1938

38179 / 15

CO533/494

KENYA

38179 / 15

KENYA – UGANDA RAILWAY & HARBOURS

– RATE REDUCTIONS

Previous

1935

Subsequent

1939.

R. 297	10/1/38
309	13/1
Mr Parkin	27/1
Mr Dawe	31.1
297	24/11
309	24/11
Freeston ~~Mr Parkin~~	1/12
Tel Section	1/
297	5/12
Mr Freeston	

FILE A.

(1097). Wt. 25484/59. 5,000. 10/37. N.P.Co. G.862/77a.

C. [illegible]

TRANSPORT (K.U.R.)

1. High Comm^r for Transport — 128 ~~[illegible]~~ 30.12.37

Trs., with comments, extract from Minutes of Railway Advisory Council Meeting of 8.12.37 regarding rate reductions as from 1.1.38, together with copies of a public notification which has appeared in the press & an analysis showing that native communities will receive a full share of benefits accruing from the reductions.

2 Memorandum on Rate Reductions 1938
(Recd under cover of [illegible] dated 24.12.37 regd in 38/21/19/38)

No 2 is a Memo upon which, among other things, the Decisions communicated in No 1 were based.

No 1 gives details of the rate reductions brought into force on the first of Jan 1938.

Out of the total estimated cost of £160,700 it is calculated that £93,600 will accrue to the benefit of the native. This ought with luck to forestall criticism of the kind made last year (see 1937 Estimates file) that the rate reductions did not benefit the native as much as other interests.

? Put by

C. Hoskyns White 13/1

J. J. Paskin 27/1

C. [illegible]

A. J. Dawe 31.1

[illegible]

3 H.Cr. ~~Conf~~ 142 ________________ 1/11/38
Submits proposals for reduction of freight rates on certain commodities, for favourable consideration.

I do not think the S of S need hesitate to approve these rate-reductions. That on Poison Bait is small & for a special purpose which is most desirable & in the interest of all sections of the community. That on Coffee is a continuation of reductions already made. To reverse it now would be politically difficult & would be ~~very~~ harsh for the coffee growers. The remaining three are reductions which will bring increased traffic to the railway.

Until the 5½ million question is settled the Treasury must, however, be consulted. With the exception of the reduction on Maize, it will be sufficient if the High Commr receives the necessary sanction before the end of the year, & it would therefore seem best to wait (say till Dec 10th) in the hope that the 5½ million will by then be settled & reference to the Treasury made unnecessary. In the case of the reduction on Maize

3

it would be convenient if the High Commr could have the necessary authority by 8/12/38, the day upon which the temporary rate now in force requires renewal. ? Ask the Treasury for their concurrence in the necessary authority being given; perhaps this as the amount is small could be done by telephone.

Clarkey White
29/11

I have discussed with Mr. Hale of the Treasury who concurred in approval. ?

[illegible]
1/12/38

4. To H.Cr. for Transport Tel. No. 13 (3 amend.)
1/XII/38

DESTROYED UNDER STATUTE

[illegible] Treasury [illegible] on draft

5. To Treasury (refers to draft) 8/12/38
(Regn. directed in 38179/32/38)

3 H.br. 142 ~~long~~ ——————— 1/11/38
Submit proposals for reduction of freight rates on stain commodities, for favourable consideration.

I do not think the S of S need hesitate to approve these rate-reductions. That on Poison Bait is small & for a special purpose which is most desirable & in the interest of all sections of the community. That on Coffee is a continuation of reductions already made. To reverse it now would be politically difficult & would be ~~very~~ harsh for the coffee growers. The remaining three are reductions which will bring increased traffic to the railway.

Until the 5½ million question is settled the Treasury must, however, be consulted. With the exception of the reduction on Maize, it will be sufficient if the High Commr receives the necessary sanction before the end of the year, & it would therefore seem best to wait (say till Dec 10th) in the hope that the 5½ million will by then be settled & reference to the Treasury made unnecessary. In the case of the reduction on Maize

3

it would be convenient if the High Commr could have the necessary authority by 8/12/38, the day upon which the temporary rate now in force requires renewal. ? Ask the Treasury for their concurrence in the necessary authority being given; as the amount is small perhaps this could be done by telephone.

Clarkey White
29/11

I have discussed with Mr. Hale of the Treasury, who concurred in approval. ? dh

[signature]
1/12/38

4 To H.C. for Transport Tel. No. 13 (? amend.)
1/x 11/38

DESTROYED UNDER STATUTE

5. To Treasury. (afencho as draft) 8/12/38
(Regn. directed in 38179/32/38)

8 December, 1938.

31879/32/38

Sir,

With reference to the correspondence terminating with Mr. Hale's semi-official letter of the 5th May, 1938, I am directed by Mr. Secretary Macdonald to enclose, to be laid before the Lords Commissioners of the Treasury, copies of two despatches from the High Commissioner for Transport, Kenya-Uganda, seeking approval for the early introduction of certain alterations in freight rates and harbour charges in force on the Kenya-Uganda Railways and Harbours. Copies are also appended of connected telegraphic correspondence with the High Commissioner.

Fr. High Cr. 17th Nov. 1938
Fr. High Cr. 17th Nov. 1938
To High Cr. 10th May 1938
Fr. High Cr. 30th Nov. 38.
To High Cr. 1st Dec. 1938
To High Cr. 1st Dec. 1938

2. In his confidential despatch of the 14th November, the High Commissioner reviews the position and prospects of the cotton industry in Uganda, endorses the view that substantial relief must be granted if a serious recession in production is to be avoided, and recommends that reductions in railway and harbour charges on cotton

should

THE SECRETARY,
TREASURY.

should be made to a possible maximum during 1939 of £150,000.

3. From a perusal of the 1939 draft Estimates of the Kenya-Uganda Railways and Harbours Administration, advance copies of which have subsequently been received in this Department, it appears that the cost of this assistance (together with that proposed to be granted to the coffee industry - see paragraph 7 below) is proposed to be met from current revenue during 1939. The resultant deficits, amounting to £17,738 on railway net revenue account, and £22,129 on the similar account of the harbours are to be defrayed from a Rates Stabilisation and Relief Fund to be created at the beginning of 1939 by the allocation of £200,000 from hitherto unhypothecated surplus balances. No encroachment is contemplated either on the Renewals Fund or on the General Reserve Fund of the Administration which it is proposed should remain throughout the year at its present figure of £655,000.

5. Concurrently with the reduction in transport costs, the Government of Uganda, with the Secretary of State's approval, has decided to reduce the export tax

on

on cotton from two cents to one cent per pound, and it is anticipated that certain internal economies in the industry can be effected when the report of the Uganda Cotton Commission, now sitting in London, has been received.

6. The Secretary of State is satisfied that these concessions to an industry which provides [illegible].8 per cent in value of Uganda's exports are economically sound and necessary, and he has been gratified to be semi-officially assured that in the circumstances their Lordships will not withhold their consent to the High Commissioner's proposals.

7. In his despatch [illegible] of the [illegible]7th November, Sir Robert Brooke-Popham recommends a number of minor rate adjustments of which only one calls for comment, viz:- the continuance during the first six months of 1939 of the reduced charges on coffee [illegible]. The cost to the Administration, estimated at £[illegible],750 is to be met in the same way as the expenses of relief to the cotton industry described in paragraph 4 above.

8. Following upon semi-official communication with your Department a telegram of the 1st December, of which a copy is enclosed, was sent to the High Commissioner approving his proposals.

I am, Sir,
Your most obedient servant,

TRANSPORT

KENYA-UGANDA

NO. 142

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
.. NOV 1938
C. O. REGY

17th November, 1938.

Sir,

I have the honour to refer to Mr. Ormsby Gore's (now Lord Harlech's) despatch, Transport, Kenya-Uganda, No.17, of the 18th of March, 1938, on the subject of the Kenya and Uganda Railways and Harbours Estimates, in which he stated that no further rates reductions were to be made without the prior concurrence of the Treasury, pending a decision on the question of the five and a half million debt, and to his telegram, No.4, of the 10th of May, in which he authorized me to use my discretion in sanctioning, for periods of not more than six months, rates reductions which would, in fact, increase net revenue or which, if not carried out, would involve an even greater loss from diversion of, or decrease in, traffic.

In 38179/16/37 (not available no copy)

16 in 38179/16/37 copy herewith

2. Several proposals for rates reductions, not so limited as regards effect on the revenue or in period of application, have recently been made to me, and I consider that in the following cases, which I recommend seriatim for your favourable consideration, the suggested reductions should be made:-

<u>Poison bait for locust destruction</u>

In connection with a campaign at present being conducted by the Agricultural Department of Kenya against locust infestation in the Kitale district, representations have been made for a reduction in the rate for the conveyance of poison/

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

poison bait, which was at Class 10, less the usual Government rebate of fifteen per cent. In order that the cost of transport may not restrict the work of locust destruction, the General Manager recommended for my approval that, as a special case, this traffic should be charged at the rate of three cents per ton per mile for full truck loads, or on the actual weight in the truck if less than ten tons, provided the truck is loaded to capacity. The old rate from Nairobi to Kitale worked out at Sh.24.87 per ton, whereas the rate proposed by the General Manager is Sh.8.94 a ton for the same journey. (The Government rebate of fifteen per cent. is restricted to class rates and does not apply to the reduced rates). The total amount involved is unlikely to exceed 1,000 tons, i.e. a concession of approximately £800.

The proposed reduction hardly comes within the scope of Mr. Ormsby Gore's (now Lord Harlech's) telegram of the 10th of May, but since the traffic in question is not normal, and the work for which the reduction is desired is urgent and vital for the protection of agriculture in East Africa, I have authorized the reduction with effect from the 22nd of October, 1938, and I now seek your approval, in retrospect, of my action.

Coffee

At the fifty-sixth meeting of the Railway Advisory Council on the 18th of May, 1938, it was recommended that the temporary reduction of fifty per cent. off the normal export rate for coffee from stations and ports in Kenya and Uganda be continued from the 1st of July to the 31st

of/

of December, 1938, and that subject to agreement (which was subsequently given) by the Tanganyika Government, the following temporary reductions off the normal rates for export coffee be similarly continued until the end of 1938:-

From Bukoba	30%
From stations and sidings situate between Moshi and Taveta (excluding Taveta)	15%

On the authority of Mr. Ormsby Gore's (now Lord Harlech's) telegram of the 10th of May, I authorized these reductions, which were continuations of previous reductions authorized up to the end of June, 1938, in order to mitigate the effects on the East African coffee industry of the action taken in 1937 by the Government of Brazil.

At the last meeting of the Railway Advisory Council, on the 24th of October, the question came up for review whether the rates reductions should be continued for the first six months of 1939. In this connection I invite your attention to the enclosed copy of a memorandum, submitted to the Railway Advisory Council, which mentions the financial implications of the decreased rates, and includes a letter addressed to the General Manager by the two organizations representing the coffee industry of East Africa, setting out in full the case for the continuation of the concessions. The advice of the Council was as follows:-

Annexure I

"(a) That the application of Class 10 for export coffee be continued permanently;

(b) that the existing temporary reduction of 50% off the normal rate for export coffee from stations and ports in Kenya and Uganda be continued until the 30th June, 1939;

(c) that, subject to agreement by the Tanganyika Government, the following temporary reductions off the normal rate for export coffee also be continued until the end of June, 1939:-

From/

From Bukoba 30%

From stations and sidings situate between Moshi and Taveta (excluding Taveta) 15%

provided that, should the Tanganyika Government agree to make a greater temporary reduction up to the maximum of 50% the rates via the K.U.R. & H. be reduced by the same percentage.

(d) That the question of any further temporary reduction of the rates for export coffee after the 30th June, 1939, be brought up for review by Council as early as possible in 1939."

You are aware o[f t]he difficulties with which the coffee industry is faced at the present time, and I have no hesitation [in rec]ommending that this measure of relief should be given to it, and in asking for your early sanction to the reductions.

Maize and Maize Meal

Annexure II The attached memorandum for the Railway Advisory Council sets out in full the reasons which led to my authorizing, on the advice of the Council, and as an experimental measure for a period not exceeding six months from the 8th of June, 1938, the application of a rate of Sh.5/- per ton to maize and maize meal traffic between Kisumu and Musoma, Karunga and Mohoru Bay. The General Manager reports that during the four months up to the end of September 245 tons of this traffic passed at the special rate, and the Administration obtained a net? revenue therefrom of £60. In view of the satisfactory results of the experiment, I shall be glad to receive your authority to continue it for a further period of six months, with effect from the 8th of December, 1938.

Rice/

Rice dust

The conditions regarding the use of rice dust have changed so considerably since the present rates were fixed that a permanent revision of the tariff is necessary in order to secure additional traffic. The price of rice dust at Kisumu, where the commodity is mainly produced, is at present Sh.55/- a ton, and the Railway rates at present applied to it are:-

For 10 ton lots 4 cents per ton per mile

For smaller quantities Class 9

The existing rate from Kisumu to Athi River, for example, is for 10 ton lots Sh.10.92 per ton; for smaller quantities Sh.[illegible] per ton. (It should, however, be explained that provision is made in the tariff whereby for lots of less than ten tons railage charges as for a truck load are raised, if this is cheaper than a charge on actual weight). It is considered that the rates for consignments of less than ten tons are too high in comparison with the rate (Class 10) applicable to cattle cake (a comparable commodity) in consignments of less than ten tons, and I recommend that rice dust in such quantities should be permanently reclassified at Class 10, which would make the railage between the points mentioned Sh.27.11 per ton.

Calcium Chloride

Until recently this commodity was used in East Africa only as a refrigerant and as a dehydrant for laboratory use. It can now be used on roads and open spaces for dust control and for the stabilization of earth roads. The product sells in Mombasa at about £10.10/- per ton, but the railage rate to Nairobi, for example, was £7.12.55 per ton for quantities

of/

Rice dust

The conditions regarding the use of rice dust have changed so considerably since the present rates were fixed that a permanent revision of the tariff is necessary in order to secure additional traffic. The price of rice dust at Kisumu, where the commodity is mainly produced, is at present Sh.55/- a ton, and the Railway rates at present applied to it are:-

For 10 ton lots 4 cents per ton per mile

For smaller quantities Class 9

The existing rate from Kisumu to Athi River, for example, is for 10 ton lots Sh.10.92 per ton; for smaller quantities Sh.56.96 per ton. (It should, however, be explained that provision is made in the tariff whereby for lots of less than ten tons railage charges as for a truck load are raised, if this is cheaper than a charge on actual weight). It is considered that the rates for consignments of less than ten tons are too high in comparison with the rate (Class 10) applicable to cattle cake (a comparable commodity) in consignments of less than ten tons, and I recommend that rice dust in such quantities should be permanently reclassified at Class 10, which would make the railage between the points mentioned Sh.27.11 per ton.

Calcium Chloride

Until recently this commodity was used in East Africa only as a refrigerant and as a dehydrant for laboratory use. It can now be used on roads and open spaces for dust control and for the stabilization of earth roads. The product sells in Mombasa at about £10.10/- per ton, but the railage rate to Nairobi, for example, was £7.12.55 per ton for quantities

of/

of less than ten tons, and £2.14.88 per ton for ten ton consignments. The higher rate was out of all proportion to the value of the article, and even the rate for truck load consignments was high in comparison with rating practice in other parts of the world, and the commodity could not be marketed upcountry on account of the prohibitive freight rates. I therefore authorized, for a period of six months, a reduction to the following rates:-

For ten ton lots Class 10 i.e. Sh.32.04 per ton from Mombasa to Nairobi.

For smaller quantities - Class 8, i.e. Sh.54.88 per ton from Mombasa to Nairobi,

in order to gain new traffic for the railway. I shall be glad if you will accord your sanction to my proposal that this reduction should be made permanent.

I have the honour to be,

Sir,

Your most obedient, humble servant,

R Brooke-Popham

HIGH COMMISSIONER

Annexure I

B

MEMORANDUM FOR RAILWAY ADVISORY COUNCIL.

EXPORT COFFEE RATE.

On Council's recommendations;-

(1) The rate for Coffee for export was reduced on the 1st December, 1936, from Special Tariff No. 1 to Class 10, as a temporary measure until the 30th November, 1938;

(2) Rebates (originally introduced on the 1st January, 1938, for 6 months only) varying from 50 to 15 per cent. off the export rate were continued for a further period of six months as from the 1st July, 1938.

2. When the question of continuing the rebates referred to was before Council in May last, it was stated that they represented a surrender of revenue estimated at :-

	£
For the first six months of 1938 ..	24,000
For the second six months of 1938 . ..	28,000
Total for the year ..	£52,000

3. The actual amount involved for the period 1st January to 2nd July, 1938, was £24,445. The total for the year is likely to approximate the estimate of £52,000 furnished to Council.

4. The Coffee Board was invited by the High Commissioner to submit any representations they wished to make regarding the continuation of the temporary rate reductions for consideration by Council.

5. The case submitted by the East African Coffee Producers' Committee and the Coffee Trade Association of East Africa is attached.

6. It is evident that the average price obtainable for Coffee is little better than when the concessions were introduced and that the assistance being rendered to the industry must be continued.

RECOMMENDATION:

(1) That the application of Class 10 for Export Coffee be continued; and that

(2) Subject to agreement by the Tanganyika Government, the following temporary reductions off the normal rate for export coffee also be continued until the end of June, 1939 :-

From Bukoba	30 per cent.
From stations and sidings situate between Moshi and Taveta (excluding Taveta) ..	15 per cent.

Annexure I

MEMORANDUM FOR RAILWAY ADVISORY COUNCIL.

EXPORT COFFEE RATE.

On Council's recommendations;-

(1) The rate for Coffee for export was reduced on the 1st December, 1935, from Special Tariff No. 1 to Class 10, as a temporary measure until the 30th November, 1938;

(2) Rebates (originally introduced on the 1st January, 1938, for 6 months only) varying from 50 to 15 per cent. off the export rate were continued for a further period of six months as from the 1st July, 1938.

2. When the question of continuing the rebates referred to was before Council in May last, it was stated that they represented a surrender of revenue estimated at :-

		£
For the first six months of 1938	.. ..	24,000
For the second six months of 1938	.. ..	28,000
Total for the year	.. ..	£52,000

3. The actual amount involved for the period 1st January to 2nd July, 1938, was £24,445. The total for the year is likely to approximate the estimate of £52,000 furnished to Council.

4. The Coffee Board was invited by the High Commissioner to submit any representations they wished to make regarding the continuation of the temporary rate reductions for consideration by Council.

5. The case submitted by the East African Coffee Producers' Committee and the Coffee Trade Association of East Africa is attached.

6. It is evident that the average price obtainable for Coffee is little better than when the concessions were introduced and that the assistance being rendered to the industry must be continued.

RECOMMENDATION:

(1) That the application of Class 10 for Export Coffee be continued; and that

(2) Subject to agreement by the Tanganyika Government, the following temporary reductions off the normal rate for export coffee also be continued until the end of June, 1939 :-

From Bukoba	.. ..	30 per cent.
From stations and sidings situate between Moshi and Taveta (excluding Taveta)	..	15 per cent.

14

provided that should the Tanganyika Government agree to make a greater temporary reduction up to the maximum of 50 per cent. the rates via the Kenya and Uganda Railway be reduced by the same percentage.

(3) That the question of any further temporary reduction of the rates for export coffee after the 30th June, 1939, be brought up for review by Council as early as possible in 1939.

It may be added, for the information of Council, that the Administration is recommending to the Harbour Advisory Board that the present temporary reduction of 50 per cent. off the Port tariff charges on raw coffee be continued until the end of June, 1939, and that the question of any temporary reduction beyond that date be brought up for review by the Board early in 1939.

No. A.4/58.

General Manager's Office,

NAIROBI.

20th September, 1938.

15

P. O. BOX No. 1011,

NAIROBI,

7th. September, 1938.

To: The General Manager,
Kenya and Uganda Railways and Harbours,
NAIROBI.

RAILWAY FREIGHTS AND HARBOUR DUES ON COFFEE.

The purpose of this memorandum is to state the case for a continuation of the reductions in rail freights and harbour dues on coffee, granted by the Kenya and Uganda Railways and Harbours originally for the six months ending December, 1938.

2. It is now requested that these reductions should continue in force in any case until 30th.June, 1939, and subsequently thereafter if coffee prices have shown no appreciable improvement before the end of June next. It is hoped that the following paragraphs, and the enclosures hereto, will convince the Railway Administration that these concessions are still of vital importance to the coffee industry.

3. The general coffee situation to-day is in essence the same as it was when the memorandum of 28th.April,1938, was submitted to the Railway Administration. This present request for continued assistance by way of concessions in the rail freights and harbour dues on coffee is also based on the opinion expressed in para. 5 of the memorandum of 28th.April, namely: that the present coffee crisis in the world coffee position will be of limited duration and that, at its end, provided assistance is accorded during the period of the crisis, the industry in East Africa will emerge on a stronger and healthier footing than has been the case for many years past. Nothing has happened during the last four months to warrant any radical alteration in that opinion.

/2.......

4. The full figures for the 1937/38 season are now available and it has to be noted that Brazil has to a limited extent succeeded in increasing the exports of her coffee crop. Full details of the position are given in Appendix "A" hereto. It will be seen that [illegible] eight months November, 1937 to June, 1938, Brazil increased her exports by 27% as compared with the same period in the preceding season, whilst the increase recorded in deliveries of Brazils for consumption was 14½%. This increase cannot however be entirely accounted for by the change in her policy, as regard must also be had to the fact that exports in the preceding season were abnormally low. An examination of the figures over the past five years sho[illegible] a very definite annual fluctuation. It must also be noted that the increased exports and deliveries have [illegible] been accomplished at the expense of a fall in values of approximately 30%. (Appendix "B"). If the 1937/38 figures are studied in relation to the averages over the preceding four years it will be noted that the increase in the eight month period is only 17%, while the increase over the full crop year is only 1.3%. Colombian exports show a slight decrease over the eight month period as against the previous year, but an increase as compared with the average of the preceding four years. It may be concluded that, although Brazilian exports and deliveries show an increase on the preceding year, there is no support for any claim that she has succeeded to any appreciable extent in recapturing the markets she has lost to producers of mild coffee. It must be stated that there does appear to be some reason to believe that she has to a limited extent succeeded in displacing certain 'hard' types of coffee grown in countries other than Brazil. This has not however been the case with the hard coffees produced in Tanganyika and Uganda; these coffees have felt the fullest effect of falling prices but they have succeeded in moving

/their...

4. The full figures for the 1937/38 season are now available and it has to be noted that Brazil has to a limited extent succeeded in increasing the exports of her coffee crop. Full details of the position are given in Appendix "A" hereto. It will be seen that in the eight months November, 1937 to June, 1938, Brazil increased her exports by 27% as compared with the same period in the preceding season, whilst the increase recorded in deliveries of Brazils for consumption was 14½%. This increase cannot however be entirely accounted for by the change in her policy, as regard must also be had to the fact that exports in the preceding season were abnormally low. An examination of the figures over the past five years shows a very definite annual fluctuation. It must also be noted that the increased exports and deliveries have only been accomplished at the expense of a fall in values of approximately 30%. (Appendix "B"). If the 1937/38 figures are studied in relation to the averages over the preceding four years it will be noted that the increase in the eight month period is only 17%, while the increase over the full crop year is only 1.3%. Colombian exports show a slight decrease over the eight month period as against the previous year, but an increase as compared with the average of the preceding four years. It may be concluded that, although Brazilian exports and deliveries show an increase on the preceding year, there is no support for any claim that she has succeeded to any appreciable extent in recapturing the markets she has lost to producers of mild coffee. It must be stated that there does appear to be some reason to believe that she has to a limited extent succeeded in displacing certain 'hard' types of coffee grown in countries other than Brazil. This has not however been the case with the hard coffees produced in Tanganyika and Uganda; these coffees have felt the fullest effect of falling prices but they have succeeded in moving

/their...

their entire production into consumption.

5. Appendix "C" gives some figures of price movements. Appendix "CI" covers Kenya coffees sold on the local market and it will be noted that in the month of August, 1938, prices registered an encouraging rise compared with previous months, an average of 40/3d. per cwt. being recorded in August as against 50/2d. during July; the quantity involved however only amounted to 578 tons. The market during the first week of September was slightly easier than was the case during the last few days of August, average prices however being still above the all-over average for August. Whilst all mild coffees show a rise over the prices which prevailed in November, 193[illegible], (Appendix "C3") the prices ruling for Kenya coffees in Nairobi have risen to a level which is out of proportion to that ruling for competitive types. The two principal reasons are, firstly, that at this time of the year Kenya is almost the only coffee producing country which has available supplies of new season's crop and for this reason is able for a short period to command prices relatively above the world level and, secondly, that the early crop in Kenya itself is very limited in quantity and the local trade is having difficulty in meeting its commitments. Thus, although the general price rise in all mild coffee exists, it has to be recognised that the present level of Kenya prices in Nairobi is to some extent a purely local and very possibly a purely temporary phase. It must also be recognised that the quantity so far sold at this higher price level is extremely limited and can have but little effect upon producers as a whole. The average of Kenya Coffees on the local market for the period January to August, 1938, inclusive shows 5,692 tons sold at an all over average price of 34/1d. per cwt. as compared with 4,493 tons at an average of 41/10d. for the similar period of 1937.

Appendix "C2": London prices at this time of the year must be regarded as largely nominal, as the volume of coffee at present moving in that market is very small indeed. For the period April to August, 1938, total London Auction sales of Kenya coffees amounted to 392 tons at an all over average price of 53/7d. Comparative figures for 1937 were 344 tons at average of 33/5d. The principal point to note is that the all over auction average for the 1937/38 season was 58/- per cwt. as against 73/2d. per cwt. in 1936/37.

Appendix "C3" covers the price levels of Bukoba and Uganda coffees in London and in Mombasa and of Colombian and Brazilian coffees in New York. Figures are comparative for January, 1937(representing the price level prior to the market collapse), the end of November, 1937(immediately after the collapse), and August, 1938. Although there has been an improvement in the price level of "mild" coffees(Colombians) since November last all current prices are well below those of January, 1937. Colombian kinds are actually from 7% to 16% below the values which existed in January, 1937. It must also be recognised that the present level of the price of these coffees may be purely a temporary phase caused by unconfirmed rumours connected with crop shortage in Brazil. Bukoba plantation coffees show a slight increase compared with November, 1937, but Bukoba natives, Uganda coffees and Brazilian kinds all show further and serious decreases even against the low level of prices which ruled in November, 1937. The position of the producers of these coffees is of the utmost gravity and with the price level of Brazilian kinds as the governing factor in world coffee markets the producers of Kenya, Colombian and other mild coffees, whilst taking every possible advantage of the present rise in prices for their produce, are justified in feeling that it may be of temporary and limited duration.

/The....

The continued decrease in the price of Uganda and Bukoba coffees is a sufficient justification for continued assistance to these kinds.

The increase in prices for Kenya coffees has so far covered too small a proportion of the crop and is too uncertain of being maintained to justify any consideration of an increase in freight rates. It is respectfully suggested that the present assistance should be continued until such time as prices have reached and continued at a profitable level for a period long enough to enable the producer to recover from the disastrous effects of the collapse in the market. It must also be noted that in all current local prices quoted the full effect of reduced freight and harbour rates is taken into account. Without these reductions the price difference as between November, 1937 and August, 1938 would be proportionately less.

In connection with prices, it is relevant to advise that returns to a comprehensive Questionnaire recently issued by the Coffee Board of Kenya, covering all details of production and costs of coffee production in Kenya, reveal that the average production and marketing costs (excluding all overhead expenditure, such as depreciation upon plant, interest charges upon mortgages, and short term finance, secretarial and accountancy fees, directors fees etc.) amount to 39/9d. per cwt. of clean coffee in Nairobi. It will thus be noted that even at the August price of 40/3d. per cwt. there is a margin of only 6d. per cwt. with which to cover overhead charges. This margin is totally inadequate.

6. Appendix "D" shows the export movements of coffee from Kenya, Uganda and Tanganyika and from this table it will be seen that nearly 50% of the crop is exported after the 31st.December in each crop year. An alteration in rates as at 31st.December would therefore cut right across the

/season's...

season's crop. Although this occurred when rates were reduced in January, 1937, and resulted in very great benefit to the industry as a whole, a reversal of the procedure with an increase in rates coming into force in the middle of the season would result in many complications. A great part of the crop which is exported after the 1st.December actually changes hands in the earlier part of the year and if there is any uncertainty as to whether existing reductions are to be maintained traders will make allowance for such contingency in the prices they pay to the producer.

A knowledge that there is a possibility of alteration in rates is also likely to interfere with the normal flow of coffee, to lead to an attempt both by producer and by trader to expedite sales and exports, and thus bring an artificial factor into play in the marketing of a commodity which already presents sufficient difficulties and sufficient speculation. It is therefore urged that the earliest possible notification should be given of the intention to maintain rates at present levels until 30th. June, 1939.

7. To summarise, it is considered that the coffee situation to-day is very much the same as it was six months ago. There are indications that the crisis may come to an end even more speedily than was originally thought possible; prices are showing a general upward tendency but there appears to be little justification for any undue optimism in expecting even the present low level to be maintained. The crisis in the affairs of the coffee industry still exists with as much force and as much uncertainty as ever and there appears to be no possible reason to expect that it will be at an end in December next.

The coffee industry in East Africa continues to

/need...

need every possible measure of assistance if it is to emerge from the crisis in a strong and healthy position. It is requested that the present freight rates and harbour charges should be maintained unaltered at least until the end of the present crop year, the 30th. June, 1939.

for THE EAST AFRICAN COFFEE PRODUCERS COMMITEE
R. S. WOLLEN

for THE COFFEE TRADE ASSOCIATION OF E. A.
L. COLLINS.

NAIROBI/MOMBASA.
7th. September, 1938.

RAIL AY FREIGHTS AND HARBOUR DUES ON COFFEE - 7TH September, 1938.

APPENDIX "A"

BRAZILIAN AND COLOMBIAN COFFEE EXPORTS.

Season	BRAZILIAN EXPORTS (In bags of 60 kilos) 12 mths.	8 mths. Nov/June.	COLOMBIAN EXPORTS (In bags of 60 kilos) 12 mths.	8 mths. Nov/June
1933/34	16,317,000	10,663,000	3,464,328	2,365,643
1934/35	13,757,000	9,118,000	3,126,092	2,363,067
1935/36	15,973,000	10,250,000	3,824,123	2,572,599
1936/37	13,551,000	8,998,000	4,135,176	2,848,426
1937/38	15,093,000	11,388,000	4,135,957	2,716,940
± 37/38 over - 36/37 ±	1,542,000 ±	2,390,000 ±	781 -	131,486
% ± - ±	11.4% ±	26.6% (1) ±	0.02% -	4.6%
Avge 33/34 to 1936/37	14,89[illegible]500	9,757,250	3,637,429	2,537,434
Actual 37/38	15,09[illegible],000	11,388,000	4,135,957	2,716,940
± 37/38 over - average ±	[illegible]3,500 ±	1,630,750 ±	498,528 ±	179,506
% ± - ±	[illegible]1.3% ±	16.7% ±	13.7% ±	7.1%

Source: Monthly Reports issued by New York Coffee & Sugar Exchange.
(1) But prices dropped roughly 30 per cent.

WORLD DELIVERIES OF COFFEE FOR CONSUMPTION.

Season	WORLD DELIVERIES - BRAZILS (In bags of 60 kilos) 12 mths.	8 mths. Nov/June	WORLD DELIVERIES - OTHERS (In bags of 60 kilos). 12 mths.	8 mths. Nov/June.
1933/34	16,062,870	10,501,362	8,389,590	6,118,246
1934/35	14,859,421	9,922,303	7,820,534	5,490,884
1935/36	16,129,091	10,735,104	9,717,453	6,846,112
1936/37	14,129,481	9,439,797	10,756,800	7,783,307
1937/38	14,658,978	10,805,632	10,812,736	7,265,461
± 37/38 over - 36/37 ±	529,497 ±	1,365,835 ±	55,936 -	517,846
% ± - ±	3.8% ±	14.5% (1) ±	0.5% -	6.6%
Avge 33/34 to 1936/37	15,295,216	10,149,642	9,171,094	6,559,637
Actual 37/38	14,658,978	10,805,632	10,812,736	7,265,461
± 37/38 over - average -	636,238 ±	655,990 ±	1,641,642 ±	705,824
% ± - -	4.2% ±	6.4% ±	17.9% ±	10.7%

Source: Monthly Reports issued by New York Coffee & Sugar Exchange
(1) But prices dropped roughly 30 per cent.

RAILWAY FREIGHTS
AND HARBOUR DUES
ON COFFEE - 7.9.38

APPENDIX "B"

In order to gauge the effect on prices of the coffee crisis which began last November, it is necessary to eliminate the period July/November, 1937, and to make a comparison between the average prices of the 1936/37 season and the averages over the months from December, 1937, onwards, as under:-

Nairobi and New York Prices.

PERIOD.	Kenyas in Nairobi Shs.p/cwt	NEW YORK SPOT AVGE(1)U.S.CentsperLb Colombian	Santos 4's	Rio 7's.
Season 1936/37 average.	41/-	$11\frac{1}{8}$ c.	$10\frac{3}{8}$ c.	7 c.
1937/38 (After price fall)				
December, 1937	33/7	$8\frac{1}{2}$ c	$7\frac{5}{8}$ c.	$5\frac{1}{4}$ c.
January, 1938	34/11	9 c.	$7\frac{5}{8}$ c.	5.7/16
February, [illegible]	33/11	9.1/16	$7\frac{3}{8}$ c.	$5\frac{3}{8}$ c.
March, 1938	33/2	8.13/16	6.15/16	$4\frac{7}{8}$ c.
April, 1938	29/-	$8\frac{3}{4}$ c.	$6\frac{3}{8}$ c.	$4\frac{3}{8}$ c.
May, 1938	26/-	$8\frac{7}{8}$ c.	6.7/16	4.9/16
June, 1938	26/3	9.13/16	$6\frac{5}{8}$ c.	4.11/16
1937/38 Dec/June. Avge.	33/7	8.31/32	7.c	4.15/16
Decrease over 1936/37	7/5d.	2.5/32c.	$3\frac{3}{8}$ c.	2.1/16
Per cent Decrease	18.1%	19.4%	32.5%	29.1%
July, 1938 (2)	30/2	$9\frac{3}{4}$	$7\frac{1}{2}$	$4\frac{3}{4}$
August, 1938 (2)	40/3	$10\frac{1}{4}$	$7\frac{3}{4}$	5
September, 1938 (3)	-	$10\frac{7}{8}$	$8\frac{1}{4}$	$5\frac{1}{2}$

(1) New York spot averages are the mean of the monthly spot prices recorded by the New York Coffee and Sugar Exchange.

(2) New York: average of cabled prices; N.Y. Coffee Exchange figures not yet to hand.

(3) New York cabled prices received 7.9.38.

RAILWAY FREIGHTS AND HARBOUR DUES
ON COFFEE - 7.9.38.

APPENDIX "C"

C. 1. KENYA COFFEE IN NAIROBI.

MONTH OF	1937		1938		Drop in price 1938 over 1937	
	Tons sold.	@ avge.	Tons sold.	@ avge	Shs.p.cwt	% drop
JANUARY	1,856	43/1	2,049	34/11	8/2	19%
FEBRUARY	1,110	41/8	1,529	33/11	7/9	19%
MARCH	420	39/9	847	33/2	6/7	17%
APRIL	308	38/3	247	29/-	9/3	24%
MAY	176	39/2	160	26/-	13/2	34%
JUNE	118	41/1	95	26/3	14/10	36%
JULY	250	40/2	187	30/2	10/-	25%
AUGUST	2[illegible]	43/-	578	40/3	2/9	6%
JAN/AUG.	[illegible]	41/10	5,692	34/1	7/9	19%

C. 2 LONDON AUCTION SALES OF KENYA COFFEE

MONTH OF	1937		1938		Drop in price 1938 over 1937	
	Tons sold.	@ avge.	Tons sold.	@ avge	Shs.p.cwt	% drop
APRIL	214	65/1	168	55/3	9/10	15%
MAY	56	62/5	161	53/5	9/-	15%
JUNE	47	60/3	49	46/11	13/4	22%
JULY	8	60/11	11	58/9	2/2	3%
AUGUST	19	56/4	3	55/2	1/2	2%
TOTAL	344	63/5	392	53/7	9/10	16%

N.B. London Market during April/August is largely nominal. Average prices for full seasons (July/June) have been:- 1936/37 - 73/2d: 1937/38 - 58/-.

C. 3 TABLE SHOWING PRICE FALL OF VARIOUS COFFEES.

TYPE OF COFFEE AND METHOD OF QUOTING.	General Price Ruling at the month end.			% fall in price Aug.'38 on Jan.1937	% fall - or rise + Aug.'28 on Nov.1937.
	Jany 1937	Nov. 1937	Aug. 1937.		
Shs/pence					
BUKOBA PLANTATION,LONDON per cwt.	50/-	37/6	38/9	-22%	+ 3%
BUKOBA PLANTATION,MOMBASA -do-	43/-	34/7	35/-	-19%	+ 1%
BUKOBA NATIVE,LONDON -do-	37/-	26/-	22/9	-39%	-12%
BUKOBA NATIVE,MOMBASA -do-	32/-	21/4	17/9	-45%	-17%
UGANDA PLANTATION,LONDON -do-	49/-	37/6	35/6	-28%	- 5%
UGANDA PLANTATION,MOMBASA -do-	42/9	34/10	31/9	-26%	- 9%
UGANDA NATIVE, LONDON -do-	35/-	25/6	22/3	-37%	-13%
UGANDA NATIVE,MOMBASA -do-	31/-	21/6	17/5	-41%	-19%
COLOMBIAN, LONDON -do-	57/6	45/-	53/6	- 7%	+19%
BOGOTA,NEW YORK SPOT, c. per lb.	12¼	8⅞	10¼	-16%	+16%
MANIZALES -do- -do-	12¾	9⅛	10⅞	-15%	+19%
MEDELLIN -do- -do-	13	9⅝	11¼	-13%	+17%
RIO 7's -do- -do-	9⅛	6⅞	5½	-40%	-20%
SANTOS 4's -do- -do-	11½	8⅜	8¼	-28%	- 1%

APPENDIX "D"

TABLES SHOWING MONTHLY EXPORTS OF EAST AFRICAN COFFEES

1. BRITISH EAST AFRICAN COFFEE

Table Showing Percentages exported during July to December.

COFFEE EXPORTED FROM.	% of Season's total exported during Jul/Dec.			
	1935/36	1936/37	1937/38	Avge. over 3 years.
KENYA	46%	53%	34%	45%
TANGANYIKA	70%	68%	63%	67%
UGANDA	30%	49%	51%	43%
B.E.A. TOTAL	52%	57%	49%	52%

2. KENYA COFFEE

MONTH OF.	EXPORTS IN CWTS.			Monthly average over 3 years.
	1935/36	1936/37	1937/38	
JULY	18,176	16,189	8,698	14,354
AUGUST	18,157	15,463	9,916	14,512
SEPTEMBER	17,244	26,028	9,866	17,713
OCTOBER	36,053	29,165	13,386	26,202
NOVEMBER	42,709	41,532	28,187	37,476
DECEMBER	55,164	57,753	41,290	51,402
TOTAL JUL/DEC.	187,503	186,130	111,343	161,659
JANUARY	51,914	41,271	71,844	55,010
FEBRUARY	66,486	45,466	52,990	54,981
MARCH	34,912	30,929	38,242	34,694
APRIL	26,916	21,042	25,116	24,358
MAY	22,152	15,990	14,827	17,656
JUNE	20,066	7,844	9,470	12,460
TOTAL JAN/JUNE.	222,446	162,542	212,489	199,159
SEASON'S TOTAL.	409,949	348.672	323,832	360,818

3. TANGANYIKA COFFEE.

MONTH OF.	EXPORTS IN CWTS 1935/36	1936/37	1937/38	monthly avge. over 3 years.
JULY	33,015	23,054	36,986	31,018
AUGUST	45,917	20,679	32,465	33,020
SEPTEMBER	32,383	25,315	29,846	29,181
OCTOBER	42,661	28,941	23,917	31,840
NOVEMBER	48,039	33,034	34,775	38,616
DECEMBER	29,680	24,507	24,346	26,178
TOTAL JUL/DEC.	231,695	155,530	182,335	189,853
JANUARY	21,279	16,161	25,281	20,907
FEBRUARY	20,761	16,471	13,902	17,045
MARCH	18,050	9,366	20,722	16,046
APRIL	12,572	5,051	10,956	9,526
MAY	9,164	6,848	13,958	9,990
JUNE	17,662	19,604	24,648	20,638
TOTAL JAN/JUNE	99,488	73,501	109,467	94,152
SEASON'S TOTAL.	331,183	229,031	291,802	284,005

4. UGANDA COFFEE

MONTH OF	EXPORTS IN CWTS 1935/36	1936/37	1937/38	Monthly avge. over 3 years
JULY	5,587	20,792	16,045	14,141
AUGUST	6,197	15,905	18,323	13,475
SEPTEMBER	6,555	17,929	23,107	15,864
OCTOBER	6,932	22,269	25,661	18,287
NOVEMBER	7,555	24,894	28,173	20,207
DECEMBER	11,095	24,846	15,898	17,280
TOTAL JUL/DEC	43,921	126,635	127,207	99,254
JANUARY	14,931	24,614	21,250	20,265
FEBRUARY	17,605	24,604	17,922	20,044
MARCH	22,815	28,069	28,283	26,389
APRIL	14,877	18,931	17,633	17,147
MAY	13,080	19,568	19,860	17,503
JUNE	19,367	14,963	19,200	17,843
TOTAL JAN/JUNE.	102,675	130,749	124,148	119,191
SEASON'S TOTAL	146,596	257,384	251,355	218,445

Annexure II 28

MEMORANDUM FOR RAILWAY ADVISORY COUNCIL.

MAIZE AND MAIZE MEAL : KISUMU-MUSOMA.

It is estimated that some 3,000 tons of Maize and Maize-meal are carried by dhow transport from Kisumu to Musoma per annum. The bulk of this traffic is transported in the first place by the Administration from Yala and Luanda on the Butere branch line to Kisumu, and smaller quantities from the vicinity of Nakuru.

2. The dhow owners charge Sh. 10/- per ton for transport from Kisumu to Musoma at the moment, but it is on record that quotations have been made as low as Sh. 5/50 per ton.

3. The Administration has two direct sailings every other week from Kisumu to Musoma arriving at Musoma on Sundays and Fridays. There is thus a delivery at Musoma in alternate periods of five and nine days. There is ample spare cargo space available on the S.S. "Usoga" and the tug and lighter service between these points, and the entire tonnage, at present diverted to the dhows, could be carried without difficulty.

4. The Administration conveys this traffic from the point of origin as far as Kisumu and provides a regular and efficient service throughout to the ultimate destination of the traffic, and it is considered that the circumstances fully justify the Administration in taking action in an endeavour to retain the traffic for the throughout journey.

5. The retention of the traffic is essentially a rating matter. Maize and maize-meal are carried at class 9 rates subject to a maximum charge of Sh. 22/40 per ton. In the case of traffic railed from more distant points, the maximum rate reduces the competitive scope of the dhows. For example, from Nakuru to Kisumu, class 9 amounts to Sh. 19/27 per ton, leaving the balance of the maximum rate, viz. Sh. 3/13 per ton, as, for present purposes, the Administration's competitive rate from Kisumu to Musoma. The Administration is, however, more vulnerable in the case of the bulk of the traffic from Luanda, Yala and Butere, as the following table shows :-

	From Luanda per ton Sh.Cts.	From Yala per ton Sh.Cts.	From Butere per ton Sh.Cts.
(a) To Kisumu	4.04	5.16	6.95
(b) To Musoma	22.40	22.40	22.40
(c) Difference between (a) and (b)	18.36	17.24	15.45
(d) Dhow rates from Kisumu to Musoma	5/50 to 10/-	5/50 to 10/-	5/50 to 10/-

6. It is clear that if it is decided to compete for this traffic half-measures are not likely to meet with success and any

/ rate ....

Annexure II

MEMORANDUM FOR RAILWAY ADVISORY COUNCIL.

MAIZE AND MAIZE MEAL : KISUMU-MUSOMA.

It is estimated that some 3,000 tons of Maize and Maize-meal are carried by dhow transport from Kisumu to Musoma per annum. The bulk of this traffic is transported in the first place by the Administration from Yala and Luanda on the Butere branch line to Kisumu, and smaller quantities from the vicinity of Nakuru.

2. The dhow owners charge Sh. 10/- per ton for transport from Kisumu to Musoma at the moment, but it is on record that quotations have been made as low as Sh. 5/50 per ton.

3. The Administration has two direct sailings every other week from Kisumu to Musoma arriving at Musoma on Sundays and Fridays. There is thus a delivery at Musoma in alternate periods of five and nine days. There is ample spare cargo space available on the S.S. "Usoga" and the tug and lighter service between these points, and the entire tonnage, at present diverted to the dhows, could be carried without difficulty.

4. The Administration conveys this traffic from the point of origin as far as Kisumu and provides a regular and efficient service throughout to the ultimate destination of the traffic, and it is considered that the circumstances fully justify the Administration in taking action in an endeavour to retain the traffic for the throughout journey.

5. The retention of the traffic is essentially a rating matter. Maize and maize-meal are carried at class 9 rates subject to a maximum charge of Sh. 22/40 per ton. In the case of traffic railed from more distant points, the maximum rate reduces the competitive scope of the dhows. For example, from Nakuru to Kisumu, class 9 amounts to Sh. 19/27 per ton, leaving the balance of the maximum rate, viz. Sh. 3/13 per ton, as, for present purposes, the Administration's competitive rate from Kisumu to Musoma. The Administration is, however, more vulnerable in the case of the bulk of the traffic from Luanda, Yala and Butere, as the following table shows :-

	From Luanda per ton Sh.Cts.	From Yala per ton Sh.Cts.	From Butere per ton Sh.Cts.
(a) To Kisumu	4.04	5.16	6.95
(b) To Musoma	22.40	22.40	22.40
(c) Difference between (a) and (b)	18.36	17.24	15.45
(d) Dhow rates from Kisumu to Musoma	5/50 to 10/-	5/50 to 10/-	5/50 to 10/-

6. It is clear that if it is decided to compete for this traffic half-measures are not likely to meet with success and any

/ rate ....

29

rate introduced should be so low as to offer a reasonable prospect of competing with the lowest known dhow rate. It must be acknowledged that the operating costs of the dhows are extremely low and that they are enabled thereby to quote exceedingly low rates, lower, possibly, than Sh. 5/50 to which reference has been made. Nevertheless, it is felt that the Administration's through transit facilities and reliability are not without some value, and a rate of Sh. 5/- per ton for Maize and Maize-meal from Kisumu to a zone comprising Musoma, Karungu and Mohoru Bay is looked upon as likely to have satisfactory results. Traffic consigned from inland stations to these ports would be charged at the class 9 rate to Kisumu plus Sh. 5/- per ton from Kisumu to destination, subject to a throughout maximum rate of Sh. 22/40 per ton, loading and unloading to be performed by or at the expense of the sender and consignee and transhipment at Kisumu by the Administration. Karungu and Mohoru are included in the suggested rate as they also receive Maize and Maize-meal by dhows, and, furthermore, it is desirable to avoid any re-booking complications.

7. The general question of competitive rates with dhow transport has received consideration on various occasions. So far as cross lake competition at the north end of Lake Victoria is concerned it has to be remembered that any attempt to reduce rates on the part of the Administration might concentrate traffic on the Kisumu route, probably necessitating the re-staffing of Jinja Pier, a point to which we have now no marine service, and they might have an undesirable influence on the main rating structure, particularly where through traffic to Uganda via the all-rail route is concerned. Rice from Mwanza is carried in dhows bound up in the industry, the owners of which are willing to carry return loads of sugar and other goods at any rate if only to serve as ballast. The low working costs of the dhows and the uncertainty of the level to which they are prepared to sink their charges makes any general lowering of the rate structure a dangerous procedure. For the main streams of dhow traffic these considerations hold good today, and to the extent that dhows operate in waters inaccessible to the Administration's vessels they are doubtless, in many cases, performing very useful services. The particular features of the Musoma traffic justify the suggested experimental action in that restricted locality, although even in this case, the competitive level of dhow charges remains to be proved.

8. The introduction of the suggested special point-to-point rate, if successful in attracting the whole of the traffic, would result in a gain in gross revenue estimated at some £650 per annum.

RECOMMENDATION:

That a rate of Sh. 5/- per ton be applied to maize and maize-meal traffic between Kisumu and Musoma, Karungu and Mohoru Bay as an experimental measure for a period of twelve months, the position to be reviewed at the end of that period in the light of the experience gained.

No. [illegible].4/770,

General Manager's Office,
NAIROBI.

[illegible]th May, 1938.

rate introduced should be so low as to offer a reasonable prospect of competing with the lowest known dhow rate. It must be acknowledged that the operating costs of the dhows are extremely low and that they are enabled thereby to quote exceedingly low rates, lower, possibly, than Sh. 5/50 to which reference has been made. Nevertheless, it is felt that the Administration's through transit facilities and reliability are not without some value, and a rate of Sh. 5/- per ton for Maize and Maize-meal from Kisumu to a zone comprising Musoma, Karungu and Mohoru Bay is looked upon as likely to have satisfactory results. Traffic consigned from inland stations to these ports would be charged at the class 9 rate to Kisumu plus Sh. 5/- per ton from Kisumu to destination, subject to a throughout maximum rate of Sh. 22/40 per ton, loading and unloading to be performed by or at the expense of the sender and consignee and transhipment at Kisumu by the Administration. Karungu and Mohoru are included in the suggested rate as they also receive Maize and Maize-meal by dhows, and, furthermore, it is desirable to avoid any re-booking complications.

7. The general question of competitive rates with dhow transport has received consideration on various occasions. So far as cross lake competition at the north end of Lake Victoria is concerned it has to be remembered that any attempt to reduce rates on the part of the Administration might concentrate traffic on the Kisumu route, probably necessitating the re-staffing of Jinja Pier, a point to which we have now no marine service, and they might have an undesirable influence on the main rating structure, particularly where through traffic to Uganda via the all-rail route is concerned. Rice from Mwanza is carried in dhows bound up in the industry, the owners of which are willing to carry return loads of sugar and other goods at any rate if only to serve as ballast. The low operating costs of the dhows and the uncertainty of the level to which they are prepared to sink their charges makes any general lowering of the rate structure a dangerous procedure. For the main streams of dhow traffic those considerations hold good today, and to the extent that dhows operate in waters inaccessible to the Administration's vessels they are doubtless, in many cases, performing very useful services. The particular features of the Musoma traffic justify the suggested experimental action in that restricted locality, although even in this case, the competitive level of dhow charges remains to be proved.

8. The introduction of the suggested special point-to-point rate, if successful in attracting the whole of the traffic, would result in a gain in gross revenue estimated at some £650 per annum.

RECOMMENDATION:

That a rate of Sh. 5/- per ton be applied to maize and maize-meal traffic between Kisumu and Musoma, Karungu and Mohoru Bay as an experimental measure for a period of twelve months, the position to be reviewed at the end of that period in the light of the experience gained.

No. [illegible]4/770.

General Manager's Office,
NAIROBI.

4th May, 1938.

Read under 3on. of 24.2.37 (regd. ~ 38.7.9.38) 30

2

MEMORANDUM FOR RAILWAY ADVISORY COUNCIL.

6

RATES REDUCTIONS - 1938.

In the General Manager's memorandum No. E.F. 1/38, dated 25th August, 1937, entitled "Standard Revenue and Expenditure", it was recommended by the Administration that a sum of £150,000 could safely be made available for rates reductions during 1938. In connection with this matter, Council recorded the following at Minute No. 2061:-

> "Council noted the General Manager's Confidential memorandum No. E.F. 1/38, dated 25th August, 1937, and AGREED to recommend that a sum of approximately £150,000 was the figure which should be taken for rates reductions in 1938."

2. In a further memorandum No. A.4/777, dated 8th October, 1937, entitled "Rates Reductions - 1938", the Administration put forward its recommendations with regard to the way in which the sum available could be surrendered. Council agreed with these recommendations generally and the following extract from Minute No. 2064 was recorded:-

> "Council then considered the proposals of the Administration with regard to general rates reductions during 1938. It had been agreed in Minute No. 2061 that a sum of approximately £150,000 would be available for this purpose. Council also accepted the view of the General Manager that this amount could be taken as additional to the rates reductions, amounting to £11,600, already introduced during 1937.
>
> 2. The schedule, submitted in the memorandum No. A.4/777, dated 8th October, 1937 was considered and accepted in principle, with the exception of Item (1) - Abolition of Top Rates - which involved the abandonment of the taper principle for a certain mileage.
>
> 3. After considerable discussion on this point, Council asked the Administration to submit further proposals which would retain the taper principle even though only to a modified extent for mileages over 350 miles and upwards. The General Manager explained that the taper principle was originally introduced in order to permit of the development of areas situated some distance from the Coast and that the existing rates had very largely achieved that object. He had planned to re-introduce the taper principle again at a later date when further rates reductions could be made, as, in his view, the reductions granted by the abolition of Class 2 and 2A., together with the proposed adjustment of mileages in Uganda would meet the need for rates reductions generally and that he would prefer to deal with the matter along the lines suggested rather than cut out any of the other items in the schedule.

4. The Superintendent of the Line pointed out that a 2 cents taper between 500 miles and 1,000 miles would cost approximately £12,000. It was, however, agreed that a reduction in 3rd-class fares, estimated to cost £9,700 might in fact show a nett gain in revenue, due to a consequential increase in passenger travel.

5. It was finally AGREED that possibilities of retaining the taper principle should be further explored and that the Administration should submit to the next meeting of Council a proposal for a modified taper which could be adopted without eliminating any of the other items from the schedule."

3. The further examination of Item (1) - Abolition of Top Rates, has now been taken in hand, together with the possibility of easing the taper of the new Class 3 rate. Council will remember that it was pointed out by the General Manager during the discussion that he was of the opinion that the present proposals were fairly evenly balanced as between the customers in Kenya and in Uganda and that it had been his intention to leave consideration of a further easing of the taper until additional funds became available for rates reductions at some later date.

4. It will also be remembered that, at the meeting, the Superintendent of the Line submitted figures, showing that a further taper of 2 cents per ton mile per 100 miles would involve a sum of £11,000 to £12,000. This was considered too high in the circumstances and a further examination has been undertaken of a modified taper, amounting to 1.5 cents per ton mile per 100 miles. This suggestion, which will be referred to in the accompanying papers as "2nd Proposal", has been examined in detail and it is estimated that the additional sum involved will amount to £8,300. In order that the position may be fully appreciated, a diagram is attached as Appendix I, showing clearly the alternatives for the proposed new Class 3 rate. On this diagram will be seen in full line the present Class 3 and the present Class 4. Between these two Classes is shown in full line and dotted line the proposed new Class 3, which is a straight line as far as Mile 600, giving 50.18 cents per ton mile. From Mile 600 to Mile 800 a taper was introduced bringing this scale into the old Class 3 at Mile 800. This original proposal is shown dotted on the diagram. The second proposal of a taper of 1.5 cents per ton mile per 100 miles extending from Mile 500 to Mile 900 is shown chain dotted on the diagram.

5. In order that members of Council may appreciate fully the effect of these various proposals at different stations, the table shown in Appendix II has been prepared. This table includes a commodity analysis of the main commodities affected, together with the results obtained by the application of the original proposal and also, in the final set of columns, the effect if the "2nd Proposal" is adopted. This table also includes the effect of the alteration in Uganda mileages and the figures show clearly what proportion of the total reduction is due to this particular item. Examination of this table shows that, as anticipated, towns at the shorter mileages such as Nairobi and Nakuru benefit considerably from the abolition of the taper between Mile 0 and Mile 600. The other towns quoted at longer mileages all benefit to a somewhat less degree. When, however, the tonnages that go to the various points are taken into consideration, it will

be seen from the table attached as Appendix III that the position under the original proposal is in fact very evenly balanced as between the two countries. The reason for this, of course, will be clear from a study of the commodity figures. The two principal commodities concerned by the abolition of Classes 2 and 2A. are cotton cloth and cotton piece goods. The proportion of these two commodities going to Uganda, as compared with Kenya is roughly 3:1. While, therefore, Nairobi on a percentage basis appears to gain heavily by these proposals, in fact, owing to the movement of the commodities concerned, Uganda benefits as regards monetary values to an extent practically equal to Kenya. If the "2nd Proposal" is adopted, it will be seen that Uganda benefits still further and the benefit would then exceed that obtained by Kenya customers. In order that the position may be viewed as a whole, the table shown in Appendix IV is attached, which gives the total effect of the rates proposals for 1938.

6. It will be seen that the original proposal, as suggested by the Administration, almost exactly balances as between the two territories, there being a difference in favour of Kenya of some £1,000 only. If the "2nd Proposal" is adopted, the balance will be reversed in favour of Uganda by some £7,000. In view of these circumstances, it is for careful consideration whether the amount involved in the "2nd Proposal" is in fact justified at the present time.

UGANDA MILEAGES:

7. A further examination of the position with regard to Uganda Mileages has been made. It will be remembered that Council recorded the following paragraphs with regard to this particular item:-

Minute 2064:

> "6. A discussion took place with regard to the proposed reduction of Uganda Mileages.
>
> 7. It was finally AGREED that the shortest direct mileages should be accepted in all cases. The total surrender of revenue after making allowances for the incorporation of Bukakata in the schedule would be £27,500. As it was necessary for the Administration to commence immediately the preparation of mileage tables if they were to be ready by the 1st January, 1938, Council accepted this recommendation."

8. During the discussion on this particular item, the Superintendent of the Line gave it as his opinion that it would be possible if the shortest direct mileages were adopted to avoid applying this reduction on through traffic to Namasagali, Masindi and the West Nile, and, on this basis, it was estimated that, after making due allowances for the credits from Bukakata traffic, the proposals would involve a sum of £27,500. On further examination, however, it has been found that it would introduce a number of unfortunate anomalies if Namasagali and onwards were omitted. In all the circumstances, therefore, it is thought advisable to avoid these anomalies and to allow the shortest mileages to apply to all Uganda and Congo traffic. This will probably involve the surrender of a further £2,000, bringing the total to £29,500. It is recommended that this should be agreed to.

CREDIT FOR 3rd-CLASS PASSENGER TRAFFIC:

9. This matter was referred to in paragraph 8 of Minute 2064, which reads as follows:-

"8. On the assumption that the re-introduction of the taper principle would be compensated by an improvement in 3rd-class passenger traffic, the total amount that would then be allotted to rates reductions would be £158,200 and this sum could be utilised for estimate purposes in calculating the balances that would be available for allocation at the end of the year."

10. It will be noted that the cost of reducing 3rd-class fares is estimated at £9,700. It is impossible at this stage to estimate what part of this amount - if any - will be recovered by an increase in 3rd-class passenger traffic. Provided the prosperity of the territories remains unimpaired, it is probable that a considerable proportion of this amount will in fact be recovered through increased traffic. This fact should receive consideration in deciding whether the additional taper referred to as the "2nd Proposal" in connection with the abolition of top rates should be adopted. In connection with this point, the latest position with regard to the cotton and coffee crops should be borne in mind.

IRON BEDSTEADS:

11. Included in the list of reques[ts] for rates reductions which have been received from various quarters, is an item referring to iron bedsteads, which, it is suggested, should be reduced from Class 3 to Class 6; this will involve a sum of £300 only and it is recommended that this item should be included in the revised schedule.

REVISED SCHEDULE:

12. The following, therefore, is the revised schedule of rates reductions for final consideration by Council:-

		£
1.	Abolition of Classes 2 and 2A. and revision of Classes 3 and 4 scales	87,800
2.	Abolition of Branch Line Guarantees	14,500
3.	Wattle Bark	3,800
4.	Wharfage - Lake Victoria	330
5.	Infants' Foods	300
6.	Milk Rates	780
7.	Parcels Rates	6,290
8.	Excess Luggage Rates	2,000
9.	Reduction in Uganda Mileages	29,500
10.	Pipes and Fittings (small lots) ...	900
11.	Paints and Colours	2,000
12.	Electric Cables (of small diameter)	Negligible.
	Carried Forward	£148,200

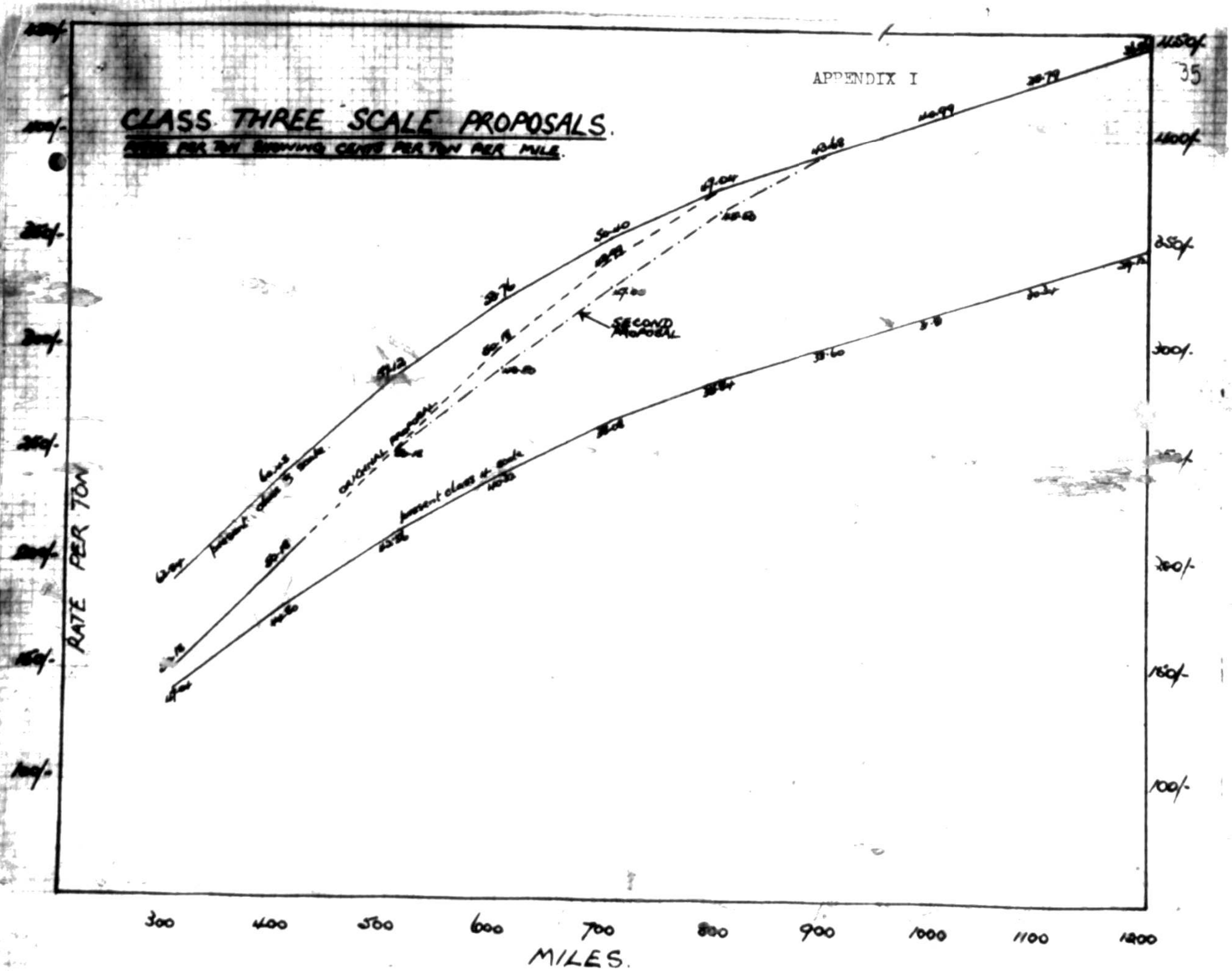
34

	Brought Forward	£ 148,200
13.	Returned Empty Haulage of Diesel Tanks	300
14.	Third Class Fares	9,700
15.	Rate on Coarse Salt	2,200
16.	Belting	Negligible.
17.	Chemicals to Sugar Factories and Spirit Distilleries	Negligible.
18.	Railway and Tramway Material (minimum quantity)	Negligible.
19.	Iron Bedsteads	300
	Total ..	£160,700
20.	Additional Taper	8,300
	Total ..	£169,000

Ref. No. A.4/777.

GENERAL MANAGER'S OFFICE,
NAIROBI.

18th November, 1937.


CLASS THREE SCALE PROPOSALS.
RATE PER TON
SECOND PROPOSAL
original proposal
present class 3 scale
present class 4 scale
300
400
500
600
700
800
900
1000
1100
1200
MILES.
100/-
150/-
200/-
250/-
300/-
350/-
400/-
450/-

C.O.

APPENDIX II

Comparison of Present and Alternative Classes 2, 2A & 3 Rates at various points

Station	Miles from Mombasa	Class Present	Class Proposed	Total annual traffic Tons	Revenue £	Commodity Analysis (Tons)	Present rate per ton	Original Proposal: rate per ton	Original Proposal: Total reduction	Original Proposal: % reduction	Original Proposal: amount due to mileage	Second Proposal: rate per ton	Second Proposal: Total reduction	Second Proposal: % reduction	Second Proposal: amount due to mileage
Nairobi	330	2	3	667	3,613	Boots 30, Sports 316, Cigs 177, Misc [illegible]	300/16	168/54	136/12	[illegible]	–	168/[illegible]	134/62	[illegible]	–
		2A		1362	23,000	Boots 52, C.Cloth [illegible], Drugs 169, Soft Goods 358, Misc 142	270/18		100/[illegible]	[illegible]	–		100/[illegible]	[illegible]	–
		3		4631	39,675	Hardware 38, Cycles 79, Blankets 600, China 109, Glass 43, Machinery 70, Motor Spares 379, Raw Ind 658, Stationery 190, Wire 23, Tyres 298, Misc 2034	206/76		41/22	[illegible]	–		41/22	[illegible]	–
Nakuru	482	2	3	64	1,513	Sports 28, Cigs 33, Misc 144	382/[illegible]	228/56	153/89	40.3%	–	228/[illegible]	153/89	[illegible]	–
		2A		81	1,382	Boots [illegible], C.Cloth [illegible], Drugs 6, Soft Goods 13, Misc 144	343/[illegible]		115/58	33.6%	–		115/58	33.6%	–
		3		407	[illegible]	Hardware 6, Blankets 24, China 9, Machinery 11, Motor Spares 78, Raw Ind 24, Stationery 20, Tyres 25, Misc 210	265/84		37/63	[illegible]	–		37/63	14.2%	–
Eldoret	577	2	3	52	1,565	Sports 26, Cigs 17, Misc 9	447/33	290/98	156/35	35.0%	–	288/14	164/49	36.7%	
		2A		90	2,030	Boots 4, C.Cloth 60, Drugs 2, Soft Goods 15, Misc 9	402/53		111/55	27.7%	–		119/39	29.7%	
		3		172	2,391	Hardware 5, Blankets 34, China 6, Motor Spares 5, Raw Ind 33, Stationery 9, Tyres 6, Misc 78	315/17		24/14	7.7%	–		[illegible]	10.[illegible]	
Kisumu	587	2	3	484	3,565	Sports 400, Cigs 61, Misc 23	450/26	296/13	156/13	34.5%	–	287/17	[illegible]	[illegible]	–
		2A		811	19,188	Boots 22, C.Cloth 670, Drugs 21, Soft Goods 74, Misc 24	407/01		110/88	27.2%	–		119/84	[illegible]	–
		3		677	[illegible]	Hardware 11, Cycles 13, Blankets [illegible], China 16, Machinery 88, Raw Ind 53, Stationery 30, Tyres 11, Misc 228	318/98		22/85	7.2%	–		31/81	10.0%	–
Tororo	666	2	3	28	867	Sports 44, Cigs 21, Misc 3	[illegible]	338/69	151/65	30.9%	–	325/67	164/87	33.6%	–
		2A		89	2,300	Boots 2, C.Cloth 74, Drugs 1, Soft Goods 9, Misc 3	441/28		102/59	23.2%	–		115/81	26.2%	–
		3		79	1,305	Cycles 4, Blankets 17, China 5, Machinery 3, Raw Ind 7, Tyres 3, Misc 38	349/89		11/20	3.2%	–		24/42	7.0%	–
Jinja	Present 783 / Proposed 726	2	3	47	1,487	Hardware 3, Sports [illegible], Cigs 18, Misc [illegible]	557/22	353/03	164/19	31.7%	Reduction 19/93	329/81	177/41	34.3%	Reduction 20/83
		2A		492	13,180	Boots 7, C.Cloth 400, Drugs 8, Soft Goods 41, Misc 16	465/48		112/45	24.2%	19/93		125/67	27.0%	20/83
		3		440	7,638	Cycles 68, Blankets 77, China 17, Machinery 21, Motor Spares 22, Raw Ind 29, Stationery 17, Tyres 40, Misc 119	374/06		21/05	5.6%	19/93		34/27	9.2%	20/83
Kampala	Present 841 / Proposed 786	2	3	198	6,556	Hardware 6, Sports 84, Cigs 37, Misc 71	532/68	366/24	166/44	31.2%	Reduction 18/60	353/70	178/98	33.6%	Reduction 24/86
		2A		1499	42,060	Boots [illegible], C.Cloth [illegible], Drugs 26, Soft Goods 326, Misc 69	479/36		113/12	23.6%	18/60		125/66	26.2%	24/86
		3		2029	38,611	Hardware 142, Cycles 447, Blankets 397, China 181, Glass 31, Machinery 49, Motor Spares 87, Raw Ind 145, Stationery 77, Tyres 153, Misc 450	[illegible]		18/60	4.8%	18/60		31/14	8.1%	24/86
Bukakata	Present 789 / Proposed 774	2	3	17	605	Sports 10, Misc 7	[illegible]	376/32	133/06	26.1%	Increase 13/44	[illegible]	165/38	28.8%	Increase 13/88
		2A		514	13,697	Boots 2, C.Cloth [illegible], Drugs 3, Soft Goods 29, Misc 6	459/53		83/21	17.9%	13/44		94/53	26.1%	13/88
		3		279	5,124	Hardware 14, Cycles 87, Blankets 140, China 10, Glass 4, Machinery 11, Motor Spares 10, Raw Ind 22, Stationery 4, Wire 5, Misc 32	366/42		Increase 9/40	Increase 2.6%	*13/44		2/42	.8%	13/88

* A net reduction of 8/04 had there been no change in mileage.

FINANCIAL IMPLICATION OF PROPOSED REDUCTIONS IN CLASSES 2, 2A, 3 AND 4 SCALES.

APPENDIX III.

Class	Tonnage: Kenya.	Tonnage: Uganda.	Average Haul Miles.	Original Proposal: Rate per ton.	Original Proposal: Loss: Kenya. £	Original Proposal: Loss: Uganda. £	Second Proposal: Rate per ton.	Second Proposal: Loss: Kenya. £	Second Proposal: Loss: Uganda. £
				Shs.			Shs.		
2	2,000		350	Present 314 Proposed 176 Reduction 138	13,800		No change	13,800	
		1,000	750	Present 507 Proposed 360 Reduction 147		7,350	Present 507 Proposed 347 Reduction 160		8,000
2A	2,250		350	Present 283 Proposed 176 Reduction 107	12,000		No change	12,000	
		6,750	750	Present 456 Proposed 360 Reduction 96		32,400	Present 456 Proposed 347 Reduction 109		36,800
3	10,000		350	Present 217 Proposed 176 Reduction 41	20,500		No change	20,500	
		5,000	750	Present 365 Proposed 360 Reduction 5		1,250	Present 365 Proposed 347 Reduction 18		4,500
4	Slight effect at short distances.				500			500	
					46,800	41,000		46,800	49,300
					£87,800			£96,100	

Note - The previous estimates of loss were £87,600 under the original proposal, and a further £5,700 under the second proposal. The figures of £87,800 for the original proposal, and £96,100 for the second proposal, an increase of £8,300 over the original scheme, now given above, are accounted for by the revised average haul of 750 miles for Uganda as a result of the revised Uganda mileages now agreed upon.

APPENDIX IV

APPROXIMATE ALLOCATION OF PROPOSED RATES REDUCTIONS AS BETWEEN KENYA AND UGANDA.

ORIGINAL PROPOSAL.

	KENYA	UGANDA	TOTAL
	£	£	£
Classes 2, 2A. and 3	46,800 (14,250 tons £3.28 p. ton)	41,000 (12,750 tons £3.302 p. ton)	87,800
Branch Line Guarantees	14,500	-	14,500
Wattle Bark	3,800	-	3,800
Wharfage	330	-	330
Infants Food	250	50	300
Milk Rates	780	-	780
Parcels	4,000	2,290	6,290
Excess Luggage	1,350	650	2,000
Reduction in Uganda Mileages	-	29,500	29,500
Pipes and Fittings	600	300	900
Paints and Colours	1,350	650	2,000
Returned Empty Haulage Diesel Oil	200	100	300
Third Class Fares	4,700	5,000	9,700
Salt	2,200	-	2,200
Bedsteads	150	150	300
	£81,010	£79,690	£160,700
SECOND PROPOSAL	£81,010	£87,990	£169,000

39

TRANSPORT

KENYA-UGANDA

NO. 128

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

30th December, 1937.

Sir,

I have the honour to inform you that the allocation of the money available for permanent rate reductions was considered, as foreshadowed in the fourth paragraph of my despatch, Transport No.114 of the 20th of November, at a recent meeting of Railway Advisory Council. The attached extract from the minutes of that meeting summarizes the advice finally tendered to me by Council which I have accepted. You will also find enclosed copies of a public notification which has appeared in the press.

(3) on 38179/16/37
Est. - in circ.

2. You are aware that it is not part of the functions of this Administration to conduct its business with an eye on racial interests; the appended analysis, however, will suffice to show that the native communities in Kenya and Uganda will receive a full share of the benefits accruing from the reductions to which effect will be given on the 1st January, 1938.

I have the honour to be,

Sir,

Your most obedient, humble servant,

R. Brooke-Popham

HIGH COMMISSIONER

THE RIGHT HONOURABLE
W. G. A. ORMSBY GORE, M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, S.W.1.

Extract from Railway Council minutes

meeting of 8/12/37

2078 Rates Reductions, 1938. (R.A.C. 11.)

Council considered the memorandum submitted by the Administration and agreed that, as regards the abolition of Classes 2 and 2A and the revision of Classes 3 and 4 scales, the original proposals of the Administration should be accepted, subject to the proviso that further consideration should be given to the revision of the taper at a later date when the financial position rendered further reductions practicable.

2. The remaining items of the schedule were agreed to, totalling £160,700. In drafting this schedule the Abolition of Branch Line Guarantees and the Reductions in Uganda Mileages should not be shown as Rates Reductions, but should be shown as liabilities to be met from the revenue available. The revised schedule would, therefore, read as follows:—

		£
1. Abolition of Branch Line Guarantees		[illegible]500
2. Reduction in Uganda Mileages		29,500
3. Rates Reductions:—		
	£	
(1) Wattle Bark	3,800	
(2) Abolition of Classes 2 and 2A and revision of Classes 3 and 4 scales	87,800	
(3) Wharfage—Lake Victoria	330	
(4) Infants' Food	300	
(5) Milk Rates	780	
(6) Parcels Rates	6,290	
(7) Excess Luggage Rates ...	2,000	
(8) Pipes and Fittings ...	900	
(9) Paints and Colours ...	2,000	
(10) Electric Cables	—	
(11) Returned Empty Haulage of Diesel Tanks	300	
(12) Third Class Fares ...	9,700	
(13) Rate on Coarse Salt ...	2,200	
(14) Belting	—	
(15) Chemicals to Sugar Factories and Spirit Distilleries	—	
(16) Railway and Tramway Material	—	
(17) Iron Bedsteads	300	116,700
		£160,700

KENYA AND UGANDA RAILWAYS AND HARBOURS.

RATES REDUCTIONS.

RATES REDUCTIONS AFFECTING THE FOLLOWING TRAFFIC WILL BE INTRODUCED WITH EFFECT FROM JANUARY 1ST, 1938 :-

PASSENGER TRAIN TRAFFIC.

Third Class Fares:

Reductions ranging from approximately 12% up to 400 miles to 20% at 750 miles and over.

Excess Luggage:

Reductions ranging from approximately 14% at 900 miles to 22% at 50 miles.

Parcels:

Reductions ranging from approximately 24% at 900 miles to 28% at 50 miles.

Milk:

Reduction of 2 cents per gallon up to 250 miles and 6 cents for distances of 251 miles and over.

GOODS TRAFFIC.

All commodities in Classes 2, 2A and 3, will be combined in Class 3, the new Class 3 rates being approximately 50.18 cents per ton per mile up to 800 miles and the existing Class 3 rates for distances of 801 miles and over.

Class 4 rates up to 200 miles will be reduced slightly.

Wattle Bark in truck loads will be reduced to :-

up to 200 miles.......... Class 10 less 25%.

201 miles and over .... Class 10 less 33.1/3%.
(existing special point-to-point rates unaltered).

for export .... 4 c.p.t.p.m.

Extract, for export ...... 5 c.p.t.p.m.

Infants' Food: Class 3 to Class 4.

Pipes and Fittings: (in small lots) Class 6 to Class 7.

Paints and Colours: Class 4 to Class 5.

Electric Cables: (less than one-half inch in diameter) Class 3 to Class 4.

Returned Empty Haulage of Diesel Oil Tank Wagons: 30 and 15 cents per mile to 27 and 14 cents per mile for four- and eight-wheeled tank wagons respectively.

/ Salt ...

42

Salt, Coarse: Revised classification :-

In bags (maximum rate Sh. [illegible]/35 per 100 lb.) Class [illegible].

Magadi to Mwanza - Sh.[illegible]/82 per 100 lb.
Magadi to Musoma - Sh.4/73 per 100 lb.
Magadi to Bukoba - Sh.4/[illegible] per 100 lb.

Salting: Class [illegible] to Class [illegible].

Chemicals for refining sugar and distilling spirit: ([illegible]) specified) Class 3 to Class [illegible].

Bedsteads, Iron: Class [illegible] to Class [illegible].

Railway and Tramway Permanent Way Material: The 100-ton lot condition attached to the Class 10 [illegible] will be [illegible].

MILEAGES.

Distances for the purposes of charging goods traffic to and from stations and ports in Uganda will be reduced to the actual mileage by the shortest route. For example, the distance from [illegible] to [illegible] will be reduced from 841 miles to 7[illegible] miles.
The distance for charging passenger [illegible] from Mombasa to Kampala will be reduced from 8[illegible] to 786 miles.

MISCELLANEOUS.

The wharfage charge of [illegible] cents per 100 lb. applicable to certain Lake Victoria Ports will be reduced to [illegible] cents per 100 lb.

In addition to the above reductions in rates [illegible] consideration is also being given to the necessity [illegible] reduction in the coffee export rates.

FULL PARTICULARS WILL BE AVAILABLE AT ALL STATIONS AND PORTS, DISTRICT OFFICES AND HEADQUARTERS, NAIROBI, IN A DAY OR TWO. SUPPLEMENT NO. 2 TO OFFICIAL TARIFF BOOK NO. [illegible], GIVING DETAILS OF THE REVISED RATES AND CHARGES, WILL BE DISTRIBUTED TO ALL REGISTERED HOLDERS OF THE OFFICIAL TARIFF BOOK. THE OFFICIAL TARIFF BOOK WILL BE RE-ISSUED ON APPROXIMATELY [illegible], 193[illegible].

The goods traffic rates reductions will not apply to and from stations, sidings and ports in Tanganyika Territory.

Headquarters,
Nairobi,
December, 193[illegible].

C.D. RHODES.
General Manager.

43
END

[illegible]ATES REDUCTIONS OF DIRECT BENEFIT TO THE [illegible]

Particulars.	Amount £ [illegible] 17[illegible]
S[illegible]s, Class 2 to new Class [illegible]	[illegible]00
Cotton Cloth and Cotton Piece Goods, Class 2[illegible] to new Class [illegible]	[illegible],000
[illegible]cycles, Class [illegible] to new Class [illegible]	[illegible],[illegible]00
Blankets, Class [illegible] to new Class [illegible]	[illegible],[illegible]00
[illegible]ttle [illegible] and extract products [illegible] local [illegible] export rates,	[illegible],800
Iron Bedsteads, Class [illegible] to Class [illegible]	500
Approximate proportion of the amount attributable to reduced U[illegible] [illegible]	[illegible] ~~16,000~~
Third Class fares – reductions ranging from 12 [illegible] 20[illegible]	,[illegible]00
Coarse Salt, Class [illegible] (maximum Shs. [illegible] per 100 lb) to Class [illegible] (maximum Shs. 3/3[illegible] per 100 lb)	[illegible],200
Total:	£93,600 ~~[illegible],000~~

RATES REDUCTIONS OF DIRECT BENEFIT TO THE NATIVE.

Particulars.	Amount involved.
Beads, Class 2 to new Class 3	400
Cotton Cloth and Cotton Piece Goods, Class 2A to new Class 3	45,000
Bicycles, Class 3 to new Class 3	2,400
Blankets, Class 3 to new Class 3	3,800
Wattle Bark and Extract (reduced local movement and export rates)	3,800
Iron Bedsteads, Class 3 to Class 5	300
Approximate proportion of the [illegible] attributable to reduced [illegible] mileages	23 000 ~~15,000~~
Third Class fares - reductions ranging from 12% to 20%	9,700
Coarse Salt, Class 8 (maximum Shs.3/35 per 100 lb) to Class 9 (maximum Shs. 3/35 per 100 lb)	2,200
Total:	£93,600 ~~£85,000~~

PUBLIC RECORD OFFICE

END

TOTAL EXPOSURES ⇨

PUBLIC RECORD OFFICE

CO 533/495

ORDER NO. ⇨ FN/E475
CAMERA NO. ⇨ 19
OPERATOR. ⇨ EM
REDUCTION. ⇨ 12
EMULSION NO. ⇨ 341081
DATE. ⇨ 22/8/72