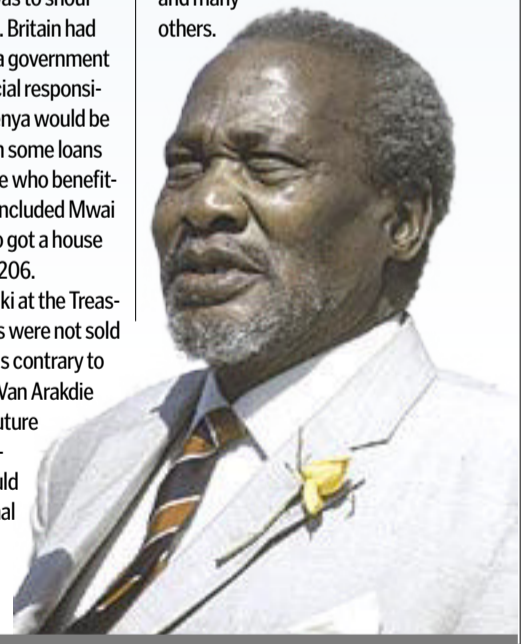
The financial implications of the British refusal to fund the elite from the settlement budget was prepared by M.A. Collings, Kenya Ministry of Lands Financial adviser. He handed a copy to J.G. Kibe, then an under-secretary at the treasury. The onus of informing the British Government on Kenya's stand fell on John Michuki. He admitted that the issue of 100-acre plots "raises considerable financial difficulties" His letter was a lengthy 5-pages whose bottomline was that Kenya government was to shoulder the 100-acre package. Britain had proposed that if the Kenya government agreed to take over financial responsibility of 100-acre plots, Kenya would be allowed to convert certain some loans into grants. Some of those who benefited from Kenyatta's order included Mwai Kibaki and GG Kariuki who got a house in Nyahururu Scheme No 206.

What worried John Michuki at the Treasury was that these houses were not sold by tender and the deal was contrary to recommendations of the Van Arakdie Mission which said that future plots must be sold by auction or by tender and should not be less than the original valuation.

Michuki wrote to Shiyukah and asked why he

"seemed to have completely ignored" the Arkadie Mission report. Unknown to Michuki, somebody scribbled in his letter after it reached Shiyukah's office: "This recommendations negative and unacceptable" One letter from the Kisii District Commissioner, N.G. Mwangi, today indicates that there was little support on the ground on the allocation of Z Plots. He wrote a Confidential letter to the PC Nyanza saying the government is being criticized by the people for only considering the rich.

Permanent Secretary in the Office of the President Geoffrey Kariithi got a hold of the letter and told Angaine: "It looks to me as if something is wrong.." Kariithi was getting worried that the Z Plot owners had also not been paying for their plots. On June 11, 1969 he wrote a letter to John Koiite, the PS lands and settlement. "It is very sad that it is the public servants in receipt of regular salaries who have been the worst offenders in the loan repayment for these plots ... as the Controller and auditor general has commented, the civil servants will get unfavourable criticism. I cannot see any reason why anybody having committed himself to buying a property cannot organize himself to make regular payments. I intend to raise the subject of ministers who are defaulters with his excellency the President." By 1971 the list of defaulters included Lands Minister Jackson Angaine, Cabinet minister Dr Gikonyo Kiano, University of Nairobi Vice Chancellor Dr. Josephat Karanja and many others.



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