

1925

KENYA

240

C. O.  
12490

DATE

14th February 1925.

17 MAR 25

DENHAM 188

LOCATION: -

PORT COMMISSION OF ENQUIRY.

States as to appointment of - . Shows Terms of Reference and personnel of Commission. Sittings will commence shortly, at Mombasa.

U.S. of S.  
*W. S. L.*

U.S. of S.

U.S. of S.

U.S. of S.

Previous Paper

MINUTES

O.A.C. 10788  
25

I have not sent this on before, because the Commission is already in existence, and we <sup>had</sup> ~~have~~ been assured by the O.A.G. that it concerned only the question of handling of cargo, and not of the main question of port control which the East Africa Commission are advising should be placed under a representative board with executive powers.

There is, however, a good deal in these papers which evidently touches on the general question of control, and it would be desirable if Mr. Ormsby-Gore could see them before the report of the Commission is issued.

I attach a note which I have prepared on the subject.

*W.S. 4. 4. 25*

*As the Report of the Commission is all in print & is to be laid (in draft) before the House next, there is not much time to consider this in connection with the Report - C.S.*

Subsequent Paper

E. 23008

*In the case I do not believe this. Mr. G. J. P. ...  
Mr. B. ... to ... of any ...  
... of ... in the ... of ...*

It was decided last October  
the words of the draft Report

This is being to come up in  
connection with the Report. In

the present,

Petty copy  
11.4.15

The handling of traffic in Mombasa Harbour (generally) got badly out of hand after the war, and on the advice of the Commission of Enquiry, Sir E. Northey in 1921 made an arrangement by which the handling of cargo at the Government Lighter Wharf at Kilindini was put under the management of the Lighterage Companies, a Port Advisory Board being set up to watch the position.

This arrangement still exists, but although we understand that it improved matters considerably at first, there is no doubt that the Port is again out of hand.

In 1923, approval was given for the establishment of a Transport Administration which ~~will~~ include not only the railway system, but also the harbour, and steps became necessary for giving constitutional effect to this separation of both railway and harbour from the political governments either of Uganda or Kenya.

Last summer, a draft Ordinance was received from Kenya on this subject, but in view of the joint interests of Uganda and Kenya, it was considered desirable that much of the provisions should be introduced by Order in Council, and, in consultation with Mr. Felling, a draft Order in Council was prepared, which he took out with a view to getting the concurrence of the two legislatures.

We have now had it back from Kenya, much altered. The papers are in circulation on a particular constitutional point, but as regards the port, the only change is that whereas we contemplated the appointment of a representative Port Advisory Board, the composition of which was to be laid down in the Order in Council

The handling of traffic in Mombasa Harbour (generally) got badly out of hand after the war, and on the advice of the Commission of Enquiry, Sir E. Northey in 1921 made an arrangement by which the handling of cargo at the Government Lighter Wharf at Kilindini was put under the management of the Lighterage Companies, a Port Advisory Board being set up to watch the position.

This arrangement still exists, but although we understand that it improved matters considerably at first, there is no doubt that the Port is again out of hand.

In 1923, approval was given for the establishment of a Transport Administration which ~~will~~ include not only the railway system, but also the harbour, and steps became necessary for giving constitutional effect to this separation of both railway and harbour from the political governments either of Uganda or Kenya.

Last summer, a Draft Ordinance was received from Kenya on this subject, but in view of the joint interests of Uganda and Kenya, it was considered desirable that much of the provisions should be introduced by Order in Council, and, in consultation with Mr. Felling, a Draft Order in Council was prepared, which he took out with a view to getting the concurrence of the two legislatures.

We have now had it back from Kenya, much altered. The papers are in circulation on a particular constitutional point, but as regards the port, the only change is that whereas we contemplated the appointment of a representative Port Advisory Board, the composition of which was to be laid down in the Order in

Council, Kenya <sup>proposes</sup> ~~proposes~~ a Port Advisory Board to be constituted by local Ordinance. In either case, the Board would have no executive powers, and the effective ~~of~~ <sup>High</sup> control would rest with the General Manager under the Commissioner for Transport.

When the East Africa Commission visited East Africa, they formed the view that at the principal Ports, control should be vested in a representative Board with executive powers, and this recommendation stands part of their draft report. In the enclosures to this despatch, Mr. Felling rather suggests that the ~~High~~ <sup>High</sup> Commissioners ~~got~~ <sup>the idea from various interests</sup> ~~by~~ a minority in Mombasa. Their views, as I take it, are founded as much upon what they saw at Beira and Dar-es-Salaam as on what they heard and saw at Mombasa.

It will be noted from the first Article of the Terms of Reference to the new Commission of Enquiry that the control is to be that recommended by the Legislative Councils of Kenya and Uganda, that is to say, control vested in the General Manager with the advice of some sort of Port Advisory Board.

~~On this basis~~ <sup>If that were done</sup>, I think there is no doubt that Mr. Felling is right in holding that ~~its~~ <sup>the</sup> actual working should also be in the hands of the railway, and in view of the composition of the Commission of Enquiry, particularly of the membership of <sup>a</sup> the representative of the South African railways and harbours where railway control is supreme, it is fairly certain what the recommendation of the Commission will be.

But we ought to consider how far what Mr. Felling suggests, in the enclosures to this despatch, should influence the recommendations of the East Africa Commission

Commission or might affect the Secretary of State's acceptance of those recommendations.

Mr. Felling has a hard task, but he has, throughout, been impatient <sup>of</sup> any views but his own, and, in parts, his letters now forwarded to us are distinctly querulous. The main point is, of course, as to capital charges on Government wharves. If he has control and handling of the traffic, he is quite prepared to bear the net charges on the Kilindini <sup>wharves</sup> ~~services~~, and (as we know separately) on M'baraki if the purchase goes through <sup>or the business</sup>. But one of his main points is that if control is handed over to a separate Harbour Board with executive powers, it cannot possibly pay the debt charges, and he, as General Manager of the Railway, cannot be expected to be responsible.

I do not see myself how the Railway can expect to repudiate their <sup>li</sup> ability for all share in the cost of construction of terminal facilities which are essential for its working. But on the same grounds, it will be impossible to say that the Colony as such <sup>Uganda also</sup> should not be required to contribute a part of the dead weight of the Kilindini wharves. It appears to me essential, if the separate executive Board is decided upon, to lay down some basis of contribution, <sup>so that</sup> ~~though~~ all four, Executive Board, Railway, Government of Kenya and Government of Uganda, should bear a part of the capital charges. I assume that for purposes of accounting, the total charges on all capital works at the port will appear as a debt in the accounts of the new Board, the other bodies contributing their quota as a reimbursement. The fact that the loans from which the <sup>capital</sup> ~~cabinet~~ provision is or will be made must be Kenya Government loans, is not material to this question of accounts. In

what

what proportions the loan charges should be divided, I am hardly prepared to suggest, and the point would have to be discussed with the local people if the question of principle goes through.

As the Port Board contemplated by the East Africa Commission will have an official majority, Mr. Felling has not much to be afraid of in actual working.

On the other hand, if there is to be an official majority on the port Board, there is the less reason for antagonising Mr. Felling by taking the control out of his hands, and it is a question whether we could not effect an equivalent result by reverting to the proposals of our draft <sup>Order in Council</sup> ~~in order~~, and, at the same time, stiffening the position by securing that, on points of <sup>controversy</sup> ~~difficulty~~, there should be an appeal from the General Manager either to the <sup>Kenya Colonial</sup> ~~Kilindini~~ Railway Council or the <sup>High</sup> ~~Commissioner~~ of Transport himself, on the motion of any two members of the Port Advisory Board.

In this way I think that an Advisory Board might be made fully representative, and commercial and shipping interests at the Port sufficiently safe-guarded against the benevolent bureaucracy of Mr. Felling. On his side, it <sup>would</sup> ~~will~~ probably be wholesome for him to be obliged to give full weight to unofficial interests in the first instance, and to resist any temptation to view them in the light of (a) what he considers they ought to be and (b) the interests of the Railway itself.

W.C.S. 2.4.25

KENYA

No. 188



2490

17 FEB 25

 EH.  
 GOVERNMENT HOUSE.  
 NAIROBI  
 KENYA

14th February, 1925.

Sir,

I have the honour to state that after consultation with the Executive Council and his technical advisers Governor Sir Robert Coryndon took steps to appoint a Commission of Enquiry under the Commission of Enquiry Ordinance 1912, to enquire into and submit recommendations upon the detailed terms of reference annexed to this despatch.

2. The personnel of the Commission will be as follows:-

The Commissioner of Customs, (Chairman).

Colonel William Kington Tucker, C.B.E.,  
 Member of the Inter-Colonial Railway Council.

The Superintendent of the Line, Uganda Railway.

Mr. Charles Smith, Harbour Assistant to the  
 General Manager of the South African Railways and  
 Harbours.

Mr. Robert Sandford Campbell,  
 a Commercial Agent in Mombasa.

3. In your predecessor's Confidential despatch of the 19th June, 1923, approval was given of the amalgamation of the working of the port with that of the Railway,

thereby /

RIGHT HONOURABLE  
 TENANT COLONEL L.C.M.S. AMERY, P.C., M.P.,  
 SECRETARY OF STATE FOR THE COLONIES,  
 DOWNING STREET,  
 L O N D O N. S. W.

thereby securing unity of control.

4. The strongest representations were made by the General Manager, Uganda Railway, with regard to the present working of the port, and I attach copies of reports on the subject made by him. The Governor therefore decided to appoint this Commission in order that a public enquiry into the present working conditions of the Ports of Mombasa and Kilindini should be held.

5. Sir Robert Coryndon felt that the value of this Commission would be greatly strengthened by including in its personnel an Officer with wide experience of port working elsewhere and if possible of one who had seen systems of Government and private control actually at work and who would be in the best position possible to estimate the relative advantage of both.

This Government has been fortunate enough to secure the services of Mr. C. Smith with the assistance of Sir William Hoy, General Manager of the South African Railways and Harbours, on the advice of the General Manager of the Uganda Railway, and with the consent of the Governor-General of the Union of South Africa; he is expected to arrive shortly, and upon his arrival the sittings of the Commission will commence at Mombasa.

I have the honour to be,

Sir,

Your most obedient, humble Servant,

*W. Fenham*

ACTING GOVERNOR.



thereby securing unity of control.

4. The strongest representations were made by the General Manager, Uganda Railway, with regard to the present working of the port, and I attach copies of reports on the subject made by him. The Governor therefore decided to appoint this Commission in order that a public enquiry into the present working conditions of the Ports of Mombasa and Kilindini should be held.

5. Sir Robert Coryndon felt that the value of this Commission would be greatly strengthened by including in its personnel an Officer with wide experience of port working elsewhere and if possible of one who had seen systems of Government and private control actually at work and who would be in the best position possible to estimate the relative advantage of both.

This Government has been fortunate enough to secure the services of Mr. C. Smith with the assistance of Sir William Hoy, General Manager of the South African Railways and Harbours, on the advice of the General Manager of the Uganda Railway, and with the consent of the Governor-General of the Union of South Africa; he is expected to arrive shortly, and upon his arrival the sittings of the Commission will commence at Mombasa.

I have the honour to be,

Sir,

Your most obedient, humble Servant,

*W. J. Penhance*

ACTING GOVERNOR.

## TERMS OF REFERENCE

TO

## PORT COMMISSION OF ENQUIRY.

- (1) To enquire into the existing control of the port and shore work at Kilindini and Mombasa harbours; and with due regard to the system of control recommended by the Legislative Councils of Kenya and Uganda, to recommend such improvements as are considered practicable and desirable.
- (2) To enquire specifically into the working of the present system of performing the stevedoring, lightering, loading and unloading of cargo and to make recommendations as to whether on or after the opening of the new deep water berth the Railway Administration should take over wholly or in part the work now performed by the Wharfage Companies.
- (3) If it is a recommendation under (2) that the whole or any portion of the work be allowed to remain with the Wharfage Companies, to recommend the system to be adopted, the price or other fee to be charged by the Government to such Companies for the use of the harbour, piers and sheds, whether and if so in what manner the charges made by the Wharfage Companies and their profits should be regulated, and to determine in such case how the return to Government on account of expenditure on the harbour is likely to be affected.
- (4) If it is a recommendation under (2) that the whole or any portion of the work should be undertaken by the Railway Administration, to

## TERMS OF REFERENCE

247

TO

## PORT COMMISSION OF ENQUIRY.

- (1) To enquire into the existing control of the port and shore work at Kilindini and Mombasa harbours, and with due regard to the system of control recommended by the Legislative Councils of Kenya and Uganda, to recommend such improvements as are considered practicable and desirable.
- (2) To enquire specifically into the working of the present system of performing the stevedoring, lightering, landing and shipping of cargo and to make recommendations as to whether on or after the opening of the new deep water berth the Railway Administration should take over wholly or in part the work now performed by the Wharfage Companies.
- (3) If it is a recommendation under (2) that the whole or any portion of the work be allowed to remain with the Wharfage Companies, to recommend the system to be adopted, the licence or other fee to be charged by the Government to such Companies for the use of the harbour, piers and sheds, whether and if so in what manner the charges made by the Wharfage Companies and their profits should be regulated, and to determine in such case how the return to Government on account of expenditure on the harbour is likely to be affected.
- (4) If it is a recommendation under (2) that the whole or any portion of the work should be undertaken by the Railway Administration, to

to recommend the organization and staff likely to be required, the scale of charges to be made for such work at the deep water berths, at lighterage piers, etc., and the system on which charges on work performed by the Railway should be collected.

- (5) To frame and submit general regulations for the control of the port and harbour work, and complete tariffs of dues, charges, etc.
- (6) To enquire into the best system of working of the branch now under the control of the Port Captain and to recommend what portion of such work, if any should be retained by this branch on the control of the Port being placed under the Railway Administration, and what, if any, portion of the work could more appropriately be performed by other departments; to investigate the revenue and expenditure of the present Port Department and to submit recommendations as to the portions of such revenue and expenditure which should accrue to, or be debited against, the Railway and Port Administration, and the portions which should accrue to, or be debited against, other Government Departments.
- (7) After investigating the whole of the position at the port of Kilindini to make such recommendations as are considered necessary for extensions, or other facilities, on the completion of the deep water berths now under construction.
- (8) To report generally on any other matters connected with the port and harbour work coming under the notice of the Commission and to make such recommendations as are considered necessary in the interests of efficient working and future

to recommend the organization and staff likely to be required, the scale of charges to be made for such work at the deep water berths, at lighterage piers, etc., and the system on which charges on work performed by the Railway should be collected.

(5) To frame and submit general regulations for the control of the port and harbour work, and complete tariffs of dues, charges, etc.

(6) To enquire into the best system of working of the branch now under the control of the Port Captain and to recommend what portion of such work, if any should be retained by this branch on the control of the Port being placed under the Railway Administration, and what, if any, portion of the work could more appropriately be performed by other departments; to investigate the revenue and expenditure of the present Port Department and to submit recommendations as to the portions of such revenue and expenditure which should accrue to, or be debited against, the Railway and Port Administration, and the portions which should accrue to, or be debited against, other Government Departments.

(7) After investigating the whole of the position at the port of Kilindini to make such recommendations as are considered necessary for extensions, or other facilities, on the completion of the deep water berths now under construction.

(8) To report generally on any other matters connected with the port and harbour work coming under the notice of the Commission and to make such recommendations as is considered necessary in the interests of efficient working and future development.

General Manager's Office,  
Nairobi,  
16th January, 1925.

S.P.17

The Hon. the Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

LANDING AND SHIPPING WORK AT KILINDINI.

In conversation yesterday you asked for the submission, for the information of the Colonial Office, of a statement of my reason for suggesting the appointment of a Commission of Enquiry in connection with the performance of the landing and shipping work at Kilindini.

2. I have dealt with the matter in several letters addressed to your Department, and any despatch to the Secretary of State should transmit the following communications with their enclosures:-

- (1) Letter No. S.P.17, dated 25th September, 1924, enclosing copy of a letter addressed by me to the Association of East African Chambers of Commerce;
- (2) Letter No. S.P.17, dated 1st October, 1924, relative to ad valorem charges;
- (3) Minute No.3 of the 17th meeting of the Inter-Colonial Railway Council, held on the 10th November 1924, headed "Kilindini Port Control and Charges";
- (4) Letter No. S.P. 17 dated the 20th November, 1924 dealing with the question of landing and shipping work and the suggested appointment of a Commission of Enquiry;
- (5) Letter No. S.P.17, dated the 1st December, 1924 urging upon the Government the need for immediate decision in regard to the principles to be adopted, and action to be taken, in regard to landing and shipping work at Kilindini.

3. The contents of the foregoing communications contain sufficient justification for an Enquiry, but the following brief summary of the position, as it appeals to me, may be of further assistance.

4. We have at the port:-

- (a) Government wharves at Kilindini, the handling of goods to and from which, and in large sections of the sheds, subdivided for the purpose, is in the hands of two wharfrage companies working under agreement with each other in the matter of charges;
- (b) A private wharf at Mbaraki leased to, and

and worked by, one of the wharfrage companies;

(c) Two deep water berths under construction by the Government from Government capital, at an approximate cost of £1,418,251, on which the interest and sinking fund charges will approximate £102,532 per annum;

and

(d) A small pier at Mombasa worked by the Customs Department.

5 The first question I had to consider in connection with the Railway Control proposals was in what body, or in what Department, the general control of the port as a whole should be vested.

6 There were three courses open, viz:-

(a) To establish an executive Board to administer the port.

Such a body would have to control all the work and collect revenue sufficient to meet working expenditure and heavy interest liabilities. I came to the conclusion that it would be unwise to appoint such a body for the reasons that the port is too small to warrant anything in the nature of a port trust, that under existing conditions at Mombasa Island an executive board would be greatly influenced by shipping companies with extensive local interests, and that as the Government could not escape the financial responsibility it might be seriously embarrassed by the existence of an executive board; or

(b) To place the control of the port under some Kenya Government Department, with a local harbour board advisory rather than executive in its functions.

With such an arrangement the Kenya Government would either have to collect sufficient revenue on the traffic at the port to cover the cost of working, plus heavy interest charges, or the working of the port would have to be subsidized through Government estimates; or

(c) To establish the principle in operation in South Africa, at Port Sudan, and elsewhere in Africa, of amalgamating the working of the port with the working of the railway, thereby securing one control by a transport administration and ensuring that the cost of working the port and the interest charges on capital expended there would have to be met from charges on traffic handled whether at the port or elsewhere on the railway.

7 In the proposed Order-in-Council the third alternative has been accepted, and the Railway is already accepting debit for interest charges at the rate of £102,532 per annum, as against only negligible amounts collected at the wharves, the balance being met from rates charged for the conveyance of all traffic carried on the Railway, and not only traffic passing through the port.

8 The Railway, having to meet this interest, suggested the introduction of the principle in operation in many other ports of ad valorem charges on traffic handled. The consideration of such charges was, however, complicated by the existence of Mbaraki and other factors, and the Government decided against them. This means that the Railway must either continue to carry against all traffic-port and internal- a substantial loss at the port, or a

a loss reduced as far as practicable <sup>at</sup> by profits on handling at the port.

9 Therefore, for financial reasons alone, if for no other, the question of who is to do the handling work has to be considered. It so happens, however, that the work at the port is now much criticised and complaints from the public are very numerous, and out of the power of the Railway to handle, so that from that point of view also the position should be re-examined.

10. Some years ago the Uganda Railway did all the work on the wharves. It was alleged that the work was performed unsatisfactorily. The precise reasons for the state of affairs that existed are difficult to locate with certainty now. The Railway officials who were concerned in the working claim that they were so tied up with Government regulations and restrictions, estimates, etc., that they never had a fair chance, and that the snipping companies took full advantage of the position to establish their case for getting the work. The Government, in my opinion blundered. Instead of taking action to secure that the work would be performed satisfactorily by the Railway, it handed over the work to wharfage companies, to whom the Government wharves were, in effect, leased.

11 The present position is that two wharfage companies have the use of the Government piers and the Government sheds. They make such charges as they are able to impose in agreement with each other and in the absence of effective competition. They charge for storage in Railway sheds. They pay the Railway a small charge for the use of the railway cranes and other appliances, such profits as they can make on the work go to shareholders, and, in the case of one wharfage company, a substantial overhead percentage is paid to another company for "management".

12 It is obvious that if the same system were to be introduced at the new deep water berths, while both the Government and public traffic would have to accept debit for such profits as the wharfage companies might take out of the work, the Government railway would lose the advantage of setting off such profit against interest charges. Public traffic would have to bear in actual practice, however camouflaged it may be, interest on capital expenditure, cost of working by the Railway Department on the piers, cost of working by the wharfage companies, and such profits as the wharfage companies can extract.

13 Are the advantages of leasing the piers to wharfage companies such that the present system should be continued and extended when the deep water berths are opened? I have suggested that this should be the subject of investigation - whether leasing Government piers to wharfage companies is a sound method of working; whether, if so, more private companies can be induced to come in so as to secure more competition; whether, with the consequential division of the sheds into compartments for use by several companies and by the Railway, the best use can be made of the space available on the wharves and in the sheds; or whether the sounder policy is not for the Government Department controlling the wharves and responsible for the interest on capital expenditure to do all the work.

14 In most ports that I am acquainted with the work on the wharves is performed by the Authority controlling the wharves. At Durban (South Africa) landing and snipping agents were employed for many years, but notwithstanding the existence of considerable competition the South African Government eventually took the strong line of insisting on



on all the work being taken over by the South African Railways. The results have, in my opinion, been entirely satisfactory. It has been suggested by shipping companies that the results have not been altogether satisfactory, but the shipping companies, who were deeply interested in wharfage companies, could not be expected to express any other opinion. I have discussed the working of the port of Durban with several managers and agents of shipping companies, and all admitted enormous improvements since the Railway took over.

15 I am of opinion that ~~the~~ Kilindini the Railway Department should do the work on the wharves. I would have added to this that the Railway Department should also do the lighterage but for the fact that the traffic has increased so rapidly in recent months that I have already called for estimates of cost for further deep water berths, in order that we may consider whether, in view of the extraordinary development which has taken place, it would not be better policy to extend the deep water berths and aim at the elimination of lighterage.

16 There is no reason why the Railway should not do the wharfage work as efficiently as wharfage companies, provided the Railway officials are allowed to work on business lines so far as staff, claims, etc., are concerned. The wharfage companies at present work on business lines. The Railway should be allowed to do the same.

17 If, however, the work is to be left in the hand of the wharfage companies and we must face treble or perhaps quadruple control of the piers, and the continued division of the sheds into compartments, then we should insist that the wharfage companies are effectively controlled, that their charges are approved by the Government, that profit and loss accounts are subjected to criticism, and that the work as a whole is done ~~under~~ under the direction of a Port Manager in the Government Service. There is no justification whatever after incurring large capital expenditure to hand over the piers and sheds to wharfage companies who are generally subsidiary to shipping companies, and to leave those companies free to do the work as they choose and charge what they please.

18 The issues raised are sufficiently important to justify a Commission of Enquiry. The Commission will not change my views, but if the public of the country, who after all have to pay, or the Government on behalf of the public, after considering the report of the Commission, should come to the conclusion that the present system must be maintained in principle we shall at least have cleared the air.

Sd/- C.L.N. FELLING.

GENERAL MANAGER,  
UGANDA RAILWAY.

on all the work being taken over by the South African Railways. The results have, in my opinion, been entirely satisfactory. It has been suggested by shipping companies that the results have not been altogether satisfactory, but the shipping companies, who were deeply interested in wharfage companies, could not be expected to express any other opinion. I have discussed the working of the port of Durban with several managers and agents of shipping companies, and all admitted enormous improvements since the Railway took over.

15 I am of opinion that the Kilindini Railway Department should do the work on the wharves. I would have added to this that the Railway Department should also do the lighterage but for the fact that the traffic has increased so rapidly in recent months that I have already called for estimates of cost for further deep water berths, in order that we may consider whether, in view of the extraordinary development which has taken place, it would not be better policy to extend the deep water berths and aim at the elimination of lighterage.

16 There is no reason why the Railway should not do the wharfage work as efficiently as wharfage companies, provided the Railway officials are allowed to work on business lines so far as staff, claims, etc., are concerned. The wharfage companies at present work on business lines. The Railway should be allowed to do the same.

17 If, however, the work is to be left in the hand of the wharfage companies and we must face treble or perhaps quadruple control of the piers, and the continued division of the sheds into compartments, then we should insist that the wharfage companies are effectively controlled, that their charges are approved by the Government, that profit and loss accounts are subjected to criticism, and that the work as a whole is done ~~that~~ under the direction of a Port Manager in the Government Service. There is no justification whatever after incurring large capital expenditure to hand over the piers and sheds to wharfage companies who are generally subsidiary to shipping companies, and to leave those companies free to do the work as they choose and charge what they please.

18 The issues raised are sufficiently important to justify a Commission of Enquiry. The Commission will not change my views, but if the public of the country, who after all have to pay, or the Government on behalf of the public, after considering the report of the Commission, should come to the conclusion that the present system must be maintained in principle we shall at least have cleared the air.

Sd/- C.L.N. FELLING.

GENERAL MANAGER,  
UGANDA RAILWAY.

General Manager's Office,  
Nairobi.

No. S.P.17

25th September, 1924.

The Secretary,

Association of East African Chambers of Commerce,  
P.O. Box No. 470,  
Nairobi.

Dear Sir,

My attention has been drawn to your letters of the 25th July and 8th August, relative to the control and working of the Kilindini Harbour.

The proposals for the future control of the Kenya and Uganda Railways and Harbours will be published shortly. Thereafter they will be submitted to the Legislative Council. There should, therefore, be ample opportunity for public criticism.

Taking the resolutions you quote seriatim, I would like to make the following observations:-

Resolution No.13:

Landing and Shipping.

I note that your Association is firmly of opinion that the working of all cargo at the port should continue to be undertaken by the shipping companies as at present. This is tantamount to suggesting that the Government should hand over permanently the working of the Government piers to wharfage companies, which are subsidiary to, or working under agreements with, steamship companies.

The wharfage companies would make such charges for their services as they see fit or agree upon with each other and can enforce in the absence of effective competition. (As an example of what is apt to happen I need quote only the 50% increase in the charges for landing railway material for capital works

imposed immediately after the recent agreement between the companies).

The inference to be drawn from the resolution of your Association is that, in its opinion, the conveniences of the present system are such as to justify the general public, to whom wharfage companies pass on their charges, in paying, not only the actual cost of the work done, but a profit, which cannot be effectively controlled or limited in any way, to the wharfage companies given the right to use Government piers.

Your Association will no doubt be aware that the handling of goods over piers by wharfage companies was in operation at the South African ports for many years, while at those ports competition was keener and prices consequently lower than they have ever been at Kilindini. Nevertheless, after long experience, the South African Government found it necessary to change the system, and at the present time the South African Railway do the work. I have discussed the present working at the South African ports with many representatives of shipping and wharfage companies and commercial interests, and the general opinion is that there have been great improvements since the work settled down under the Railway Department.

In a matter of this kind I have no wish to force my own views of those of the Superintendent of the Line- who is fully acquainted with the working at Durban, Kilindini and other ports- on these Colonies, but I do feel that the principle involved in connection with the performance of the work on the wharves is so important that the matter should be decided only after a comprehensive enquiry by a body representative of all interests. I am not aware that any such enquiry

has been conducted. I am aware that there has recently been a Chamber of Commerce investigation, but the shipping and mercantile interests are not the only interests to be considered. I do not know to what extent agricultural interests were consulted, but I am assured that even responsible railway officials, fully acquainted with the conditions under which harbour working is carried out elsewhere, and also with the conditions at Kilindini, were not consulted by the representatives of the Chamber of Commerce before definite opinions were expressed.

I consider the matter of the future working and charges at the Port sufficiently important to warrant the appointment of a Commission of Enquiry. This Commission should, I think, have a Government official (i.e. not one of the senior railway officials interested) as chairman, with one representative each from the Railway Department, the Customs Department, the wharfage companies, the Association of Chambers of Commerce, the Inter-Colonial Railway Council, and producers. If possible the Commission should have the advice and assistance of an official of the South African Railways and Harbours who has dealt with harbour matters over a long period of years. I could suggest an official whose assistance if obtainable would be of the greatest possible value to the Commission.

I shall be glad to have an expression of the opinion of your Association as to the desirability or otherwise of a representative enquiry of this character.

Port Control.

In connection with the matter of control, I cannot quite follow what is intended by a "controlling body with executive powers to which all matters relating to the Port should be referred". If there

is to be yet another controlling body, which is to be located at the Port, then if such a body is to be given executive powers, there would be no need to refer matters to it, as, being in itself executive, it would have full knowledge of its own work.

So far as the Uganda Railway Administration is concerned, an executive harbour board would necessarily have to relieve it of all port work and of the heavy interest and sinking fund charges on the port capital expenditure. Financially the Uganda Railway would benefit by such an arrangement, but I cannot quite see how the Governments of the Colony and Protectorates could be indemnified against possible losses. The Port Trust principle seems to me to be wholly inapplicable under existing local conditions-financial and otherwise.

I am satisfied that if an executive harbour board were to take the control of Kilindini Harbour the experience would be precisely the same as it was in Cape Colony, where executive boards controlled the ports for many years but had to be abolished owing to financial and working difficulties.

I am firmly convinced that the railway and port control should be one, that there is no room for an executive harbour board, but that the advice of a fully representative Port Advisory Board should receive fair consideration.

Resolution No. 14 :

I agree that, so far as is practicable, the revenue collected at the harbour should cover working expenditure, plus interest and sinking fund charges. It may not be practicable at the outset, or while there are only two deep water berths, to cover the whole of the interest charges, and in that event railway revenue might have to carry loss for some time to come, but as soon as practicable the harbour should be made to pay for itself

is to be yet another controlling body, which is to be located at the Port, then if such a body is to be given executive powers, there would be no need to refer matters to it, as, being in itself executive, it would have full x knowledge of its own work.

So far as the Uganda Railway Administration is concerned, an executive harbour board would necessarily have to relieve it of all port work and of the heavy interest and sinking fund charges on the port capital expenditure. Financially the Uganda Railway would benefit by such an arrangement, but I cannot quite see how the Governments of the Colony and Protectorates could be indemnified against possible losses. The Port Trust principle seems to me to be wholly inapplicable under existing local conditions-financial and otherwise.

I am satisfied that if an executive harbour board were to take the control of Kilindini Harbour the experience would be precisely the same as it was in Cape Colony, where executive boards controlled the ports for many years but had to be abolished owing to financial and working difficulties.

I am firmly convinced that the railway and port control should be one, that there is no room for an executive harbour board, but that the advice of a fully representative Port Advisory Board should receive fair consideration.

Resolution No. 14 :

I agree that, so far as is practicable, the revenue collected at the harbour should cover working expenditure, plus interest and sinking fund charges. It may not be practicable at the outset, or while there are only two deep water berths, to cover the whole of the interest charges, and in that event railway revenue might have to carry loss for some time to come, but as soon as practicable the harbour should be made to pay for itself

as otherwise the incidence of railway and harbour charges would operate unfairly. It will be obvious that to the precise extent to which railway revenue is called upon to meet harbour losses, owing to heavy interest charges, traffic from Mombasa will benefit at the expense of traffic to and from the interior.

Resolution No. 15:

So far as import charges are concerned I agree generally to the principles recommended, and I agree in particular that all Government goods should pay the same rates as ordinary trade goods where wharfage charges are concerned, in order to cover interest and sinking fund debits.

I have an open mind on the principle of specific charges, but I am inclined to think that wharfage charges (to cover interest) should, as far as possible, be confined to ad valorem values. Charges by weight should, I think, be strictly limited.

I doubt the wisdom, under existing conditions, of ad valorem or equivalent wharfage charges on exports. The decision on this point must, however, depend partly on what it is necessary to charge for the handling work on the wharves and piers.

In this connection I would point out it would seem to be highly desirable that, if practicable, handling charges on all imports and on all exports should be uniform, whether the goods are handled over the deep water berths or over the lighterage piers. It might be as well to consider how this principle would work out in practice, and to do so let us assume that the present import charge made by the railway of shilling 2/40 per ton and the export charge of shilling 1/50 per ton would continue in operation on the lighterage piers.

(Incidentally, I may say that the term "cranage" as applied



as otherwise the incidence of railway and harbour charges would operate unfairly. It will be obvious that to the precise extent to which railway revenue is called upon to meet harbour losses, owing to heavy interest charges, traffic for Mombasa will benefit at the expense of traffic to and from the interior.

Resolution No. 15:

So far as import charges are concerned I agree generally to the principles recommended, and I agree in particular that all Government goods should pay the same rates as ordinary trade goods where wharfage charges are concerned, in order to cover interest and sinking fund debits.

I have an open mind on the principle of specific charges, but I am inclined to think that wharfage charges (to cover interest) should, as far as possible, be confined to ad valorem values. Charges by weight should, I think, be strictly limited.

I doubt the wisdom, under existing conditions, of ad valorem or equivalent wharfage charges on exports. The decision on this point must, however, depend partly on what it is necessary to charge for the handling work on the wharves and piers.

In this connection I would point out it would seem to be highly desirable that, if practicable, handling charges on all imports and on all exports should be uniform, whether the goods are handled over the deep water berths or over the lighterage piers. It might be as well to consider how this principle would work out in practice, and to do so let us assume that the present import charge made by the railway of shilling 2/40 per ton and the export charge of shilling 1/50 per ton would continue in operation on the lighterage piers.

(Incidentally, I may say that the term "cranage" as applied

to this charge is misleading: it is in effect a general charge for capital facilities and for all crantage, terminal and all other services rendered on the piers). On the assumption that the existing charges will remain in operation for lighterage work it would appear that to ensure the use of the deep water berths, and at the same time avoid penalizing traffic which must necessarily go over the lighterage piers, the handling charges on the deep water berths would have to be based on figures not more than the shillings 2/40 and shilling 1/50 plus approximate cost of lighterage, use of tugs, moorings, etc., etc.,

The handling charges which it would be necessary to impose at the deep water berths to secure uniformity (on some basis approximating to the foregoing in the debits to the owner of the goods should leave a profit on the actual working at those berths, and this should be taken into consideration when deciding whether exports should bear ad valorem charges and whether the ad valorem charges on imports, whatever piers they may come over, need be in themselves sufficient to meet interest and sinking fund charges.

It would appear from the Annual Trade Report of Kenya and Uganda for the year ended the 31st December 1923, that the value of imports in 1923 into Kenya and Uganda was approximately £ 4,250,000. A 1% ad valorem charge on such imports would produce £ 65,750, as against an interest debit from the 1st January next of £ 103,532. Your Association will be able to draw its own conclusions from these figures!

One important point which I should like your Association to note <sup>is</sup> the fact that the interest debit of £ 103,532 commences to operate from the 1st January next. I shall be glad to know whether, in the opinion of your Association, ad valorem charges should operate

from the same date. Any other course would naturally involve a period of heavy loss and difficulty in rate reductions.

In this connection I may say that I am endeavouring to arrange in the railway control proposals for the adoption of the same principle as is in force in South Africa, i.e that railway rates should cover not more than working expenses, interest, betterment, depreciation and the like. Consequently if the trade of the country continues to improve and railway revenues to increase at the present rate, further rate reductions will be possible when the interest charges are absorbed as anticipated in the estimates. Heavy interest charges, however, militate against rate reductions, and it is clear that to the precise extent to which the heavy interest charges incurred at the port are not recovered at the port railway rates must be kept up to make <sup>good</sup> the loss.

I shall be glad if your Association will consider the foregoing and let me have any further observations it may desire to make.

Yours faithfully,

Sd/- C.L.N. Felling,

GENERAL MANAGER.

No. S.P.17 dated 25th September, 1924.

Copy, together with copies of correspondence under reference, forwarded to the Honourable the Colonial Secretary, Nairobi, for his information.

Sd/- S.M. Faulkner  
for GENERAL MANAGER.

General Manager's Office,  
Nairobi,

1st October, 1924.

No. S.P.17

The Hon'ble the Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

PORT CHARGES.

I would invite special attention to the following extract from my letter No. S.P.17, dated the 25th September, 1924, to the Association of East African Chambers of Commerce, copy of which was forwarded to you under my No. S.P.17, of the same date:-

"..... One important point which I should like your Association to note is the fact that the interest debit of £ 103,532 commences to operate from the 1st January next. I shall be glad to know whether, in the opinion of your Association, ad valorem charges should operate from the same date. Any other course would naturally involve a period of heavy loss and difficulty in rate reductions".

2 I shall be glad to know whether, if it is decided to introduce ad valorem charges from the 1st January next, instructions could be given for the Customs Department to collect them.

3 As the time is short, and fair notice of the imposition of the charges would be desirable, I am anxious to know what the attitude of the Government will be in the matter.

Sd/- C.L.N. Felling.  
General Manager.

General Manager's Office,

Nairobi,

1st October, 1924.

No. S.P.17

The Hon'ble the Colonial Secretary,  
Colony and Protectorate of Kenya,

N a i r o b i .

PORT CHARGES.

I would invite special attention to the following extract from my letter No.S.P.17, dated the 25th September, 1924, to the Association of East African Chambers of Commerce, copy of which was forwarded to you under my No. S.P.17, of the same date:-

"..... One important point which I should like your Association to note is the fact that the interest debit of \$ 103,532 commences to operate from the 1st January next. I shall be glad to know whether, in the opinion of your Association, ad valorem charges should operate from the same date. Any other course would naturally involve a period of heavy loss and difficulty in rate reductions".

2 I shall be glad to know whether, if it is decided to introduce ad valorem charges from the 1st January next, instructions could be given for the Customs Department to collect them.

3 AS the time is short, and fair notice of the imposition of the charges would be desirable, I am anxious to know what the attitude of the Government will be in the matter.

Sd/- C.L.N.Felling.  
General Manager.

(Folio 193)

6 KILINDINI PORT CONTROL AND CHARGES.

NOTED decision of the Government of Kenya that in the interests of the Colony as a whole it would be good policy at this stage of development not to increase the charges at the Port but to maintain railway rates at a sufficiently high level to bear any loss at the harbour.

RESOLVED to place on record the view of Council that it is sound in principle to make port charges cover all port expenditure (including interest on capital), so as to avoid the need for railway rates to the interior making good losses on traffic not conveyed inland by rail, RESOLVED further that while the decision of the Government of Kenya should be acted upon for the present the matter should be re-submitted at the first meeting of the new Inter-Colonial Railway Council provided for under the railway control proposals.

-----

No. S.P.17,

General Manager's Office

Nairobi, 20th November, 1924.

The Hon. The Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

Landing & Shipping Work at Kilindini.  
Your S/B.18024/20/27. dated 30th ultimo.

With reference to my conversation with His Excellency the Governor on the subject of the congestion which at present exists at Kilindini, to the report of the discussion of the matter by the Mombasa Chamber of Commerce when no conclusion was arrived at, and to leading articles in the Press criticising the present position, I have to ask that the Governor consider and decide the policy to be adopted in connection with the landing and shipping work at the Coast.

2. You will be aware that some considerable time ago I venture the opinion that indefinite continuance of divided control of the landing and shipping work at the Port was undesirable, and that at some stage it might be found wise to adopt the South African system under which the Government Railway Department does all the work of handling over the Government's own piers.

3. Probably in consequence of this feeling, while I was in England the Association of East African Chambers of Commerce appointed a Committee to investigate the working at the Port, and, although no evidence was taken from responsible railway officials, on the report of the Committee the Association expressed it self as firmly of the opinion that the working of all cargo at the Port should continue to be undertaken by the Shipping

Companies.

No. S.P. 17,

General Manager's Office

Nairobi, 20th November, 1924.

The Hon. The Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

Landing & Shipping Work at Kilindini.  
Your S/B. 18024/20/27 dated 30th ultimo.

With reference to my conversation with His Excellency the Governor on the subject of the congestion which at present exists at Kilindini, to the report of the discussion of the matter by the Mombasa Chamber of Commerce when no conclusion was arrived at, and to leading articles in the Press criticising the present position, I have to ask that the Governor consider and decide the policy to be adopted in connection with the landing and shipping work at the Coast.

2. You will be aware that some considerable time ago I venture the opinion that indefinite continuance of divided control of the landing and shipping work at the Port was undesirable, and that at some stage it might be found wise to adopt the South African system under which the Government Railway Department does all the work of handling over the Government's own piers.

3. Probably in consequence of this feeling, while I was in England the Association of East African Chambers of Commerce appointed a Committee to investigate the working at the Port, and, although no evidence was taken from responsible railway officials, on the report of the Committee the Association expressed itself as firmly of the opinion that the working of all cargo at the Port should continue to be undertaken by the Shipping

Companies.



Companies as at present.

4. Following this the Port Advisory Board has deprecated the intention of the Railway Department to resume the control of the handling of cargo to and from vessels on the ground that this would involve "dual control with probable loss of efficiency, confusion" etc. I need hardly point out that the present system is a dual system, but the general view of the Advisory Board is still in accord with its recommendation as set out in the agreement entered into by Sir Edward Northey with the Wharfage Companies in 1921.

5. Other interests have been strangely silent, and the Press, until the present congestion, seemed to support the present system. Now that congestion has occurred the General Manager of Railways is being called upon to improve working which all concerned agreed should not be undertaken by the Railway, and which is in no way under control by the Railway until the goods are handed over.

6. I have stated that I am prepared to submit the question of the shipping and landing work to a Commission of Enquiry. Might I suggest for discussion whether this Commission of Enquiry should now be appointed as already recommended, but the Government should first decide whether it prefers to allow the Shipping Companies to retain the work for some time. If so, then a Commission at this stage would be unnecessary - indeed, might embarrass the Government, and would certainly embarrass the Railway.

7. In this connection I would invite your attention to the fact that I obtained the concurrence of the Chambers of Commerce as well as the Port Advisory Board to harbour ad valorem charges, and that the Government on the 16th ultimo actually approved such charges, but subsequently decided that it would be better policy at this stage of development not to increase the charges at the Port.

Companies as at present.

4. Following this the Port Advisory Board has deprecated the intention of the Railway Department to resume the control of the handling of cargo to and from vessels on the ground that this would involve " dual control with probable loss of efficiency, confusion" etc. I need hardly point out that the present system is a dual system, but the general view of the Advisory Board is still in accord with its recommendation as set out in the agreement entered into by Sir Edward Northey with the Wharfage Companies in 1921.

5. Other interests have been strangely silent, and the Press, until the present congestion, seemed to support the present system. Now that congestion has occurred the General Manager of Railways is being called upon to improve working which all concerned agreed should not be undertaken by the Railway, and which is in no way under control by the Railway until the goods are handed over.

6. I have stated that I am prepared to submit the question of the shipping and landing work to a Commission of Enquiry. Might I suggest for discussion whether this Commission of Enquiry should now be appointed as already recommended, but the Government should first decide whether it prefers to allow the Shipping Companies to retain the work for some time. If so, then a Commission at this stage would be unnecessary - indeed, might embarrass the Government, and would certainly embarrass the Railway.

7. In this connection I would invite your attention to the fact that I obtained the concurrence of the Chambers of Commerce as well as the Port Advisory Board to harbour ad valorem charges, and that the Government on the 16th ultimo actually approved such charges, but subsequently decided that it would be better policy at this stage of development not to increase the charges at the Port.

8. I regret that the Government could not see its way to accept and record the soundness of the principle of making the Port pay for itself, but I cannot take serious exception to the policy laid down if it is regarded as only temporary. I must also admit there is much to be said in favour of the opinion already expressed in discussion by the Government that the system of shipping and landing work should not be disturbed until the working of the new piers is established and the Mbaraki position cleared up, but I think that if these policies are to be adopted the Government should make an announcement on the subject as the present position is anything but fair to the Railway Department. The Government should, I suggest also secure the position for the future, by deciding whether (a) the work at the new piers is to be done by the Wharfage Companies, and (b) it is to be made clear that the arrangement will be subject to notice of termination and that no clause for compensation for loss of profits, etc., will be recognised on such termination.

9. So far as I am concerned I must place on record that while I am of opinion that all handling work over the piers will eventually have to be done by the Railway Department, I am not prepared to recommend that the Shipping Companies be given notice and the work taken over until it is clear (a) that the public of the country desire the Railway to do the work, (b) that the Government policy is for the Railway to do the work and that Government Departments ( Customs, for example) will fall into line with Railway requirements, and (c) that the General Manager of Railways will have full power to select his own staff at such rates of pay as he deems fit and to discharge men when unsatisfactory, in a business-like way

Sd. C. N. Felling.  
GENERAL MANAGER  
Uganda Railway.

8. I regret that the Government could not see its way to accept and record the soundness of the principle of making the Port pay for itself, but I cannot take serious exception to the policy laid down if it is regarded as only temporary. I must also admit there is much to be said in favour of the opinion already expressed in discussion by the Government that the system of shipping and landing work should not be disturbed until the working of the new piers is established and the Mbaraki position cleared up, but I think that if these policies are to be adopted the Government should make an announcement on the subject as the present position is anything but fair to the Railway Department. The Government should, I suggest also secure the position for the future, by deciding whether (a) the work at the new piers is to be done by the Wharfrage Companies, and (b) it is to be made clear that the arrangement will be subject to notice of termination and that no clause for compensation for loss of profits, etc., will be recognised on such termination.

9. So far as I am concerned I must place on record that while I am of opinion that all handling work over the piers will eventually have to be done by the Railway Department, I am not prepared to recommend that the Shipping Companies be given notice and the work taken over until it is clear (a) that the public of the country desire the Railway to do the work; (b) that the Government policy is for the Railway to do the work and that Government Departments ( Customs, for example ) will fall into line with Railway requirements, and (c) that the General Manager of Railways will have full power to select his own staff at such rates of pay as he deems fit and to discharge men when unsatisfactory, in a business-like way

Sd. C. N. Felling  
GENERAL MANAGER  
Uganda Railway.

General Manager's Office,

Nairobi, 1st December, 1924

No. S.P. 17.

The Hon. The Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

Landing & Shipping Work at Kilindini.

Further to my letter No. S.P. 17, dated the 20th November last, relative to the above subject.

2. I would again urge the need for an immediate decision in connection with the principles to be adopted and the action to be taken in regard to the landing and shipping work at the port of Kilindini.
3. I would point out that the new berths will be completed before the end of next year, and, unless we are to drift into the position of allowing the shipping companies to take possession simply because the Government is unprepared, we must face the issues involved soon in order to complete our organization by the time it will be necessary to bring it into operation.
4. If a Committee is to be appointed, as recommended by me as far back as the 25th September last, then it should be appointed immediately.
5. You will be aware that at a recent meeting between the Mombasa Chamber of Commerce and the East African Commission a member of the Chamber was put up to state that the whole of the commercial community was satisfied that the wharfrage companies should the landing and shipping work, even at the <sup>new</sup> piers. Although great stress was laid on the impartiality and unanimity of the feeling on this point it is significant that care was taken to inform me personally that the feeling on the subject was by no means unanimous, and that the member of the Chamber of Commerce

General Manager's Office,

Nairobi, 1st December, 1924

S.P. 17.

The Hon. The Colonial Secretary,  
Colony and Protectorate of Kenya,  
Nairobi.

Landing & Shipping Work at Kilindini.

Further to my letter No. S.P. 17, dated the 20th November last, relative to the above subject.

2. I would again urge the need for an immediate decision in connection with the principles to be adopted and the action to be taken in regard to the landing and shipping work at the port of Kilindini.

3. I would point out that the new berths will be completed before the end of next year, and, unless we are to drift into the position of allowing the shipping companies to take possession simply because the Government is unprepared, we must face the issues involved soon in order to complete our organization by the time it will be necessary to bring it into operation.

4. If a Committee is to be appointed, as recommended by me as far back as the 25th September last, then it should be appointed immediately.

5. You will be aware that at a recent meeting between the Mombasa Chamber of Commerce and the East African Commission a member of the Chamber was put up to state that

the whole of the commercial community was satisfied that the wharfrage companies should handle the landing and shipping work, even at the <sup>new</sup> piers. Although great stress was laid on the impartiality and unanimity of the feeling on this point, it is significant that care was taken to inform me personally that the feeling on the subject was by no means unanimous, and that the member of the Chamber of Commerce

Commerce put up to express the alleged unanimous view of the Chamber was the leading representative of shipping interests at the Port.

6. It was also the leading representative of shipping interests at the Port who, at the Port Advisory Board meeting of the 9th July last, proposed the motion that the Port Advisory Board deprecated the intention of the Railway Department to reassume the control of the handling of cargo to and from vessels at Kilindini "involving as it would do dual control with probable loss of efficiency, confusion" etc.

7. The motion was passed with only one dissentient. As in the matter of the enquiry by the Chamber of Commerce the senior railway officials were not consulted.

8. A more important point, however, is that the Government officials on the Port Advisory Board voted solidly for the motion put forward by the shipping interests. I shall be glad to know whether the Government authorised this vote. I shall be glad to know why Govt. officials voted against railway interests without consulting the Railway, and why Government officials voted against a Government Department doing the work on the Government's own piers. The Railway Department consulted the interests of the Government when it agreed to take over the interest liability from the 1st January next, or eleven months before the completion of the piers. I suggest that in return the Government officials on the Port Advisory Board might have consulted the Railway Department before voting as they did in favour of the shipping interests.

Sd/- C. D. N. Felling

GENERAL MANAGER  
UGANDA RAILWAY.