

1925

KENYA

525

C.O.
35711
5.11.25

DATE

9th July, 1925

(1) Deep Water Berth at Kilindini

(11) Transport

request sanction for immediate construction of a further 2,000 feet of deep water berth, followed by another 1,000 feet when it breaks and other points - as stated above as to further Harbour developments and financial provision and its connection with proposals for a U. Transport Loan.

(11) Water has been on C.M. last Council proposals

Previous Paper

MINUTES

I held this back until the telegram directed on 3/8/25 had been got off. With regard to Mr. Orby-Jones's marginal minute in that paper, we have been waiting, before sending copies of the Joint East African Board's Memorandum, for them to send us additional copies which they promised at the meeting. Mr. Steel is now reminding the Secretary.

With regard to the meeting -

A. Construction.

The proposal is to spend £2,000,000 of new loan money, to come out of the £10,000,000 Imperial Guaranteed Loan, if possible, but otherwise to be met by a special loan. This contingency, with the necessity of getting Treasury concurrence in the additional expenditure would in itself be sufficient to necessitate a special commission to Kilindini to look into

the

Subsequent Paper

2 copies of the memo to be kept
To Secy for 25 Aug/25
To Cpt for extract from memo which is kept 25/25 for 24/25
To Mr. Orby-Jones 20/8/25

Sir S Wilson -

The questions of (1) Unwage extension and (2) Port control were discussed by you - me with Mr Edward Glegg. He was most averse to the Sat committee itself to the explosion scheme and even to sending out a engineer to report, until the Port Commission of Enquiry had considered the subject along with that of Port Control. And as regards the Commission, he deprecated any Chairman being sent out from here and was strongly of opinion that he ought to take the chair himself. As for Mr S. Henn, he thought that the Joint S.A. Board desired to be represented. Mr S. Henn might be a very suitable man for the post, but he himself evidently did not like the idea of being Chairman purporting to represent the S. of S. It is a delicate discussion, you agreed that

we should send a telegram to Mr Denham, giving his views, and enclosed the attached Mr. Wigram (typed from Sir's pencil draft) -

That Wigram has gone off. We also agreed to send an official telegram to Mr. Denham backing up Mr Edward's suggestions - Opp. herewith for consideration.

As for Mr S. Henn, Mr. Oswald-Jones's letter

of 24.8.25 was quite non-committal, and he cannot be expected to be asked to go out as a representative of the S. of S. + take the Chair. On the other hand I think it unlikely that he would go as a representative of the J.E.A. Board - which would give him a very much less important position. However, we can hardly say anything to him on the subject until we hear from Mr. Denham.

C.S.
27.8.25

Tafel

J.H.K.
at end.

28.8.25.

16th Augt 1925

My dear Crumby-Gore,

Of course you know Arthur
Jenfell - an interesting individual -
but the City does not take all he says
for gospel truth. Walsh has been good
enough to send me the enclosed copy
of a letter written by Jenfell after
recent trip to East Africa. I feel
it will interest you to read it; there
is no answer please behind the com-
munication. Yrs sincerely

529

Downing Street,

530

3rd September, 1925.

PRIVATE

Dear Sir Sydney Henn,

Mr. Ormsby-Gore wrote to you on the 25th of August saying that I would let you know as soon as anything definite was settled about Kilindini Harbour. I am writing to say that I have discussed the matter further with Sir Edward Grigg, the Governor Elect, who starts for Kenya in a few days' time and it has been decided that nothing definite should be settled until he gets out there.

Yours very truly,

(Signed) S. H. WILSON

Sydney Henn, K.B.E., M.P.

3rd September, 1925.

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Dear Sir Sydney Henn,

Mr. Ormsby-Gore wrote to you on the 25th of August saying that I would let you know as soon as anything definite was settled about Kilindini Harbour. I am writing to say that I have discussed the matter further with Sir Edward GREGG, the Governor Elect, who starts for Kenya in a few days' time and it has been decided that nothing definite should be settled until he gets out there.

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(Signed) S. H. WILSON

Sydney Henn, K.B.E., M.P.

SIR SYDNEY HENN.

Ms. A. 12. 1. 21

W. & A. TELEGRAMS
"STENNIKAR" STOCK LONDON
W. & A. TELEGRAMS
"STENNIKAR" LONDON

244 WINCHESTER HOUSE,
OLD BROAD STREET,
LONDON, E.C. 2.

115 10 5

My dear Comptroller
I have seen nothing further on
subject from the Commission that the C.O.
plans are still what we would say "alive"
You to go out & arrange to be in that I am
sure to make the arrangements in my own
my time. I wish you would let me
know.

Yrs sincerely
W. A. P. [Signature]

Hand by letter of
24.8.25

Copy

Private.

C.O.
24. 8. 25.

Dear Henn,

I am off to "Grand Hotel", Le Canadel, Var, France tomorrow till Sept. 15th. So many thanks for Arthur Grenfell's letter. It is the first time, I think, he has impacted on Africa and has evidently sucked in a good deal of what some of the extremer Kenyans say about the evils in the reserves. He is quite sound about the management of the Kenya sisal factories and estates.

We have got a very mixed sort of despatch from Governor's Deputy Northcote about Kilindini, with another large memo from Felling. It is not clear whether they do or do not want a commission to inquire with anyone from here. But if they do and I have minuted to the effect that they shall be asked specifically then I think you are the
/right

SYDNEY HENN, M.P.

right man to go. But really I think they are waiting for Ned Grigg who starts in a fortnight. I have asked Wilson to go through this very inconclusive despatch from Northcote with Grigg and Strachey and to let you know as soon as possible if anything definite comes up.

Yours sincerely,

W.O.G.

BRANDFELL.

1, Stephansplatz 3.

5th August, 1925.

Schloss Tollet bei Grieskirchen
Ob. Oest.

Walah.

I have just concluded a far too rapid but most interesting trip through Kenya and from Mochi to Panga and Tanga to Mombasa. Altogether though we were only in the country a few days. My wife and I did over 2500 miles by motor, inspected nearly the most important sisal and coffee estates and went to nearly the Uganda frontier. I was amazed at the amount of cultivation already done and at the excellence of the settlers throughout the Highlands of Kenya; in spite of shortage of rains amounting almost to droughts optimism reigned supreme except in Tanganyika where shortage of labour is severely felt. The rains, of course, came just when we did not want them and spoilt our trip through Tanganyika as the roads in that Colony have been practically blocked and so were impassible. I covered so much ground, heard so many contradicting opinions, that I find my ideas confused and I have not had time yet to sort them out.

I saw Thika, Sisal Ltd., Ronda Milis and half a dozen or more sisal estates in Kenya. I think there can be no doubt as to the growing of the plant and its yield of fibre and that the present owners have got over the first stage successfully, i.e., the agricultural side of the business but I think they have reached the limit of their capabilities and are not the right people to carry through the second stage, i.e., the industrialisation of the industry. These remarks apply to coffee as well as sisal. The second stage must be carried out by people practised in business organisations. Owners to-day expect to sell their plantations as though this second stage had been reached as though their estates were fully developed and they were really established businesses, but I am sure a great deal of time and a great deal of money has still to be spent before the second stage is satisfactorily completed and the investment changes from the speculative to the assured basis. I found it very difficult to reconcile myself to the prices asked. Risks and drawbacks which appear quite large to one are not even considered at all by the people who have conquered bush and heart, but nevertheless they are real. It so happens that not a single factory - and I visited more than eight - was working at full capacity. Engine trouble or repairs, want of leaves owing to previous rain, or adjustments, etc., were responsible for different factories. No single manager believed the Portland process as at present operated is the best method of sisal manufacture, all expect some new way. Hardly any two agreed as

to planting or the cheapest method of transportation field to factory. As a result the general impression on me in Kenya was that sisal is still at a speculative and undeveloped stage.

The best plants we saw growing in the Highlands, and the most satisfactory and certainly the poorest products were at Matherfoords.

As regards Tanganyika I stayed at Ketha and saw Werner. As time was short and I had by then decided that it would not be wise for me to commit myself to any single sisal estate, I decided not to go to Usambaras, the more so since I heard that Werner had it under option to you and so was not likely to show it to anyone else. I now hear you have bought it and feel sure it will add another valuable addition to the Tanganyika group of properties. I feel sure that given enough capital from home so that he may be able to lay down a sound and economical programme for many years ahead that Lead will make a big success of the whole concern.

But I am more than ever struck by the waste of money and opportunities that occur if a forward programme cannot be laid down and adhered to. The results of two years of profit may easily be swamped by overwhelming losses which are impossible to overtake and remedy if the means are not at hand to lay down sound and progressive development schemes able to see steady output and not suffer from checks and disorders consequent on a starvation diet of capital. This is true of every estate I saw but especially in Tanganyika where if she is not properly controlled Nature takes an instant toll and the place becomes a jungle and beyond control to clear and cultivate.

I heard lots of gossip re Schoeck's follies, he seems to have made about every mistake he could, practically all his work will have to be done again. Major Lead and Anderson came and picked us up at Ngombesi and we started to drive to Mruazi, then our bad luck began, it rained in torrents and the road was too bad for motoring so we had to abandon the car and board the train. I saw Mruazi and saw some beautiful looking sisal. We spent the night with Mrs. Lead at Beiglitz and I had a good look round. Beiglitz looks a very good show and seems to be coming on well. Mrs. Lead was hospitality itself. Owing to bad accounts of roads we decided to go to Tanga next day where we stayed with Barnes, the D.C. Owing to rain we had to abandon all idea of getting to Bushiri, so we decided to make for Mombasa as soon as possible. You certainly did the right thing in buying the building at Tanga. I should freeze on to it. We had an adventurous trip along the Tanganyika part of the road to Mombasa. After several mishaps we got hopelessly bogged and while two men walked back in the dark to Mombasa to get boys to dig us out Mrs. Grenfell and I had to sleep in the car

and shift for ourselves. However, next day our driver returned with boys and better still with Major and Mrs. Lead. So we cheered up and once we got on to the Kenya side we were alright. I like Major Lead and his wife very much and I think too you have a very valuable man in Anderson. Lead is working himself to death, he looks as if he ought to have a change. He seems to be in considerable request by the authorities etc., on the Road Board and trying to get some sense into the minds of the authorities, but Tanganyika thanks - I suppose - to the hopelessness of the Byatt regime is a long way behind Kenya. Two very important links in the transportation which should be forged at once are the Tanga-Mombasa Road and Tanga-Moshi Road; railway or no railway - managers must be able to circulate and swap experiences easily. Lead struck me as a very sensible man with an extraordinarily versatile mind. He has information on nearly every subject and has generally formed his own views and come to a clear decision. He puts his points well and is ever ready to weigh other people's. I was much impressed by him.

I come back sure that there is a great future before East Africa and that the settlers with money have far better chance of making good there than in Canada. From a merchant's point of view the openings in coffee, sisal and cotton are excellent. From a financier's point of view I think the present may be a little premature unless local ideas of price values change considerably (the crystallis is not yet the butterfly). At the same time, whenever the right time does arrive I am sure there is a great deal of good business to be done. Coffee estates must be amalgamated; sisal approached more from the side of massed production but this only when the factory part has been solved.

I am most awfully obliged to Lead for all he did for us please let him know how much we appreciated all his attentions.

The labour difficulties in Tanganyika seem much more acute than in Kenya and will remain so unless the administration goes ahead with roads. From a political point of view what I should have thought was most wanted was a Governor General so as to co-ordinate the work of the several provinces and avoid the risks of a second Byatt. One is greatly struck by the lack of co-operation between by the administrations and the settlers, in both Kenya and Tanganyika. I believe things are improving in Kenya but the settlers seem convinced that the administrations have little sympathy with them. There are obvious faults on both sides.

I do not like our native policy, it strikes one as wrong, cruel and almost unchristian to mark off native reserves and what the natives up like animals in a zoo where every evil and

wrong influence is perpetuated. I realise, of course, that this is a big question and that it is foolish to form an opinion on such a short experience as ours.

We certainly could not have had a more interesting time and I am looking forward to talking it all out with you.

Yours sincerely,

ED/- ARTHUR GRENFELL.

What have you done with Usambaras?

Mr Bottomley

Memo. prepared in
Mr Crawley Gore's minute
on a Kenya paper.

HQ

Novell

9/1/25

Mrs Mary Kaulas King

to examine that the annual charges
on the capital expenditure at Aare
borne by the Government and not
by Revenue.

W.C.F. 10/7/25

Mr Bottomley

Not directly. They are borne
by Govt. But there is an annual
surplus which is absorbed in the
Col. Treasury - Thus T.O.

(1924-25 Estimates)

Revenue from Port Harbours
other Dues - Rs. 4,956
(Dolls from Colombo)
Expenditure under Head
Clarks Port Commⁿ. Rs 3,04

W. Lowell

1927

With the Manager's Compliments

Midland Bank Limited.

High Street
Sheffield

COLOMBO HARBOUR.
-----oOo-----

~~515~~

The harbour at Colombo is an artificial one protected by three breakwaters, the first of which was completed in 1885 at a cost of £705,000, the other two being completed in 1906 at a cost of £500,000. The three breakwaters enclose an area of about 1 square mile. An extension of the south western breakwater was completed in 1912 at a cost of £380,000. In addition there is a Graving Dock ^{700 feet long} built in 1906, at a cost of £400,000, and a Patent Slip ^{500 feet long} opened in 1903 at a cost of £43,000.

The total tonnage entering the harbour in 1923, exclusive of sailing vessels, men-of-war and transports, exceeded 9,000,000 tons.

Loading and discharging are done from lighters. The quays and jetties used by the lighters, launches, etc., have a total length of 10,000 feet. There are twelve electric cranes, four steam cranes, as well as hand cranes. There are eighteen up-to-date coaling jetties for lighters, each 190 feet long, with adjacent land for the storage of coal. There are 383,000 square feet of warehouse accommodation.

The port of Colombo is in the charge of a Port Commission, under the Chairmanship of the Principal Collector of Customs. The other members of the Commission are the Principal Civil Medical Officer, the General Manager of the Railway, the Deputy Collector of Customs, the Master Attendant, the Harbour Engineer, five Unofficial Members nominated by the Chamber of
Commerce

Commerce to represent import, export, shipping, coaling and landing agencies' interests, and one Unofficial Member nominated by the Governor to represent native interests.

The Port Commission was established in 1913, as a result of the Report of the Commission of 1912, appointed to enquire into the condition of the harbour and its future administration. The Commission recommended the establishment of a Port Trust on the lines of those existing in certain Indian ports. But the Governor in forwarding the Report of the Commission pointed out that the Colombo harbour differs entirely from the Indian ports, where there are Port Trusts, since the harbour is nothing more or less than a Government dock. All the functions exercised by a Port Trust are in Colombo centralised in the Government. To give any such body as that proposed important executive functions independent of the Government would, in the Governor's opinion, have been open to the strongest objections. The Port Commission was therefore established by administrative action, and there is no Ordinance governing its functions, since all the powers which it exercises are vested in the Government, or in the Collector of Customs or Master Attendant, by Ordinances of long standing. For example, the power to frame and establish Port rules is given to the Governor in Executive Council by Ordinance No. 6 of 1865.

The

Original Papers
X 9 1913

The Port rules deal with the arrival and departure of vessels, the berths to be occupied, etc., quarantine and preservation of health, discharging of cargo, ballast, etc., signals and lights, pilotage, cargo boats, passenger boats, etc., and other miscellaneous subjects. Unfortunately, the Library have not been able to trace a copy of the Port Rules, which appear to have been recently revised.

revenue of the
 mission, which
 derived from
 our dues,
 house rents,
 & miscellaneous
 amounts to
 Rs 4,000,000
 only, (including
 7,000 from the
 installation.) The
 sum is mainly
 for lighting, maintenance,
 etc.

As already stated, loading and discharging of vessels are performed by lighters, with the exception that jetties have been provided at which steamers may bunker with oil in connection with the Colombo Fuel Oil Installation, which is also under the control of the Port Commission. The lighters are owned and worked by commercial firms, and we have no detailed information as to the methods of operation, control, etc., of these firms, or as to the tenure of the premises from which they operate. A great bulk of the work is done by the Ceylon Wharfage Company, which was brought into existence in order to effect an improvement in the landing, warehousing, and discharge of goods in the harbour. Its shares are mostly held by the more important shipping companies whose vessels use the Port, and these companies are strongly represented on the Directorate. The Wharfage Company leases premises from the Ceylon Government on a long lease, which has recently been renewed for a further thirty years. The details of the lease are not available here, but it appears from the latest report of the Port Commission that all taxes are payable by the Company under the new lease.

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lease, and the rent has been increased in consideration of these alterations; and, in order that the whole of the foreshore may be maintained by the same body, the maintenance of the premises, which has hitherto been carried out by the Company, has been transferred to the Colombo Port Commission. The lighting, unloading, and supply of water to the premises will also be carried out by the Commission. A clause has also been inserted in the new lease to the effect that the charges made by the Ceylon Wharfrage Company in the leased premises shall not exceed those levied for goods dealt with in the premises outside, or charged by Government. I can trace no information as to the terms on which the other companies work.

General information on the working of the Port could be obtained from Mr. F. Bows, lately Chairman of the Port Commission, who has retired on pension and is frequently in London. For detailed information it would be necessary to refer to the Governor.

H. R. Cook

7 25

10th August, 1925.

Dear Hon

I find that the proposal for the formation of a Committee to consider the Port problems of Kenya has not as far as we know yet reached the stage of selecting names for the Committee; in fact, it has not yet been decided whether the Conference is to be held at Mombasa or in London. I will bear in mind your offer to serve on such a Committee provided that if it is to meet at Mombasa you will be able to be home by Christmas; but as you see nothing is arranged so far.

Yours
W. G.

Confidential

Sir - Stralphy
 Sir - Boltanley

N. Ombly. Sec

550

Sir Sidney Hem. M.P. told me
 last night - that if we were
 considering names of people
 to go out to Hambassa to serve
 on a committee regarding the
 port questions he Sir Sidney would
 be available should we want
 him. He would like to know if we
 are likely to want him as soon
 as possible. In any case he would
 have to be back by Xmas, but he
 could sail by the next boat. He
 had a lot of experience of port
 work in Chili, & he is imperial at present

between Felling's & Macleod's
views? Are we working
towards any one out?

We have been waiting for the
draft of which I attach a summary. It was
in the form of conference. The provisions
suggested by Macleod were

(a) Local conference. Representatives of
Imperial Shipping (the 1000 ton steamers) to
go out.

(b) Local conference - Imperial Shipping
Felling to come home. (It is I think
see how he can be spared).

Under (a) we don't know if the Conference could
work round a man out or if they would
nominate a man already there.

I will try to get papers on (where they are available)
at once, but I don't think there can be any

"next best" about it.

The attached draft is very interesting, but is not
of any use in this connection. C.S. d/v

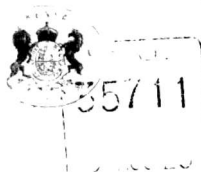
W.S. Macleod

7. 8. 25.

KENYA.

No. 106.

CONFIDENTIAL.



GOVERNMENT HOUSE.

NAIROBI:

KENYA.

9th July, 1925.

Sir,

With reference to your telegram of the 20th of June, relative to the extension of deep water berths at Kilindini, I have the honour to enclose a memorandum by the General Manager of the Uganda Railway which has been fully discussed in Executive Council and I have now to request your sanction to the immediate construction of a further 2,000 feet of deep water berths to be followed by another 1,000 feet as soon as the questions connected with M'baraki are settled and the suitability or otherwise of that point for deep water berth development is known.

Memorandum dated 26-6-25.

2. The Acting Governor gave the closest consideration to Mr. Pelling's proposals with his Executive Council and supported by their unanimous advice recommends that they be carried into effect without delay.

There can be no doubt that the rapid development of the Railway traffic which, next to the Customs receipts, is the best index of trade movement completely justifies a forward step of the nature indicated and the General Manager's arguments prove not only that that step must be taken at once unless the Transportation facilities are to be found inadequate for their not distant task but also that by adhering to and extending the landing system, to which

RIGHT HONOURABLE
LIEUTENANT COLONEL L.C.M.S. AMERY, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,
LONDON S. W.

which Kenya committed herself when she erected two deep water berths, the present high interest and sinking fund charges on those berths can be reduced considerably by 'averaging' over the whole length of Wharf. Thus true economy will be effected.

I would add, however, that Mr. Felling's figures are plainly and deliberately conservative; thus, he has put the 1925 tonnage 'over 400,000 tons' but it is the case that if the traffic continued at the rate of the last five months, that figure should be corrected to 530,000 tons.

3. Mr. Felling's statistics in regard to coal and Railway stores furnish further arguments in his support and to this traffic must be added the not inconsiderable importations by Government upon which savings in landing charges will be effected.

4. The proposal to investigate other natural facilities of this great Harbour such as is put forward in paragraphs 7 and 8 of Mr. Felling's memorandum is obviously wise and it is hoped that you will concur therewith. In this connection I would refer to the East Africa Commission's Report on the 16th page of which there is strongly recommended an investigation of the possibilities of Harbour Works on the mainland. I cannot do better than quote the General Manager on this subject:-

"In connection with page 16 of the East Africa Commission Report, I have to say that I do not favour development on the mainland at this stage, and I would regret to see immediate port development distributed over too many places. We are already committed to Kilindini and Mbaraki, and further development should take place there first, the mainland being resorted to when, after full development on the island, extensions are necessary elsewhere. In all references to mainland development it seems to be overlooked that the town is on the island, the business houses are on the island, the railway terminal is on the island, and that duplication of all facilities on the mainland should not be considered until it becomes inevitable."

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"In regard to the suggested extension of lighterage work, I would point out that extension of the existing lighterage pier would not get us out of our main difficulty, i.e. space for sheds and stacking ground. One of the advantages of the new deep water berths scheme being carried out between Kilindini and Shimanzi is the creation of additional space for sheds, stacking, and working generally".

This appears to be the wisest view in regard to the next Harbour developments whatever the future may hold.

5. Turning to the financial side proposition it is indisputable that a six shilling charge on the low estimate of probable traffic five years hence will approximately equal the interest and sinking fund charges on the capital expenditure that would have been incurred on deep water berths; that is to say these charges can be met by a no greater levy than that which represents the share of lighterage on the present cost of landing goods.

Revenue, therefore, on the amount to be expended may be regarded as secured.

6. As regards the General Manager's three alternatives for Port Control I need only state here that the Acting Governor has already suggested a Round Table conference on this subject in his Confidential despatch No.82 of the 12th June. Mr. Felling's views upon the first form of Port Control has very strong local support: there is no intention to express at the moment any preference between the second and third: I will merely add that should the proposed conference agree to recommend a Port Trust I have no doubt that suggestions will be forthcoming from them as to its composition and other relative matters.

PAC.
30/7/15

7. The proposal now made for your approval should, in Mr. Denham's opinion, be considered in connection with that made by the East Africa Commission at page 182 of their Report which advocates an East African Transport

Loan Guarantee Bill to authorise the issue of a loan of £10,000,000 the interest upon which would be paid by the Imperial Exchequer for the first five years.

It is fully realised that should this £10,000,000 Imperial Loan receive the sanction of Parliament the cost of the extension of the deep water berths at Kilindini alone would form a considerable item in that Loan schedule, but as you are aware the Port of Kilindini is in fact the key to the trade commerce not only of Kenya but also of Uganda and to a certain extent the doorway to the north-eastern portions of the Tanganyika Territory. Later, and as rail communications in Uganda and Tanganyika develop, I venture to think that Mombasa and its ports will develop still further as the entrepot of the trade of Eastern Africa.

In these circumstances, therefore, the Acting Governor has no hesitation in proposing that the cost of the extension at Kilindini should be debited, if possible against the proposed £10,000,000 Loan, in that the extension is vital to the transport facilities of the greater part of Eastern Africa.

In any case it is essential for the future prosperity of this Colony and Uganda that the proposed extensions at Kilindini should be undertaken forthwith and it is confidently hoped that you will be prepared to agree that the cost should be debited to an assisted future loan. Should, however, it not be found possible to provide for this additional expenditure from the source suggested I trust that you will agree to a further loan of £2,000,000 - the amount which it is calculated will be required to cover the cost of these extensions of the deep water berths.

8. There is, I feel, no further need for me to elaborate the essential need of extending the deep water berths

berths, and I have to request your general approval to the proposal.

Upon receipt of the technical report, to which reference is made in your telegram of the 20th June, the comments of the General Manager will be forwarded, and I trust that immediate action will then be taken for the construction of the works. It is presumed that any contract in this connection will be transmitted for examination before final decision.

611
2764
75

I have the honour to be,

Sir,

Your most obedient, humble servant,

T. A. ...

GOVERNOR'S DEPUTY.

COPY.

UGANDA RAILWAY,

GENERAL MANAGER'S OFFICE,

Nairobi, 16th June, 1925.

No. S.F. 17.

The Hon. The Ag. Colonial Secretary,
Colony & Protectorate of Kenya,
Nairobi.

KILINDINI HARBOUR.

Refce. Your S/B. 3407/36/36 dated 13th Inst.

The future control of the port is ~~unclear~~; and the future liabilities of the Railway in respect of interest on port capital expenditure, as also the extent to which the Railway will be allowed to do the port work and make charges to recover the whole or a portion of the interest, are equally uncertain.

In the circumstances I would not be justified in committing the Railway to additional interest charges, and it is necessary to make it clear that the following comments and suggestions are made from the broad standpoint of the need for further port development to meet the growing traffic of Kenya and Uganda, rather than from the point of view of a Railway Administration now privileged to carry the interest debits but not to collect revenue per contra.

Port control and port development at Kilindini seems to be a favourite subject for discussion and consideration both in London and in East Africa. The Colonial Office has expressed tentative views, the East Africa Commission, in its report, has made recommendations; the East African Board in London, comprising gentlemen interested in East Africa, has ideas; and Lord Inchcape and Major Grogan have expressed opinions. The local Shipping and Wharfage Companies are battling for their interests, and a number of representative bodies in this colony, and a large number of individual shippers, merchants, and others have discussed the matter from time to time and have expressed views based somewhat naturally on their own interests, rather than on the interests of the country as a whole. There would appear to be no lack of ideas as to what should be done with the port; but unfortunately between the whole lot we seem to be very slow in getting a move on, both in regard to control and, what is infinitely more serious, in regard to development.

With so many interested, and consequently conflicting, views in existence, perhaps the best way for me to tackle the matter is to ignore them all and set out as concisely as possible the line I would take if this Railway and the port belonged to a private Company and I were called upon by a Board of Directors whose financial interests were involved to submit my comments and recommendations from a business point of view. To such a Board of Directors I would say:-

1. The earnings of the Railway in 1922 were approximately £1,100,000. In 1925 they will be, as far as can be seen now, not less than £1,900,000 - probably more. It is apparent that while there may be temporary set-backs, East Africa is developing rapidly and the next five years will see an enormous expansion of traffic and greatly increased earnings. You should have no hesitation, therefore, in authorising considerable expenditure without loss of time

for the development and equipment of the port through which all this traffic will have to pass.

2. At a time when the financial position was really bad and when you might well have hesitated, you floated at 96 a loan of £5,000,000, carrying 6% interest and 1% redemption. Of this money over £2,100,000 will ~~soon~~ have been spent on 144 miles of railway line, and approximately £1,400,000 on two deep water berths. The two deep water berths will cost you in interest and redemption approximately £104,000 per annum.

It is obvious from the present financial position of the Railway that, given proper control, you can carry, without difficulty, this load which looked so heavy at the time you undertook the liability. Do not ~~hesitate~~ now to average out your liability by further development. The rapidly increasing traffic justifies you in immediately incurring liabilities up to another £2,000,000 in port development expenditure. At the rate of interest and redemption at which money is obtainable today, this expenditure should not cost you more than £120,000 per annum: only one-third of the rate per annum at which the railway earnings have been increasing during the past two years.

3. The traffic handled at Kilindini and Mbaraki this year will probably amount to over 400,000 tons. The Railway alone paid the Wharfage Companies landing charges in the month of May (over and above recoveries for cránage) amounting to £5,235, or at the rate of £62,820 per annum. Taking £50,000 as the average for railway material and stores alone, at least £30,000 of this sum should be available for interest charges if you could bring the ships alongside and do the work yourselves, and railway material and stores landed represent only a proportion of the total handled by the Wharfage Companies. Eliminate lighterage. Since the two Companies have agreed on uniform charges, the rates on permanent way material, which we previously negotiated by using the then existing competition, have advanced 50%. It has been said that if we eliminate the Wharfage Companies freights will go up. I know of no surer way to send freights up than to stabilize a landing and shipping monopoly.

4. The imports of coal for the Railway this year will probably be 50,000 tons. The costs are such that the Railway is forced today to take every measure possible to increase again the use of wood fuel and to restrict the use of coal, but, as far as can be judged now, in spite of all the Railway can do the compulsory use of at least 100,000 tons of coal per annum is within sight, and as this alone would cost, under existing lighterage conditions, approximately £35,000 per annum to handle, a coal pier, with transporter or other appliances, is justified. With coal required in any case for the Railway, it would be wise, simultaneously with the provision of facilities for railway coal, to establish facilities for bunkering.

5. From the Consulting Engineers' estimate, it would appear that extra wharfage, sheds, cranes, and equipment will cost £300,000 per 500 feet of quay front. You have already provided for 1,050 feet of quay wall. If, therefore, you would aim at another 3,000 feet within the next few years the additional cost would be approximately £1,800,000. Adding £200,000 for contingencies and additional plant, interest and redemption should cost you little more than the Railway is now carrying on the first two deep water berths, without any income per contra. With this extra 3,000 feet of wharf completed, you would have 4,000 feet in all, which would be capable of accommodating say nine steamers of the size

size usually trading with Kilindini. At Lourenco Marques 4,920 feet is found to be able to accommodate twelve steamers on the average.

6. At least 2,000 feet of this extra 3,000 feet should be in extension of the deep water berths now nearing completion at Kilindini, and a contract for that 2,000 should be placed as soon as possible.

7. Mbaraki should also be most carefully examined by the Harbour Consulting Engineers, to see whether it would be desirable to arrange for 900 or 1,000 feet or more of deep water quay wall at that point. It may be found desirable to use Mbaraki for coal and coal bunkering of the high or low level, or for maize either on the low level or loading by conveyors or otherwise from the high level. It may be found desirable to use high and low level entirely for coal or entirely for maize. It is unwise to express a definite opinion without prior investigation by an experienced firm of engineers. That investigation should take place without delay, the more so as it is uncertain how soon extensive and costly repairs will be found necessary to the present temporary wharves.

8. Assuming Mbaraki is found suitable for, say, 900 or 1,000 feet of quay wall, equipped with appliances for handling traffic, then it is a matter for consideration whether of the 4,000 feet in all recommended, 900 to 1,000 feet or more should be at Mbaraki.

9. The shipping tonnage handled at Kilindini and Mbaraki this year should be over 400,000, which would be approximately double that handled in 1923 and almost three times the tonnage handled in 1922. Even allowing for the possibility of a decrease in the tonnage of railway material landed after, say, the next three years, it would appear that it would be wise to allow for a cumulative increase of at least 12 1/2% per annum on present shipping tonnage totals. That would mean 720,000 tons to be handled five years from now.

On that basis approximately 6/- per ton would cover all interest and reception charges if another £2,000,000 were spent.

It is difficult to arrive at the actual amount included for lighterage in the general landing charges now made by the Wharfage Companies, but it would appear to be from 5/- to 6/-. Six shillings for interest, less the almost equivalent existing lighterage charge, would provide up-to-date port facilities and appliances and a rapidity of handling which should be of incalculable benefit in the matter of shipping freights, and in minimizing the risks to which valuable cotton traffic sisal and maize are now subjected.

I cannot too strongly impress upon the Governments of Kenya and Uganda the need for dealing with this question of port control and development with courage, energy, and foresight.

Courage is required in regard to control, because if matters are allowed to drift with no decision as at present, we shall find by the end of the year that the two new deep water Berths, and all their sheds, equipment, etc., fall automatically into the uncontrolled hands of the Shipping Companies, through their representatives, and very much interested parties, the Lighterage Companies. Such a monopoly

ly would be most dangerous and quite unique. No compensating advantages would accrue to the public so far as the cost of landing or shipping goods is concerned, or the meeting of the interest charges on the money spent on building the piers.

Energy is required in regard to ~~control~~, as the above stated of affairs will automatically ~~be~~ about unless definite action is taken at once. Time ~~is~~ in favour of the Shipping Companies, and the longer the present system continues the more strongly entrenched they will become and the more difficult it will be to shift them.

Three forms of control are now under discussion:-

(1) Some nominal central control, plus landing and shipping by Wharfage Companies, which would inevitably result in a monopoly and would mean lighterage and landing charges substantially as at present, while the country pays the interest on the expenditure incurred in building the quays from other unconcerned sources of revenue.

(2) A properly constituted Port Control Body, with executive powers and full financial responsibility.

(3) The Railway Administration, under the control of a High Commissioner and the Railway Council.

(1) I consider entirely unsound, costly, and dangerous.

(2) & (3) are both sound and either may be accepted, but delay is fatal.

Courage, foresight, and energy are required in regard to development, because the expansion of the trade of this country is so rapid that suitable provision must be made to meet it in plenty of time. There is no need to enlarge on the present congestion and difficulties at the port. Next year, with the two new berths and extra storage, the position will be much improved, but there will still be difficulty as regards the landing of coal.

In two or three years' time, if no prior provision is made, further congestion, on perhaps a greater scale than at present, is likely to occur, especially in regard to the handling and storage of:-

- (a) Maize
- (b) Cotton
- (c) Coal

We are just two years too late with the line to Uganda. Try and avoid being caught at the Port also. A comprehensive scheme should be prepared immediately, so that development may proceed without delay along sound lines.

Sd/- C. L. N. FELLING.

GENERAL MANAGER,
UGANDA RAILWAY.

557

Mr. Bottomley 10.8.45

Mr.

Mr.

Mr. Strachey 11.8.45

Sir J. Shuckburgh.

Sir H. Davis.

Sir J. Grindle.

Sir J. Macdonald Smith. *J. S. Wilson*

Mr. Ormsby-Gore. *at a/c 24.8.25*

Mr. Amery.

C. D
R 11 AUG
D 12

46/11

Downing Street,

Confidential 723-351
11th August, 1925.

provision

DRAFT. TELEGRAM.

WFFROR

MATROBI.

11th AUGUST. Your despatch of 9th July

Confidential. I am glad to receive my
 careful consideration. Should be said if
 you would report by telegraph that in your
 opinion should be the relation of Mbaraki
 Wharf while lease continues to the authority
 (whatever it may be) controlling the rest of
 the Port.

2/10

AMSEY.

357/11

- Mr.
- Mr.
- Mr. *Arachey, W at ma*
- Sir J. Shuckburgh.
- Sir C. Davis.
- Sir G. Grindle.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Mr. Amery.

*Coded & sent
12.45 p.m.
28.8.25
S.D.W*

*Amery
39A31*

Following from Grigg. Begins.

Have discussed with Colonial Office extension Kilindini and proposed ^{Port} ~~Committee~~ *Commission of Enquiry -* to discuss ~~port control~~ *Port* ~~Committee~~ ^{Session} *Committee*

should be formed at earliest possible date to sit ~~in Kenya~~ under my Chairmanship.

If you concur will ask Secretary of State to suggest to Joint East Africa Board and Conference Lines that they should nominate

forthwith one representative ^{each} ~~piece~~ to sit on ~~Committee~~ ^{Session} ~~Committee~~. As this ~~Committee~~ ^{Session} ~~Committee~~

~~should~~ discuss whole question of port facilities in addition to question of port management I consider that sanction of proposed extension ~~at Kilindini~~ might

conveniently be deferred till Committee meets particularly as proposed new capital expenditure is very large. As this delay need not postpone final decision for more

than

DRAFT. TELEGRAM

late

ERNOR
NAIROBI.

(O.A.9)

See Memo of 27/8

This is the intention by me to discuss financial arrangements.

We changed Committee into "Port Commission of Enquiry".

than two months I hope that it will not
inconvenience contractors or prejudice
arrangements for work on extension if
approved. Please cable your views.

Ends.

A.

~~Gov. Kaye~~
35711

- Mr.
- Mr.
- Mr.
- Mr. Strachey 27.6
- Sir J. Chubbburgh.
- Sir C. Davis.
- Sir G. Brindle.
- Sir [unclear]
- Mr. Ormsby-Gore.
- Mr. Amery.

Sind

Cashed Bond
740 p

501

28/8/11

Sir I. [unclear] 28.8.11 at once

DRAFT. Gov. Tel.

new
amidi

see minute of 27/11

Sir E. Grey's telegram
of August 28. Unless you
have reasons to the contrary
I am disposed to consider that
adoption of his suggestions most
likely to lead to satisfactory
settlement of all points at
issue. ~~add~~