

1930.

Kenya.

No. 16115

SUBJECT

CO 533/398

Kilindini Harbour

Construction of an additional  
deep water berth

Previous

15579/29

See 15526/29 (closed)

Subsequent

17301/31

Trans. copy corres. with Genl. Manager K.U.R. and Messrs. Coods, Wilson, Mitchell & Vaughan-Lee re the construction of an additional deep water berth. In the circle, stated suggests appln. to Col. Economic Development Committee for assistance and financial situation of the Colony demand it.

Mr Parkinson

I understand from Mr Skiller that the C.A. have in fact telegraphed as suggested to the C.E.

I don't know whether any action by Co. is required at the moment. The fifth berth was constructed extra early in order to get the advantages of Messrs. Paulings being on the spot & it is primarily for Kenya to say now whether they want the sixth berth at once. The capital cost of course be met from loan.

It would ~~possibly~~ be possible to telegraph to Kenya saying that we understand that the position is as in para 2 of C.A.'s letter. I am saying that to the C.A. Co.

Line of course bear in mind  
the possibility of assistance  
from the C. D. D.S.

It appears to be the  
best of schemes for the  
C. D. A.C. would like, &

Mr. Freeston may think it  
desirable to telegraph accordingly

Stenson? print of

(3/2/30)

8-4-30

This is not so simple as it  
looks. We had a struggle  
with the Treasury in 1928  
to get the 5th berth & although  
the Treasury was not regard  
as conclusive for immediate  
consideration the argument  
as to saving by carrying  
straight on - see No 10 in  
X. 10-26-30/28 Navy.

In the circumstances I think  
we had better leave the initiative  
at the other end & see what  
line they propose to take.

The two points of substance  
are (1) Does the traffic justify  
now a 6th berth? (2) Does  
the financial position justify

the expenditure? It may be that  
the C. D. A.C. will recommend  
some assistance for which  
request for the Treasury  
will be made & the C. D. A.C.  
will be responsible for the  
proceedings. The other committees

all matters

8-4-30

It would be premature to mention  
this paper to the C. D. A.C. (even informally)  
until the matter is available for discussion at  
the next meeting in your minutes

Amey

Put by

all

8-4-30

at once

det to office  
copy on return  
Hobbs

The Gov reports in para 6

Nov 38 of 1928/29 that these  
enquiries were being made - & I have  
now made a note of this &  
that paper

St. Miles

26/4/30

0  
I agree with the  
view that the  
proposed scheme  
is a necessary  
part of the  
development  
of the port  
and put it  
forward. *all*

It seems clear that apart from the new situation arising out of the Colonial Development Act there would be no prospect of getting Treasury agreement to the present proposals as part of the ordinary Loan programme, even if the High Commissioner recommended it. (It may be mentioned here that any loan for this purpose would, of course, be raised by the Government of Kenya in the open market).

It would also seem that on the basis of the figures for berth 6, if the Transport Administration could, and would, undertake it in 1935, it could be indemnified against the additional cost so far as capital and loan charges are concerned by something less than the cost for the Imperial Exchequer of free interest for a period of ten or even seven years. That, however, will be a matter for the Committee.

*all*  
It does not appear that any advantage would be gained by consulting Mr. Mitchell at this stage, when the point at issue is one of principle rather than detail.

The project represents acceleration of work which the Transport Administration does not feel justified in undertaking at present without assistance and, prima facie, it would seem that it is one that would properly be considered ~~suitable~~ with a view to submission to the C.D.A.C. I understand that in cases like this, the practice is to ascertain the views of Sir Basil Blackett. If this is done, he might be furnished with the correspondence with the Treasury, to which reference has been made, together with a copy of

this telegram, and the suggestion that the High Commissioner should be informed that regarded prima facie and without consideration of its merits, the project is of a nature suitable for consideration by the C.D.A.C. that the High Commissioner is therefore at liberty to make a definite application which should conform strictly with the Circular instructions and be accompanied by a full appreciation of the financial position and prospects of the Transport Administration, particularly the <sup>part</sup> of the Government of Kenya; that the application will presumably include separate proposals for the construction of berth 6 only and the construction of berths 6 and 7 together; but that as approval of the construction of berth 5 was agreed to on the understanding that it would be followed by a pause, the Secretary of State cannot, without consideration of the application in the proper form, give any undertaking that he would be able to recommend the application, and that it is of course impossible to give any indication of the view which the Committee would take of any submission that might be made to them. *The telegram if ever shared*

*do indicate that the Govt has not thought it necessary to consult the High Comm at this stage.*

*J.W. Allen  
16/5/30*

*J.S. Stanton  
17/5*

*Mr J. Campbell*

*Would you please consider  
the advice I agree with  
in all respects. All yours*

*17/5/30*

The local administration leaves the decision to the G.S. My own view is that the project is not suitable for submission to the C.D.A.C. but, before taking that line officially, it would I suggest be advisable to consult Sir Basil Blackett. If he agreed, the suggestion could then be turned down officially—and a good deal of useless trouble might thereby be avoided. Sir Basil Blackett could be consulted privately through Mr. Fresson.

2. Allowing for interest during construction at 5% and assuming that construction expenditure is evenly spread over a two year period, the comparative costs work out roughly as follows:

Construction, 25-30. Total cost £296,100.

Construction, mid 30-mid 32.

Interest on cost, plus construction ~~and~~ interest, for 4½ years to end 1936. Total £ 303,055.

minimum asked for—taking interest during construction, 2 years, at 5% and then interest for five years on construction cost only—£300,500.

3. I see no advantage whatever in the circumstances stated in starting this work now. It would cost more (as the figures above show) and there would be no corresponding advantages. The costs mentioned are not competitive costs—and clearly we should not be on very sound ground there. Treasury sanction is most unlikely. Why should a work be constructed and finished 4½ years before it is wanted?—at additional expense.

We do not know what proportion of the expenditure would be incurred in the U.K; but, in a project of this nature, the proportion is not likely to be large. And there is no reason to think that other, and more attractive projects from the point of view of immediate expenditure in the U.K, and immediate colonial development, will not be forthcoming in the future.

4. If Sir Basil Blackett agrees, it would seem preferable to turn the proposal down at once.

The 19th: May 1930.

*sent  
19/5/30*

Mr. C. Bottomley

I confess that I had struggled (with Braden) that the project was such as, perhaps, some might be submitted to the C.D.C. And I agree that there is no immediate need for the additional construction, and I certainly do not wish to press for submission to the Committee.

As Mr. Preston might discuss with Mr. B. Blackett, as suggested, and if Mr. B. Blackett wishes to reject the idea definitely, I shall tell him so, if he writes me in a form

6  
suitable for transmission to the C.D.C. The objections felt by Mr. Blackett, as after all the urgency of the situation to produce schemes for the C.D.C. will not give the impression that proposals submitted to the C.D.C. are summarily rejected.

All Parkers

C.D.C. 30

Refer to Mr. B. Blackett as proposed.

If we could be certain that the extra work will be required by 1937 the benefit to employment - though it would not be very large - would be a material factor. However, I am afraid that the Government would regard this as an attempt to get a much larger contribution as possible before 1934.

Wed. 20.5.30.

at once.

Submitted off tel cases

CA should have a copy

of No 2 other copy is in

with Mr No 1

There copy 2 copy 6

No 2 should be made for the

President

W Allen

27/5/30

see Parkinson

22/5/30

W Allen  
24/5/30

Sir S. Wilson

You should see this, but for  
any part I am well content to have  
a copy

I must explain to Mr Mitchell,  
who is in south country

W.A.

23/5/30

Telegraph as proposed

B.H.W.

at once

23/5/30

5/7  
to C.C. (w/ks 2+4) Pres. Council, 1930

C.O.

8 (H)

12/16/1930  
Harris

Mr. Wallace 22/5  
Mr. Tolson 22/30  
Mr. Clegg 22/30  
Mr. Glavin 22/30  
Mr. Ladd 22/30  
Mr. Nichols 22/30  
Mr. Rosen 22/30  
Mr. Tracy 22/30  
Mr. Carson 22/30  
Mr. Egan 22/30  
Mr. Gurnea 22/30  
Mr. Hendon 22/30  
Mr. Pennington 22/30  
Mr. Quinn 22/30  
Mr. Nease 22/30  
Miss Gandy 22/30

12/16/30

4:15 pm  
24 May 1930  
Special

Mr. J. S. ...  
Mr. D. ...  
+ ...  
Party, U.S. of S.  
Secretary of State

N. 4

(N. 2)

Your tel 14 May No 22

DRAFT Vel

High Coma  
Acacia

Copy to ... 26 AUG 1930  
Copy to ... 8 JAN 1931

Kilindini, careful  
Consideration has been  
given to the suggestion  
but it was not felt that  
there is enough  
justification for  
enriching the  
Treas. the need for  
the extensions  
contemplated  
Potential advantages  
to the country is

Copy No 2 of this to  
CA if ref. not.

Extra copy of this for  
Mr. ...  
S. J. W.



form of additional employment,  
are not regarded as sufficient  
to justify amount of free  
Grant from Coloured  
Development Fund required  
to justify transport  
administration and Port  
charges and incurring extra  
liabilities so long in advance  
of time when additional  
berths or berths will be  
really needed. In the  
circumstances it has  
not been thought  
necessary to recall  
Mitchell

392

Sir B. Blackett.

Kilindini Harbour.

The Department agrees with me in thinking that the question raised in this paper cannot be fairly summarised in a short note. Will you be good enough to read the minutes on the file from the point marked X on page 4 onwards? You will see from Mr. Parkinson's minute at Y that it is thought desirable to explain fully to the High Commissioner the reasons for turning down the application - if it is turned down.

*Blackett*

*I do not think there is economic justification for anticipating by five years the need for this development with the potential advantages to the country in the form of additional employment even to the scarcity to justify the amount of free grant from the C.P. Fund that would be required to justify it. It is necessary to extend limits as far as in advance of the time when the (costs) will be really needed.*

*[Signature]*

RECEIVED  
15 MAY 1930  
601

2 10

TELEGRAM from the High Commissioner for Transport Kenya-Uganda to the Secretary of State for the Colonies.

Dated 14th May, 1930.

(Received Colonial Office 6.9 p.m. 14th May, 1930)

--o--

No. 22. 14th May. Colonial Development Loan. The question of the construction of berths 6 and 7 at Kilindini was discussed with Mitchell in November, since then question has been examined in detail by Administration and Port Board and again reviewed in the light of Mitchell's cabled estimates recently received for carrying on work on extra berths without a stop when No. 3 is completed. Situation is as follows, Mitchell's estimate for No. 6 if given immediately before Pauling's close down their present work is £256,000. If carried out three years hence as a separate contract minimum is £282,000. Our estimate of probable future development, with which Mitchell agrees, is that berth No. 6 will not be actually required before 1937, meaning that construction need not be commenced before 1936. Normally, if we gave orders now this Administration, although it would get construction at less capital cost, would have to bear interest charges four years before necessary and before extra traffic would be available to meet those charges. Port Board considers, and I agree, that Port better able to carry increased cost of construction some years ahead than to carry any further interest and sinking fund charges now. I have therefore reluctantly come to the conclusion that the financial position of the Administration and estimate of development during the next few years does not warrant this Administration applying immediately for construction of extra berths. I suggest however that this is a project suitable for assistance from the Colonial Development Fund and if free ~~of~~ interest for ten years, or

copy to [unclear] 26 AUG 1930  
copy to C.A. 19/10

anyhow

anyhow a minimum of seven years, be granted, then I consider that extension of berths at Kilindini is fully justified now and would save in capital expenditure roughly £46,000 if No. 6 were constructed and proportionately more if Nos. 6 and 7. Mitchell originally recommended, when an extension beyond No. 5 was made <sup>then</sup> Nos. 6 and 7 should be taken together bringing up the quay wall to the end of Magadi Soda Company's wharf, and Bulkeley, Port Manager, agrees with this, estimating total cost about £510,000. Mitchell now in England I suggest your discussing full details with him and obtaining advice. If as a result of this you consider such a project suitable for assistance from Colonial Development Loan, then definite application will be submitted. In view of the short time available within which loan charges for construction could be obtained owing to the fact that Pauling's work is nearing completion trust that you will consult Mitchell at a very early date.



ALL COMMUNICATIONS  
TO BE ADDRESSED TO THE  
CROWN AGENTS FOR THE COLONIES.  
THE FOLLOWING REFERENCE AND THE  
DATE OF THIS LETTER BEING QUOTED

Z/E. 430/13.

TELEGRAMS: "CROWN, LONDON."  
TELEPHONE: 7780 VICTORIA.

4. MILLBANK,  
WESTMINSTER,  
LONDON, S.W.1.

3rd April, 1930.

RECEIVED  
COL.

Sir,

12.12.29.

28.3.30.

*Answered by file 3 JUN 1930*

I have the honour to transmit, for the information of the Secretary of State, the enclosed copy of correspondence with the General Manager, Kenya & Uganda Railways and Messrs. Coode, Wilson, Mitchell & Vaughan-Lee regarding the construction of an additional deep water berth at Kilindini Harbour.

2. It will be seen that according to the Consulting Engineers' estimate of the cost of this undertaking nearly £50,000 (i.e. £282,000 against £236,000) would be saved if the contractor, Messrs. Pauling & Company, now constructing the adjacent quays, were instructed to proceed with the new work by the end of April.

3. In the circumstances, the Secretary of State may desire to have the opportunity of considering whether recourse might be had to the Colonial Economic Development Committee for assistance should the financial situation of the Colony demand it.

I have the honour to be,

Sir,

Your obedient servant,

*W. A. W. White*

for Crown Agents.

The Under Secretary of State,

COLONIAL OFFICE.

CA

Z/E. 430/13.

COPY OF A LETTER FROM THE GENERAL MANAGER, KENYA & UGANDA RAILWAYS AND HARBOURS TO CROWN GENTS.

A 1/437, II

General Manager's Office,  
Nairobi,  
Kenya Colony.

22th December, 1929.

Gentlemen,

With reference to the following Minute adopted by the Harbour Advisory Board, Mombasa, at its Meeting held on the 14th November, 1929, I have to inform you that the High Commissioner has approved of the recommendation made by the Board and I shall be glad if you will now formally request the Consulting Engineers to prepare and submit all necessary plans and specifications, as well as an estimate of the cost of erecting a quay wall for No. 6 Harbour Berth, on the assumption that the necessary contract for the construction of that quay wall were placed with the existing Contractors early next year:-

"Mr. H. H. G. M. Tonelli, of Messrs. Cook, Wilson, Mitchell and Vaughan-Lee (the Consulting Engineers for Kilindini Harbour Works) informed the Board that a contract for No. 6 berth at the deepwater quay might possibly be secured for, he estimated, approximately 15% less if placed by March 1930 than if placed a few years hence. If orders to proceed with the wall for No. 6 berth were placed about March 1930, it should be completed about the end of 1931. He explained his scheme in full to the Board and gave his opinion that if No. 6 berth, without a shed at the back, were constructed, the berth could conveniently be used for the handling of imported coal, railway material, and other rough cargo that did not require to be put into a shed, and the possible export of such traffic as minerals.

The Board recommended that the Consulting Engineers be requested forthwith to prepare and submit plans, specifications, and an approximate cost for the erection of a quay wall for No. 6 berth."

The position with regard to this proposed work is that it may not be required at the present moment, but with the growth of the Port, it will undoubtedly be required in the near future. On receipt of the estimate called for above, we shall be in a

position

position to decide whether it would be more economical to proceed with this work at once, or to close down all work on completion of the present contract and call for fresh tenders at a future date.

I would be glad if the position could be made clear to the Consulting Engineers.

I have the honour to be,

Gentlemen,

Your obedient servant,

(Sgd) ?

GENERAL MANAGER.

Z/E.430/13

COPY OF LETTER FROM MESSRS. COODE, WILSON, MITCHELL &  
VAUGHAN-LEE TO CROWN AGENTS.

9, Victoria Street,  
London, S.W.1.

28th. March, 1930.

KILINDINI HARBOUR - PROPOSED BERTH NO. 6.

Gentlemen,

As requested in your letter Z/E.430/13 of the 15th January, 1930, we have in course of preparation the plans, etc., for Berth No. 6 at Kilindini Harbour. The completion of these plans has, however, been delayed owing to the uncertain nature of the ground on which the quay wall has to be founded, which has necessitated the taking of further borings and the driving of test piles. These further particulars have now been received and the design is sufficiently far advanced to enable us to prepare the estimate asked for in the penultimate paragraph of the letter dated 2th December, 1929, from the General Manager, Kenya & Uganda Railway, which formed the enclosure to your above-mentioned letter.

2. As the question of the probable cost of the work is largely dependent on the order being placed at an early date, so that the work may proceed simultaneously with the works now in progress, we consider that the particulars of this estimate should be cabled to the General Manager, Kenya & Uganda Railway.

3. We therefore suggest the despatch of a cable on the following lines to the General Manager:-

"Reference your letter 12th December, 1929, Consulting Engineers estimate approximate cost Berth No.6 together with about 100 feet return wall at northern end on line of berth No.7 will cost approximately £236,000 if order



to proceed is given by end of April fullstop  
Estimate includes cost of engineering and local  
staff but no provision for interest during  
construction fullstop No provision made for  
shedding but £18,000 included for roads and  
railways fullstop Credit has been taken for  
approximately £5,000 for work not required at  
No. 5 Berth if work on No. 6 proceeds at once  
fullstop Consulting Engineers estimate that  
this work if carried out say three years hence  
as a separate contract would cost at least  
£282,000."

4. For your information we would explain that it should  
be more economical to proceed with this work whilst the staff  
and plant are on the ground than to close down all work on  
completion of the present contract and call for fresh tenders  
at a later date. We have reason to believe that the present  
contractors would construct No. 6 Berth at a reduction of 15%  
approximately on the rates quoted by them for the first  
extension of the quay, provided the order to proceed is placed  
before the end of April. We consider it unlikely that if  
fresh tenders were invited for No. 6 Berth, say three years  
hence, it would be constructed at rates less than those quoted  
for the first extension contract, which was let in 1926 before  
the contractor had removed his plant or disbanded the staff  
employed on the original contract. The estimates given in the  
draft cable have been framed on the above basis.

We are, Gentlemen,

Your obedient servants,

for Coode, Wilson, Mitchell & Vaughan-Lee.

(Sgd) H. H. G. Mitchell.