

1932.

Kenya.

No. 18004

SUBJECT

C 0533/418

Nairobi Town Plot

occupied by G. M. C. S.

- Proposed arrangement.

Previous

Subsequent

PUBLIC RECORD OFFICE

C0533/418

ORDER NO.       ⇨ FN/E474  
CAMERA NO.      ⇨ 19  
OPERATOR.       ⇨ EM  
REDUCTION.      ⇨ 12  
EMULSION NO.   ⇨ 321061  
DATE.           ⇨ 4/5/72

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PUBLIC RECORD OFFICE

END

TOTAL EXPOSURES →

By Air Mail.

27  
FB  
GOVERNMENT HOUSE,  
KENYA.

EAST AFRICA  
11th November, 1931.

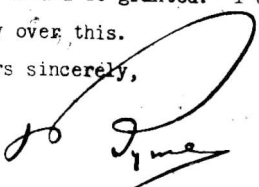
My dear Bottomley,

Mr. Mayer (East African Standard and late Mayor of Nairobi) is going home by next Air Mail for the purpose of floating a Company (with a capital of over £200,000) to produce Portland Cement, the necessary ingredients having been found on certain lands in the vicinity of Mombasa. I have a very good opinion of Mayer: he is public spirited and he has been most generous over subscribing to charitable and other similar undertakings. He is capable and, I believe, honest and reliable.

The scheme he now envisages requires no help from Public Funds and you will agree that if it proved a success it would be very advantageous to the Colony.

All I ask you to do is to see Mr. Mayer when he calls at the Colonial Office and to be sympathetic. I can give no guarantee as to the value of the deposits: no doubt before a Company is floated experts would be sent out to examine and report. The Attorney General is dealing with the question of the lease and the terms under which it should be granted. I do not, however, anticipate any difficulty over this.

Yours sincerely,



Sir W.C. Bottomley, K.C.M.G., C.B., O.B.E.  
The Colonial Office.  
LONDON. S.W1.



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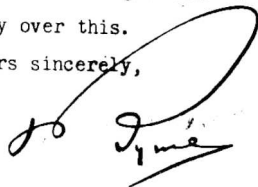
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Yours sincerely,

Sir W.C. Bottomley, K.C.M.G., C.B., O.B.E.  
The Colonial Office.  
LONDON. S.W.1.



Downing Street,

December, 1931.

Dear Mr. Mayer,

I have your letter of the 14th., and I shall be glad to see you some time in order to discuss your cement scheme.

So far as I can find we have not heard yet from Sir Joseph Byrne about the scheme, but something is no doubt on its way. If you think that we can usefully discuss the matter before we hear from the Governor, I suggest Thursday morning at 11 o'clock as a time which is convenient to me at all events. If it suits you perhaps you will come without troubling to write further. If however you would rather wait, perhaps you will ring me up after the 28th.

Yours truly,

*Wes*

R. F. MAYER, ESQ.

C. O.

Mr.

Mr.

Mr.

Mr. F. ...



Downing Street,

December, 1931

*Copy sent  
4.15 pm 17.11.31  
J*

*1772. 31. etc*

Sir J. ...

Sir G. ...

Parul. U.S. of S.

Parly. U.S. of S.

Secretary of State.

*120*

No. 370 Following from

Bottomley begins.

Your letter of 11th

November Mayer represents that

finance depends on terms of arrange-

ment as to royalty etc., which he

puts as follows <sup>quite</sup> Five years without

any charge after that reasonable

"excise duty on profits" <sup>if</sup> the

Government loses considerably on

import duty on private importations <sup>import</sup>

This differs substantially from

formula provisionally accepted in

Logan's letter 16th November.

Telegraph your views preferably

officially. Presume no difficulty

has arisen as regards terms of lease

ends.

**DRAFT TELEGRAM**

GOVERNOR

NAIROBI.

*Mind*

Mr. Allen

S. C. ...

The Secretary of State wishes to see in due course the reply it is proposed to send to Sir J. Byrne's telegram.

*Edmond*

2.2.32

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

Dated 30 January 1932. Received 2.45 P.M. 30 January 1932.

No. 24. Your telegram No. 370 Government proposes to impose a tax on output local manufactured cement commencing from January 1935 as from :- shilling 1 per ton on first 30,000 tons or part thereof. Shilling 1 cents 25 per ton on second 30,000 tons. Shilling 1 cents 50 per ton on production in excess of 60,000 up to 100,000 tons Government retaining right to impose further tax up to a maximum shillings 5 per ton on production in excess of (group omitted) 100,000 tons per annum

Suggest this decision be communicated to Mayer.

*See connection on subsequent p. 2*

*W. C. ...*  
*Edmond*  
*Edmond*

2/2/32

DECODE

1-FEB 1932

COL OFFICE

4<sup>29</sup>

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

Dated 30 January 1932. Received 2.49 p.m. 30 January 1932.

No 2

No.24. Your telegram No.370 Government proposes to impose a tax on output local manufactured cement commencing from January 1935 as from :- shilling 1 per ton on first 30,000 tons or part thereof. Shilling 1 cents 25 per ton on second 30,000 tons. Shilling 1 cents 50 per ton on production in excess of 60,000 up to 100,000 tons Government retaining right to impose further tax up to a maximum shillings 5 per ton on production in excess of (group omitted) of 100,000 tons per annum

Suggest this decision be communicated to Mayer.

10000  
2/12

~~10000~~

A

12

4.6.22

ORIGINAL **Decode** of a telegram from the Gov: Kenya

Dated **2nd Feb:** 19**32**. Received in the Colonial Office at **9-12am 2nd February 1932.**

Decoded  
by  
Decyphered

---

Unnumbered. Your telegram 1st February. Missing figure 100,000.

Governor.

On the first 30,000 tons - per ton  
On the second 30,000 tons - - -  
On the next 40,000 - - -

Sh. 1:00 per ton  
Sh. 1:25 - -  
Sh. 1:50 - -

Government will retain the  
right to ~~impose a~~ <sup>impose a</sup> further tax on production  
in excess of 100,000 tons per annum  
up to - maximum of Sh. 5:00 per ton.

x: subject to amendment  
when correction is rec'd  
to V's  
Correction now  
rec'd. 10/2/50



1488.0.

17411

PC 75 5-21

Mr. Austin 1/2  
Mr. Allen 1/2

Kenya

Mr. Tomlinson.  
Sir C. Bottomley 2-2-32 p

Sir J. Shuckburgh.  
Sir G. Grindle.  
Parlm. U.S. of S.  
Parly. U.S. of S.  
Secretary of State.

[Circular stamp: RECEIVED...]

- 3 FEB 1932

C.D.  
R 2-FEE  
D 3,

**DRAFT**

R.F. Payne Esq.

Sir

With reference to your  
interview at this Office on  
the 12<sup>th</sup> Dec. with Sir Cecil  
Bottomley I am sorry to inform  
you that he has received a  
letter from the Govt. of Kenya  
in regard to the rate of  
taxation proposed to be levied  
on cement of local  
manufacture.

cross

is the intention of the  
Govt. to impose

2. Sir Frank Bygones states  
that it is proposed to impose a  
tax with effect from the 1<sup>st</sup>  
January 1935, on the  
locally-manufactured cement,  
based on annual output.  
The figures are as follows:-

I observe that Mr. Amey's despatch was written in anticipation of the successful outcome of the then airship programme and of the establishment of an airship route to East Africa or to South Africa. It seems clear that for some considerable time this project will not be renewed having regard not only to the general question of Airship transport but also on the grounds of expense. This Company however desires a wayleave for 99 years, and it seemed to me undesirable in the necessarily uncertain circumstances which attach to airship development to concede this right, and I therefore caused the Company to be informed that I could not agree to a railway or ropeway along either of the lines which affected the Aerodrome or the Airship base; in this event the railway would have to be laid in a circuitous course skirting these lands. The Company has now represented that this refusal is a serious matter and has urged me to reconsider it. The matter rests solely on the possibilities of airship development, and in the circumstances I consider that the Air Ministry should be invited to express its views taking into account that the proposed Cement Factory will constitute an important local industry if it is successfully prosecuted. The Company has been informed that the objections taken will be withdrawn if the Air Ministry concurs, and I should therefore be grateful if the views of that Ministry could be transmitted to me as soon as possible.

I have the honour to be,

SIR,

Your most obedient, humble servant,

J. BYRNE.

BRIEFING GENERAL  
GOVERNOR.

Orig. on 90753/6/32 General

71

KENYA.

NO. 299.

18<sup>th</sup> June, 1932.

Sir,

With reference to Mr. Emery's despatch Miscellaneous (2) of the 27th March, 1930, relative to the possibilities of Mombasa and the vicinity as a suitable locality for the site of an Airship Tower Base, I have the honour to state that representations have been made by the Sikoni Cement Company (formed by Mr. H. Mayer for the purpose of establishing a cement manufactory at the Coast, vide my telegram No. 24 of the 30th January, 1932) that it will be necessary for their enterprise to take an aerial ropeway or a trolley line from the shale bed to the cement factory and a similar ropeway or trolley line from the factory to Mbaraki. A plan showing these proposals is enclosed. The proposed factory site is marked C.1. To the line from C.1 to X there is no objection, and I have given my consent for its construction. The line across the harbour from X.1 to M is receiving the consideration of the Port Authority and is being referred by the Transport Administration to the Admiralty for its views. The lines C.2, C.3 and C.4 to C.1 are alternative proposals, one of which the Company desires to adopt. The lines from C.2 and C.4 will cut the outer circles of the Airship Towers reservations and the line from C.3 will run near the boundary of reservation No. 1. The aerial lines if constructed will be at a height of 40 feet.

THE RIGHT HONOURABLE

MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., V.B.E., M.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DONNING STREET

LONDON, E.C.1.

2. I....

AVENUE 8025

Armadores House,

Grey Street,

London, E. C. 3

10th  
25th, 1932.

The Under Secretary of State for the Colonies,  
Colonial Office,

Downing Street,

London, S. W.

Sir,

Local Cement in West Africa.

With reference to my conversation to-day regarding the above proposition, certain particulars of which you already have in your possession, I have the honour to request that you, in order to assist in furthering financial negotiations on this side, will be good enough to ascertain from His Excellency the Governor of the Colony the attitude of his Government will be towards a local cement manufacturing company if it is faced with what might be described as unfair competition from Overseas.

I should also like to know if the Local Government would be prepared to purchase locally-made cement in preference to imported provided the quality is up to the required standard and price, etc. reasonable.

I would confirm my statement that the proposition has the support of several very influential gentlemen on this side.

The preliminary arrangements are well advanced, an Expert having already visited the Colony and submitted his report.

The analyses of the raw material prove that the local material is eminently suitable for the manufacture of cement, and the result of the burning of the actual cement has shown it to be of the best quality and possessing rapid hardening properties.

I have the honour to remain,

Sir,

Your obedient Servant,

*W. H. ...*

copy to Gov 567  
copy to 17/11/32  
3 AUG 1932  
18280/32

Copy.

90753/16/32.

Downing Street,

28th July, 1932.

Sir,

With reference to Colonial Office letter No. 50064/28 of the 2nd of April, 1928, in regard to the possibilities of Mombasa and its vicinity as a suitable locality for the site of an Airship Tower Base, I am directed to transmit to you, to be laid No. 299 18 June, 1932 (in orig. for return) before the Air Council, a copy of a despatch from the Governor of Kenya (with the original enclosure thereto) in which Sir J. Byrne requests advice as to the views of the Air Council on a suggestion that the Likoni Cement Company should be granted permission to construct an aerial ropeway or trolley line in that locality.

2. I am to enquire what reply the Air Council would wish returned to Sir J. Byrne's despatch.

3. I am also to request the favour of an early reply to this letter and to ask that the plan enclosed in Sir J. Byrne's despatch may in due course be returned to this Department.

I am, etc.,

(Signed) R.V. VERNON.

THE SECRETARY,  
AIR MINISTRY.

4. In my opinion the position is that the disparity in price between Japanese and British Cement is so great (and this applies with almost equal force to the piece goods trade) that the ordinary methods of control exercised by Government through the Customs Tariff cannot redress the balance and that retention of these markets by the British manufacturer can only be ensured either by a reduction in the cost of manufacture of the British product or by a definite restriction or exclusion of competing foreign goods, a policy which cannot be followed without a drastic revision of the many Treaties to which the territories adhere and one which would be impossible of application in a mandated area.

(SGD) - G. W. B. H.

COMMISSIONER OF CUSTOMS,  
KENYA AND UGANDA.

Copy to: The Chief Secretary,  
ENTREPRE.

KENYA AND UGANDA.HIS MAJESTY'S CUSTOMS  
CUSTOM HOUSE,

REF: NO. 2572.

(P.O. NO. 61)

CONFIDENTIAL.

NAIROBI 8th August, 1952.

The Honourable  
The Colonial Secretary,  
NAIROBI.JAPANESE CEMENT.

Ref. your C. TRD. 5/2/23 of 3.8.52.

The total imports of cement into Kenya and Uganda during 1951 amounted to 81,164 tons valued at £101,184, of which, Japan provided 4,946 tons valued at £8,924 (Shs. 42/- per ton) or 13.6% of the total quantity imported.

2. The total imports for the first five months of 1952 were 7,754 tons, value £22,445, of which, imports from Japan amounted to 2,457 tons valued at £5,165 (Shs. 42/- per ton) or 51.7% of the quantity imported.

3. From these figures it will be seen:

- (a) that a very considerable increase in the share of this trade is being taken by Japan at the expense principally of British manufacturers;
- (b) that if the figures given by Mr. Kettles-Roy are correct, sales on a c.i.f. basis are being effected at a loss of Shs. 12/- per ton;
- (c) that the equivalent ad valorem Customs charge is 21.4% as compared with 15.2% on British Cement, the specific duty thus having the practical effect of giving to the British product a preference, value for value of 8.2%;
- (d) that the additional preference required to place British and Japanese products on an equal selling price footing would be so enormous as to be impracticable;
- (e) that even though 'ordinary' dumping may be practiced in connection with this trade, the fact that Japanese Cement is being sold below invoice price would necessitate the institution of elaborate anti 'sales' dumping legislation common to the three territories if this practice is to be counteracted by Government (vide my 2551 of 15.6.52, Your Conf. C. AGS. 2/1/54 of 15.6.52).





An economic plant for cement production to-day costs round about £250,000 and will turn out 60,000 tons, or say 360,000 casks of 375 lbs net which if sold at 1/7d per cask would net £28,500 gross. Depreciation at a minimum of 5% on the plant means £12,500 per annum leaving £16,000 p.a. to pay for material, labour, and the total cost of running a £250,000 factory producing 60,000 casks of cement - in other words something just over 10d per cask.

Japanese imports of cement into Kenya and Uganda, for the first three months of this year have taken up some 25% of the total commercial imports and there is every indication that the percentage is steadily increasing with rapidity.

Even locally manufactured cement could under no circumstances, except protection, compete.

This information may be of use to Government should there be any revision of the present policy or any attention given to what is obviously "dumping".

British shipping interests are obviously concerned.

Yours faithfully,  
 Messrs. Messers-Roy Ltd.,  
 H. R. MESSERS - Y.

COPY.

EMERALD-ROY, LIMITED.

P.O. BOX 100,  
NAIROBI.  
KENYA COLONY.

REF: HERYO.

July 14th, 1932.

The Colonial Secretary,  
Secretariat,  
NAIROBI.

Dear Sir,

As the Representatives of The Cement Marketing Co., Ltd., the British cement combine, we would like to draw the attention of Government to what in our opinion is the "dumping" of Japanese cement into these territories.

British cement, which we are assured by our Principals, is bearing them practically no profit, is sold to-day at a minimum price of 4/6d free on board London for a barrel containing 375 lbs net.

The freight on this is Shs. 3/65 after the primage rebate is deducted, making the cost c.i.f. Mombasa harbour Shs. 1/18.

Japanese cement is being bought to-day at 4/- per cask of equal weight, c.i.f. Mombasa harbour, or roughly speaking at half the cost of British material. It is admitted that the Japanese cement at least serves its purpose.

We know that the steamer freight on cement from Japan is at the rate of 1 1/2 Yen (at 1/8d per Yen) per cask and so our calculation is as follows, from our knowledge of what costs are attached to labour and casks:

|                               |       |
|-------------------------------|-------|
| Freight 1 1/2 Yen or          | 3d.   |
| Barrel.....                   | 1/-   |
| Shipping and handling on cost | 1/2   |
| Cement contents.....          | 1/7   |
|                               | <hr/> |
|                               | 3/9d  |

Shipping and handling on cost would cover all the clerical work, harbour dues and a dozen other items concerned with any organisation.

Our Principals with us, (and they have a very wide experience of manufacturing costs in low labour cost countries such as India) believe that it is quite possible to produce 375 lbs of any class of cement at anything approaching 1/7d even "Natural" cement, which nature does provide in certain parts of the world, and which is merely dug from the ground and crushed.

The Japanese cement being sold here is manufactured cement, scientifically made by the same process exactly as that employed by our Principals.

Even Continental "Natural" cement costs to-day about 8/- to 9/- c.i.f. Mombasa.

Original  
on 90952/27/32 General

144 N

KENYA.

NO. 387.....

15 August, 1952.

Copy to 18/11/52  
18/11/52  
18/11/52

Sir,

I have the honour to transmit, for information, copies of letters addressed to the Colonial Secretary by His Majesty's Trade Commissioner, Nairobi and the Commissioner of Customs, dated the 28th July and 5th August respectively, on the subject of the importation into this colony of cement manufactured in Japan. A copy of a letter from Mr. H. Zettles-Roy, dated the 1st July, is also enclosed.

2. In present circumstances this Government is powerless to take any action in the matter.

I have the honour to be,

Sir,

Your most obedient, humble servant,

H. M. M. MOORE

GOVERNOR'S DEPUTY.

MR. H. M. MOORE  
JOHN PHILIP CONLISK-LEWIS, F.C., C.S., ...  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON.....1.

This could be  
made clear in  
the deep. deal

● suggesting an "exclusive license"  
for consent, which I presume is not  
contemplated. In any case we  
seem to me to be on a dangerously  
slippery slope when we start  
protecting Colonial markets from  
'dumping' by U.K. industries

I. V. Vernon

2.8.32

I have discussed with  
Mr. Freeston, who does  
not press for the comp.  
deep. 5/10 - so I shall  
pass only the public  
deep.

deal

2.8.32

attn

By Air Mail  
28 3/8/32

To Gen 5/6/7 (N/C10) Com  
UNDER STATUTE

2/19  
3 AUG 1932

1-69. "g. summing"

Copies of 12 to Air Ministry, 4/7/32 — 2/19/32 Com  
copies as 13 Air Ministry — 1/7/32  
exist on 90752/16 32 in answer to No 12  
Ref No 7 on  
(this file)

14. D/Gov. Kenya. 387. (COPY) ..... 16th Aug. 32.

Trans. copies of lrs. from Trade Commr., Nairobi, Commr. of Customs and Mr. Kattles-Ray re importation into Kenya of cement manufactured in Japan. Powerless to take any action in present circo.

<sup>copy to</sup> Sheehan has been requested for info. in view of the info. about Japanese dumping which is in copy in ltr. to compare with the figures quoted in

Sir C. Botherley's minute of 17/12/31  
? Pntly

W.S. Priesner  
15/8/32

See C. Botherley shown

See Alice

16/8/32

LS. 16.9.32 - case

*100*

15 To BTT (Ltr 10.11.14) — 26/11/32  
(13 m 18280/32)

prepared to put up part of the necessary capital. No doubt these negotiations are in some way connected with the "other group" referred to in No. 3.

Put by  
Director  
11/2 etc

7 Implicate 2  
Gov. 299 — 18/6/32  
S. to his Ministry. 4/2 7 — 28/7/32 Com on  
90753/6/End

8 Mr. Cumming — 27/7/32  
Asks for an interview on Friday 29/7/32.

10 Mr. Cumming — 29/7/32  
Asks for certain information to assist him in furthering financial negotiations in England regarding a Cement manufacturing Company in Kenya

Mr. Cumming called yesterday. He has lived for 20 years in E. Africa, and at one time represented Rowson in the Kenya Leg. Co. He and some friends of his have obtained an option on Mr. Payer's 'white-hills' near Rowson. The option expires, however, on May 9<sup>th</sup> and Mr. Payer is trying with an Anglo-Danish syndicate which hopes to propose to finance the scheme in the hope of supplying (foreign) machinery. The

(shown on the blue print in 90753/16)

Cumming thinks, however, that he has persuaded Mr. Payer to extend the option. In the meantime Mr. Cumming is trying to raise the capital in London. Those whom he has approached (notably Messrs. Balfour Beatty, who are also behind the East African Power & Lighting Syndicate) appear to be satisfied as to the financial soundness of the venture, provided that it can be protected from "dumping" by the British Cement Ring (i.e. the Cement Marketing Co.).

I promised Mr. Cumming that if he would write in we would send out his letter by air mail next week.

S. J. P.'s attitude to local cement manufacture is shown in his minute of 25 Dec. hereon. As regards protection against dumping, the case of the proposed 8000-bag factory is in many respects parallel; see the tel. of 7<sup>th</sup> June at No. 12 on 18077/32 K'ya.

Dh, for next Wednesday, air mail.

Director  
30/7

I should not send the copy to the  
It does not appear to me to be necessary  
It may be misunderstood - interpreted

4. Mr. Meyer — Tel. 24 — 27/1/32  
States Govt's proposal to impose  
a tax, commencing January, 1933, on  
output of locally manufactured cement.  
Suggests this decision be  
communicated to Mr. Mayer.

(I have asked Tol. Section to obtain the necessary  
correction)

The customs duty on imported cement  
is = shs. 8/40 per ton. The excise rate  
proposed wd. therefore leave a very comfortable  
margin for protecting the local product.

Dr. Mr. Meyer will no doubt  
pass on the info to Mr. Chapman.

J. P. H. [Signature]  
1/4/32

J. P. H. [Signature]

1/7/32

I wish we had had  
info about the other scheme  
before having to write this, which  
is likely to encourage Mr.  
Mayer.

W.S. 2.2.32

at all

To Mayer — 28.1.32

Mr. R. F. Mayer

(General will)  
No 5

Enquires as to present position.

Pubty. (see note on the  
left)

A. G. [Signature]  
1/2/32

A. G. [Signature]

11/2/32

Mr. Chapman called this morning. He has  
had further discussions with Mr. Mayer, as a result  
of which he has come to the conclusion that the  
scheme for establishing a cement works near Mombasa  
is not an economic proposition in present circum-  
stances. Owing to the high cost of fuel and  
imported labour, a local factory could not compete  
with e.g. cement imported from Japan. Further, the  
experience of the Cement Marketing Company in other  
parts of the world has shown that to be a commercial  
success a producing plant must be near its marketing  
area; in Kenya this would of course be the high-  
lands, and the heavy cost of freight from the coast  
to Nairobi would be a great handicap.

He went on to say that before they could  
proceed further with the proposal his Company  
would wish to be assured that the Kenya Government  
would be prepared to make two concessions:-

(a) A 20 per cent. rebate on railway freights  
from the coast to the interior (i.e. the locally  
manufactured cement would be carried for 4/5ths of  
the rate charged for imported cement).

(b) An "adequate" protective duty against  
imported cement.

I said that if he cared to write in to the  
Office the S. of S. would probably be willing to  
consult the local Government on these points.

Mr. Mayer has also been in touch with  
various manufacturers of cement-making machinery -  
Messrs. Vickers in England and other firms in France  
and Germany. These concerns are of course <sup>concerning</sup> ~~concerning~~  
him to go ahead with his schemes in the hope of  
a market for their machines, and I understood from  
Mr. Chapman that the foreign firms at any rate were  
prepared

(a) To find out what is the opinion of the Colonial Office about Mr. Mayer and the probable attitude of the Kenya Government:

(b) To enquire whether there is any prospect of assistance from the Colonial Development Fund.

As regards (a) I said (on the strength of No. 1 on this file) that Sir Joseph Byrne had expressed a favourable view of Mr. Mayer's integrity and has asked that he should be given a sympathetic hearing in the Colonial Office; but that neither the Governor nor the Colonial Office could vouch for his financial resources or for the technical merits of his proposal. I added that we expected to hear more from the Governor before long, but I made no allusion to the "other group" hinted at in No. 3.

As to (b), I explained that any assistance from the Development Fund could be made only to the Kenya Government, which, however, would be able (so far as the Colonial Development Act is concerned) to use such assistance in financing the enterprise. I added that the remaining resources of the Fund until April 1935 were slender.

Mr. Chapman gave me to understand that the site of the works is on the coast a few miles south of Mombasa, and that the Railway Administration had undertaken to build a branch line from the works to the Port. If anything comes of his negotiations with Mr. Mayer, the next step will be for the Cement Marketing Company to send an expert out to Kenya

to

to discuss details with the local Government.

Mr. Chapman mentioned in conversation that the present policy of his company is to erect their own factories in various parts of the Empire, e.g., in Malaya, so as to meet more effectively to meet Japanese competition.

Until we hear more in reply to No. 2,

put by.

*G. M. ...*  
15/11

*W. H. Allen*

16/1/32

*W. H. Allen 16.1.32 at once*

*As to B. Had gotten from Mr. Mayer that the land is in the Likoni area, that fronts on to the harbour opposite Kboraki. It seems apparent no problem may be difficulty located.*

*C. C. S. 16*

*Mr. Chapman called again. He is still negotiating with Mr. Mayer, & I gather that he will shortly lay proposals before the Board of the Cement Marketing Co.*

*Put by*

*G. M. ...*  
*15*  
*at once*

*\* There must surely be some qualification*  
*1/11*



Good in preference to  
long as to Congo Basin  
Paddy tests. In this case  
I wd. certainly not oppose.  
I assume the former will take  
care not to forest them, &  
we make a virtual monopoly,  
without issuing that consent  
wd. be available at a  
reasonable price.

P.V.L.  
25/12/31

Room 197.  
Pl. stand a file other wood  
for the Gov's Col. if it can not  
come.

Wed. 29.12.31  
at 11

Del. to Gov. cons (370) 17 Dec. 31

is considering this matter in conjunction with  
similar requests from another Group interested in  
cement production at next meeting of Executive  
Council. Will telegraph further as soon as possible

DESTROYED BY THE  
STATES

I had thought of sending Mr. Chapman  
an outline letter, but as the delay is  
long, the post and the matter  
was completed then we wd. report,  
before we get to him to read.

Wait  
The Verger  
I think you should have  
seen the S. of. 5 minutes.

Wed. 1.1.32

See, thank you  
P.V. Verger

fw

14

Today, I had a visit from Mr. Chapman,  
Export Manager of the Cement-Marketing Company  
(who control the English "ring").

The Cement Marketing Company have recently  
been approached by Mr. Mayer, whose first suggestion  
was that they should put up £100,000 of the £250,000  
required for his Kenya project. They replied that  
no arrangement would satisfy them which ensured them  
less than 50 per cent. of the control. Mr. Mayer  
is to meet Mr. Chapman again today for further  
discussion, and the latter's object is calling  
was:-

(a)

a case for a personal telegram from  
you to the Governor. At the same time it  
is going to be very hard to discourage  
an enterprise of this kind.

R.H.G.

18.12.31.

~~See above~~

Some time must in any event elapse before the local  
concern could become a regular producer, & if it proves  
successful it should be of material benefit to the Colony.  
We should, I think, be sympathetic.

R.H.G.

19.12.31

Since writing the above I have seen Mr. Meyer  
& he tells me that if all goes without a hitch  
they could not reach production stage for at least  
18 months.

R.H.G.

20.12.31

This is quite a different type  
of industry from the last Indian  
manufacture. In fact the  
purpose or attempt has been to  
set up a small local manu-  
facturing industry, which will  
probably be costly & inefficient,  
in direct competition with an  
efficient British firm, & in order  
to manufacture locally raw materials  
which it would be economically  
sounder to import. Here it is  
proposed to establish an efficient  
local industry, economically sound  
& using local material for the  
most part, employing  
local labour, & saving the  
Colony money. Moreover it is  
a "dry" industry and

and the same amount on private account. It must be assumed that Mr. Mayer's factory, if successful, would supply Kenya, Uganda and Tanganyika, and there might be an outlet to the Belgian Congo. But Mr. Mayer was confident that no general export trade could be expected and the extent to which United Kingdom industry would suffer must be taken to be represented by a maximum of £50,000<sup>per</sup> or so annually - ~~We think~~<sup>worth</sup> perhaps £200,000 net <sup>included</sup> and freight by British lines.

In return for this, the United Kingdom would have the supply of £170,000 worth or more of machinery, while <sup>Empire</sup> coal, estimated at £50,000 per annum would be required, probably from Durban. As a local industry, the enterprise would be most valuable, and would mean the circulation of a very considerable amount of money locally.

*Subject to what the Governor says,* I should like to have general authority to encourage Mr. Mayer to go on with his scheme, even though it may mean a reduction in the export of cement from this country. That, apart from local details, is the only point which seems to me to require consideration.

As regards Sir J. Byrne's testimony in favour of Mr. Mayer, he has been rather a thorn in the flesh in his Press work; but I entirely agree as to his straightness. He is a naturalised British subject who gave valuable assistance during the war, and if he had been caught by the Germans would in all probability have been hanged.

W.C.S. 17.12.41  
Sec of State  
(through Sir R. Hamilton)  
I am not sure that this is not

*Sir R. Harcourt  
Sec of State*

Sir S. Wilson.

No 1

Mr. Mayer called this morning as a result of Sir J. Byrne's letter to me of November 11th, which I was unable to find until after Mr. Mayer had left.

He or his friends have found deposits just south of Mombasa Island which gave the <sup>ingredients</sup> for a cement which laboratory tests have shown to be superior to British standard cement. He is arranging a capital of £250,000, but it depends on terms <sup>to be</sup> agreed with the Government, and you will see from the attached draft of a telegram which I have sent to the Governor, what the point is on which he needs assurance.

*Codes sent  
17/12/31  
No 2*

It is all rather vague, and we cannot move without the Governor's views.

I send on in advance of the Governor's reply, in order not to lose time, as Mr. Mayer is anxious to settle his finance at the earliest possible date. He showed me figures indicating that the imports of cement at Mombasa between January and September 1931 were:-

|                  | Tons.  | £ sterling |
|------------------|--------|------------|
| From Gt. Britain | 14,932 | 53,275     |
| " Japan          | 3,495  | 7,224      |
| Total            | 19,313 | 62,892     |

These are smaller than in previous years and are chiefly interesting as indicating that Japan is dumping cement at a low price. <sup>actual</sup> ~~Moreover~~ figures, according to <sup>a</sup> ~~the~~ statement <sup>he</sup> ~~you~~ showed me, would be more like 30,000 tons imported on <sup>Govt</sup> ~~public~~ account

?

and

*Sir R. Headlam  
Secy of State*

Sir S. Wilson.

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and