

1925

E. AFRICA  
KENYA

40061

2 SEP 25

DATE

4th August 1925.

W. DENHAM.

954

REPLACEMENT:-

*Allen*  
*W. H. P. Green*  
*Bottomley*  
*(for whom)*

E.A. SHIPPING CONFERENCE.

133

*Sir G. Schiller 16*

States as to opening of Conference at Mombasa: encloses press report of proceedings. A committee styled "The East Africa Permanent Shipping Committee" was formed.

S of S

of State.

Previous Paper

MINUTES

*23 SEP 1925*  
*33908*

This seems to be a definite report forward, & carries out a good deal of what the Int'l Shipping Committee recommended in para 12 of their interim report.

(52355/24)

Nyasaland was not represented at the Conference - but see 14816/25

It seems to be generally held that Govt participation in this matter is not necessary

Back, express satisfaction that the proposal of ... being this matter has been formed, and note that Nyasaland was not represented at the Conference & that no provision is made for the representation of that

*22 SEP 1925*  
*Copy (w/orig, mail) & ... to ...*  
*D.O.T. cons - 23 SEP 1925*  
*(for return)*

*HN*

Subsequent Paper

*lyn. 48967*  
*Go*  
*Wga.*

I think the Committee would like  
to have this. The printed enclosures  
can be sent for perusal & return.  
This is a sketch forward - but it remains  
to be seen how this committee will  
succeed in getting over the real difficulty  
of the situation - the Indian merchant-  
who cannot be trusted to carry out  
any bargain made with the shipping  
company's representatives.

133

16.9.74  
D  
a w

St George's

Advantage, Parl, London.  
Victoria 9040.

DEPARTMENT OF OVERSEAS TRADE  
(DEVELOPMENT AND INTELLIGENCE).

30, OLD QUEEN STREET.

LONDON, S.W.1.

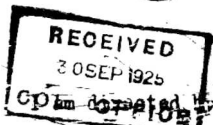
Any communication respecting  
this should be addressed to THE  
SECRETARY (GENERAL, quoting:—

No. 9581/E.D.



29th September, 1925.

Sir,



Mr. Arthur Michael Samuel to  
acknowledge receipt of Colonial Office Letter No. 40061/25  
of the 29th September, and to return with thanks the  
enclosures to that letter in original, copies of which  
are already on file in this Department.

I am,

Sir,

Your obedient Servant,

M. W. Donald.

for the Comptroller-General.

Secretary of State for the Colonies,

COLONIAL OFFICE.

*Handwritten notes:*  
2052  
? attached  
CPLM  
20  
4

Advantage, Parl, London.  
Victoria 9040.

DEPARTMENT OF OVERSEAS TRADE

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M. W. Donald.

for the Comptroller-General.

Secretary of State for the Colonies,

COLONIAL OFFICE.

*Handwritten notes:*  
20/9  
? attach  
M.W.  
20/9

KENYA.

No. 954.



2/ ✓  
40061  
GOVERNMENT HOUSE,  
NAIROBI,  
KENYA. 141

4th August, 1925.

Sir,

*Copy 14876 90.  
25*

With reference to your despatch No. 563 of the 23rd June and to the report of the Imperial Shipping Conference enclosed with your despatch No. 1237 of the 8th December, I have the honour to inform you that I opened on the 29th July at Mombasa the first Session of the Shipping Conference which was called at the instance of the Association of East African Chambers of Commerce.

*M.O.  
54355  
24*

2. Representatives of the Chambers of Commerce at Dar-es-Salaam and Tanga and of the Uganda Chamber were present. A representative of Zanzibar was also to have been present.

The presence of representatives of the Commercial interests of the adjoining territories marks a very considerable advance in securing the joint representation of East African interests to which the Shipping Conference rightly attaches so great importance.

The formation of a strong Committee will undoubtedly greatly strengthen the position of the shippers and should enable them to present their case in a form which will give full weight to its significance and permit of negotiations on a firm basis between the Shipping Companies and the shippers.

3.

RIGHT HONOURABLE

LIEUTENANT COLONEL L.C.M.S. AMERY, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S. W.

3. In opening the Conference I stressed the great importance of co-operation being secured. I pointed out that I was present not as indicating any desire that Government should actively participate in their discussion at this stage - it is <sup>I</sup> consider desirable that Government should at any rate stand out of the actual deliberations <sup>at this stage</sup> and this meets the desires of the Chambers - but to assure them of Government interest in the formation of a strong Committee and as an earnest of Government's keen desire to assist in any way in which Government could be helpful. Further I stated I was present to welcome the presence of representatives of Commercial bodies in Tanganyika and Uganda.

4. I enclose:

(a). Extracts from the press giving particulars regarding the Conference.

(b). A statement which was issued by the Association of East African Chambers of Commerce detailing steps previously taken for the formation of a Committee, and the objects at which <sup>a</sup> Shipping Committee should aim.

I have the honour to be,

Sir,

Your most obedient, humble servant,

ACTING GOVERNOR.

Extracts from the  
Standard dated  
10th July, 1925.

Memorandum dated  
30th May 1925 by  
the Ass. of E.A.  
Chambers of Com'ce.

30th May, 1925.

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MEMORANDUM.

The Imperial Shipping Committee in their Interim Report on East African Shipping conditions recommended the formation of a Shipper's Committee in London to deal with outward rates and of a complementary Committee in East Africa to deal with homeward rates. The Ormsby-Gore Commission supported this recommendation.

The term "shipper" is rather indefinite. It may be argued that the transport of a product to the market is the function of the merchant and not the producer, but the ground has been somewhat cleared in East Africa seeing that the Conference Lines refused to treat with any Committee that is not "representative of all interested parties."

The Association of East African Chambers of Commerce propose that as a commencement a Committee should be formed representative of Kenya production and commerce. This Committee could probably form the nucleus of a similar Committee representative of the larger area, comprising Kenya, Uganda, and Tanganyika, at a later date.

The Association record it as desirable that the functions of this Committee should be strictly laid down and they propose that it be a Committee of not more than five members and that the deliberations and actions of the Committee should be limited to negotiation and agreement with the Conference Lines on -

- Acceptability and stability of rates of homeward freights.
- Regularity of service.
- Adequacy of tonnage.
- Adherence to contracts.

By.

The Association feel as a reason for thus limiting the functions of the Committee, that the trader's primary interest is the knowledge that freight space is available for his product and that he can enjoy a mutually agreed rate of freight over a definite period of time. It is felt that to go beyond this limitation of functions and to embrace other matters such as allied transport problems of Railway and Port development and handling of freight, arbitration in shipping and transport matters etc. would simply result in the Committee being made an unwieldy body, dealing with a number of functions which could already satisfactorily be dealt with by other and existing bodies such as The Association of East African Chambers of Commerce and The Convention of Associations etc.

The Association for the above reason propose this definite limitation of functions.

Upon the point of Government representation on the Committee the Association feel that such Government representation is totally unnecessary, that the burden and cost of the work of the Committee should be sustained by the interests involved only and that Government assistance should be limited to moral support only. It is, of course, in a case where deadlock arises between the Committee and the local offices of the Conference Lines, the assistance of the Colonial Office and the East African High Commission in London would probably be sought for the purpose of bringing pressure to bear on the local Offices of the Conference Lines.

If the proposals of the Association are acceptable, it is thought that a joint meeting with the local offices of the Conference Lines at intervals would be sufficient to deal with the existing and potential problems.

RECORD OF ACTION TAKEN BY THE ASSOCIATION IN REGARD TO  
SHIPPING COMMITTEE.

117

On receipt of the report of the Shipping Committee of the East African Section of the London Chamber of Commerce dated 15th May, 1922 (in which it was stated that Sir Halford MacKinder the Chairman of the Imperial Shipping Committee, had again urged the East African Shippers in their own interest to form the strongest possible Association of Shippers among themselves and stated that the Shipping Companies are favourable disposed to such an Association, the Nairobi Chamber took the matter up and appointed a Sub-Committee consisting of Major Duke Moore, C.I. Sutton, C.C. Mochter and J.G. Aronson. This Committee presented their report dated 19th October, 1922 to the Chairman on that date when the following resolution was passed.

"That the Nairobi Chamber of Commerce urges the Joint Standing Committee of the Association of E.A. Chambers and Convention of Associations to appoint a Standing Shipping Committee - not necessarily solely members of the Joint Standing Committee - to watch the interests of Shippers and producers of the Colony in all questions of freights and shipping facilities."

The matter was left in the hands of the Joint Standing Committee. The following resolution was placed on the Agenda for the December Session of the Association (1922).

"That this Association is in favour of steps being taken for the formation of a powerful organisation to deal with the Shipping interests of all territories served by the Uganda Railway."

When this resolution came before the Session it was reported that the Committee had not yet been formed, but that the Joint Standing Committee had the matter in hand. Also that Col. Tucker had had an interview with His Excellency who was in sympathy with the scheme but considered it should be outside the Government. They were also informed that an independent Committee would be formed probably with Col. Franklin as Chairman. In view of this information it was agreed that the resolution should not be put to the Meeting.

Shortly after this the Joint Standing Committee who had the matter in hand ceased to function.

The matter was again taken up by the Executive of the Association on 11th May 1923, when the following resolution was passed.

"That the Executive of this Association considers it necessary that a conference should be held between the Acting Governor, the Uganda Railway authorities, this Executive, and such other persons as H.E. the Acting Governor may care to invite, with a view to the formation of a Shipping Committee."

The July Session held at Mombasa on 5th July 1923 was opened by the Acting Governor Sir Charles Bowring. During the course of his remarks he said:-



"On the 14th of June I held a Meeting at which Col. Tucker, H.M. Trade Commissioner, Mr Tyson representing your Association, Mr Polkes representing Uganda, The General Manager of the Railway, and the Chief of Customs were present. Complete unanimity was come to. It was unanimously resolved that a Committee - as far as possible an unofficial body - be formed with Col. Franklin as Chairman, (if His Majesty's Government will permit their Trade Commissioner to act in such a capacity). Other members to consist of two representatives from Kenya, two representatives from Uganda, The General Manager of the Railway or his representative, the Chief of Customs or his representative. We shall approach the Convention of Associations and this Association on the appointment of delegates." He went on to say that the duties of the Committee will be (1) to collect information as to the quantity of crops available for export, and also the dates when such may be expected to arrive for shipment, (2) to confer with the Shipping Companies and arrange freights on an equitable basis. "It is perfectly clear that such a Committee is urgently required. The producers want it, the Shipping Companies want it. With regard to expense we did not consider that that would be large. Secretarial work would be reduced, the General Manager having undertaken to reduce delegates fares by half. There is no doubt that no such Committee could be formed without the co-operation of Uganda.

No steps, however, were taken to form this Committee until on 19th October 1923 the Colonial Secretary advised the Association that a conference would be held in Nairobi on 31st October to enquire into the shipping problem with a view to securing a) Low & Stable freight rates for local produce. (b) Regularity of Steamer Service to East Africa, a further duty of the Conference being to appoint a standing local Committee for the purpose of communicating from time to time any information and figures of local production. The Governments of Uganda, Tanganyika Territory and Zanzibar were asked to send delegates.

Personnel to be as follows:  
 Hon. Director of Agriculture, Commissioner of Customs and a representative of the Uganda Railway. His Majesty's Trade Commissioner to attend in an advisory capacity. The Convention being asked to nominate four delegates representing principal exporting interests. The Association of E.A. Chambers of Commerce asked to send four delegates. (One commercial delegate from Mombasa, one from Nairobi, one on behalf of conference lines, one on behalf of Non Conference lines.

The Delegates appointed by this Association were, Major Milligan (Nairobi), Mr Freeman Barnett, Mr Sim, and Mr Phadke.

The Conference was held under the Chairmanship of Mr W.O. Hunter and was opened by His Excellency and attended by H.E. the Governor of Uganda. Uganda Protectorate were represented by Mr Simpson, Director of Agriculture, and Mr Loggin Director of Public Works. Col. Franklin, H.M. Trade Commissioner attended in an advisory capacity and also represented Tanganyika. Zanzibar was represented by Mr Legat Superintendent of the National Bank of India. The Official delegates of Kenya Colony were, the General Manager of the Railway, The Director of Agriculture, and the Commissioner of Customs. The Convention were represented by Messrs Conway Harvey Powys Gobb, Harper and Teogood. The Associated Chambers as above stated. The Indian Association by Messrs Pandya, Malik, and Pussinbhai S. Verji. The Meeting was also attended by Col. Turner Acting Trade Commissioner for South Africa. The following resolution was carried.

"That this Conference is in favour of the formation of a permanent body to deal with these subjects set out in the terms of reference and other cognate subjects provided the necessary financial assistance is forthcoming and that Governments of the Territories concerned be approached in the matter."

The neighbouring Territories were approached, but both the Uganda and Tanganyika Governments were of opinion that the difficulty of attendance owing to Geographical position would preclude the adoption of the proposal to form a permanent body. The Zanzibar Government agreed to send a representative for a period of twelve months after which their participation would be considered. The matter was therefore dropped and it was left to the Commercial bodies to form a Shipping Committee.

Nothing further was done in the matter until a Committee on Shipping facilities, Port control etc. was called by the President of this Association and met from 5th to 10th May 1924. This Committee produced a very valuable report which was forwarded to Government and all Chambers of Commerce and Associations. Paragraph 68 of this report reads as follows.

"Your Committee feel that the Association of East African Chambers of Commerce should consider appointing some small permanent Committee to watch the trend of affairs relating to Shipping matters and should endeavour to acquire the position of arbitrators in all disputes dealing with Shipping - should collect all data (which members should fully supply) and be prepared to discuss periodically with the shipping interests any matter outstanding, and all subjects such as future freight rates etc."

This Report was considered at the July Session 1924 when the Session went into Committee for a whole morning discussing the various matters concerned; and the following resolution was passed.

"That this Association thanks the Shipping Facilities Committee for their very valuable report which this Association has much pleasure in adopting; and consider that the question of the appointment of a Committee to deal further with Shipping matters as recommended in the report, should be referred to the Executive for consideration as to how the work should be best continued."

The Executive took the matter up in August 1924 and the President had an interview with His Excellency who then was of opinion that as the German Lines had joined the Conference Lines he did not think any useful purpose would be served by going further into the matter of a Shipping Committee meantime but he hoped that the Association would hold a watching brief. It was agreed by the Executive that the work of such a Committee is undoubtedly a Chamber of Commerce duty.

Under date 29th August, Government sent in a detailed reply to the Report of the Shipping Facilities Committee in which the following appears under paragraph 24.

"With reference to paragraph 63. It is realised that the question of Steamer freights and passages are of the first importance to producers and business firms, and the further recommendations of the Association of East African Chambers of Commerce with regard to the appointment of a Committee representative of the various interests and sections of the Community will receive full consideration."

In reply to the foregoing under date 29th September 1924. The Executive wrote (in reference to the above paragraph).  
 My Executive feel that the duty of watching over Shipping matters is primarily one for the Commercial Section of the Community, and they suggest they should be empowered to form a small permanent Committee from the Executive of the Association of E.A. Chambers of Commerce with power to co-opt representatives of other interests concerned, to enable them to continue the work already begun provided always that adequate financial support can be arranged for.

Government again wrote on 20th January 1925. "Presumably your Executive will make a further and separate communication upon the question of a Standing Committee upon Shipping facilities."

Copies of the above three letters were forwarded to all Chambers including Zanzibar, Darassalam and Uganda.  
 Copies of the Shipping Facilities Report together with the above three letters were forwarded to the Parliamentary Commission.

On 15th January Government wrote enclosing copy of the Interim Report on the East African Shipping Services made to the Secretary of State by the Imperial Shipping Committee, and asked for comments by this Association.

Paragraph 12 of this report reads as follows:-

"We strongly recommend therefore that two Associations should be formed, one in London and the other - say at Mombasa and that for the purpose of negotiations with the latter, the ship owners should be represented by suitable qualified Agents intrusted with the necessary powers. We understand that British Steamship Companies do already arrange freights and conditions at any Ports beyond the seas by means of local conferences of their Agents, and that there would be no difficulty in arranging for this in East Africa, always provided there were an adequate Association of Merchants and Planters with whom these Agents might negotiate with some assurance that the agreements arrived at would be acted upon."

Paragraph. 11.

"The only place where the majority of the problems involved in the Export Trade from East Africa can be promptly and efficiently dealt with appears to be at some point, probably Mombasa in East Africa itself. After careful enquiry we have come to the clear opinion etc.etc.... which has shown that negotiations between Shippers and Ship owners is most conveniently conducted at the point of Export. Our recommendation is therefore, that there should be two Associations of Shippers and not one, to deal with East African Trade."

This view was approved by the Parliamentary Commission in their Report.

Copies of above were placed in the hands of all delegates to the January Session 1925, when the matter was again fully discussed and the following resolution was passed.

"That it be an instruction to the Executive forthwith to initiate steps towards the formation of a Representative Shipping Committee of all interests in Eastern Africa capable of negotiating with the Shipping Companies on all matters including rates and of generally watching and investigating all questions of a Shipping nature."

A further Meeting in Committee was held on the last day of the Session when it was resolved to write to the Conference Lines before proceeding further. The following letter was sent.

23rd January, 1925.

To the Conference Lines.

Dear Sirs, PERMANENT SHIPPING COMMITTEE.

At the Half yearly Session of this Association concluded to-day the Interim Report of the Imperial Shipping Committee was discussed.

After consideration of this Interim Report we are in agreement that some body should be formed locally to deal with matters referred to in that Report.

We consider that the functions of such a body should be to meet periodically with the Conference Lines and discuss any questions of interest. To act as advocates on appeal from any decision of the Conference Lines on matters affecting freight rates or tonnage provided this body is satisfied that there is a case for appeal.

Would the Conference Lines be content to regard the Executive of the Association of E.A. Chambers of Commerce as a Representative body to deal with Shipping interests with whom they would be willing to negotiate.

My Executive have instructions to initiate steps towards the formation of such a body and would therefore be glad of an early and definite reply to the above question."

No definite reply was received, the Conference Lines merely stating under date 30th January that they would be glad to hear as to the constitution of the Committee and also what interests would be represented. At the same time they were communicating with their London Office.

On 24th February the Conference Lines were sent copies of letters it was proposed to send to producing associations, and asked whether in the event of representatives of these Associations joining the proposed Committee, the Shipping Companies would be willing to negotiate.

The reply of the Secretary was as follows. "We agree that as a first step these Maize & Coffee people should be represented on any Committee. Then acceptance of the Maize and Coffee interests completes the Kenya side of the question, but until the Uganda, Zanzibar and Tanganyika interests are brought in I feel that the Conference will not recognise the Committee.

Letters of invitation to join in the formation of a Committee were forwarded under date 3rd April 1925, to the Kenya Farmers Association, The Plateau Maize Growers Association and the Coffee Planters Association. On 26th May all replies had been received, all three consenting to send representatives. The Executive met on 28th May and resolved that a preliminary Meeting should be held on Monday 27th July immediately following the dates of the Nairobi Agricultural Show and July Races, and immediately preceding the July Session of the Association to be held on Tuesday 28th July and following days. Invitations were sent to the above three bodies, and the Convention of Associations were invited to appoint two members to represent planting interests other than Coffee and Maize. They agreed to appoint delegates. Letters of invitation to attend the preliminary Meeting were sent to the Uganda, Darressalaam and Zanzibar Chambers of Commerce under date 9th June.

It was subsequently decided to hold in Mombasa the Meeting called for 27th July in Nairobi.

Bren Sept 18  
Harty J

Off 40061/15 Africa  
Kenya

151

- Trichey.
- Shuckburgh.
- Davis.
- Trindle.
- MacIntosh Smith.
- Tombsy-Gore.
- Emery.

22 Sept 1925

Sir

I have to ack the  
 rec<sup>d</sup> of your desp N<sup>o</sup> 954  
 of the 14<sup>th</sup> of Sept, reporting  
 the opening of the first  
 session of the Shipping  
 Conference and to express  
 my satisfaction of the  
 prospect of the formation

DRAFT.

JUC

Copy D.O.T. - 23 SEP 1925

94  
OAL

no. revised

24/6

representative  
a ~~letter~~ to deal with  
Shipping matters  
~~California shipping matters~~

I am to request that  
the printed enclosures to  
the dispatch  
may be returned after  
perusal.

Yrs

(Signed) W. G. BOTTOMLEY