

1923

290

KENYA

CO
17328
REC'D
RE: 7 4/23

SMITH, T.

DATE

5TH APRIL 1923

FOR CIRCULATION -

Mr.

Mr.

Mr.

Asst. U.S. of S.

Perm' U.S. of S.

Parl' U.S. of S.

Secretary of State.

SUBJECT

CABLE ARRGT'S ON MOMBASA ISLAND

DIRECT DEALING BETWEEN R.T. COY & THE PUBLIC

Encloses copy of letter he addressed to the Coy. It will be observed Colony is not committed in any way. Submits suggestions as to proposed visit to C.O.

Previous Paper

MINUTES

1. All except - say that the "comm" will be sent to him when top is in possession of views of S.P.C. & C.O. in the light of a memorandum of a high power W.T. station in Kenya - a that in measure, if the S.P.C. feeling comminates to push with him request that he will refer to C.O. ~~regarding~~ ~~the~~ ~~subject~~ ~~of~~ ~~the~~ ~~proposed~~ ~~to~~ ~~send~~ - a note in the matter he is free to come over to London if required. (Black letter copy)

copy comm. to S.P.C. 7 con. 12 April 1923
 a " to Gov conf 1 hour 20
 then to S.P.C. - 29 May 1923. 525062. 23

Subsequent Paper

in:6

2. Reg'd 15/20/22 memo to S.P.C. for inf. copy of

12314/23 & J.P. (i.e.
 the letter of 27 March).
 & this letter with
 enclosed - saying that
 J.P. hopes E.P.
 will be in a position
 to reply shortly
 to T.O. letter on
 12053/23 [now with
 his E.P. standing] of
 the Marconi Open.

3. P.S. note to bring
 up when we have
 E.P. & T.O. replies
 to Marconi Open.

Uced

9 4 23

a loose

5/4/23.

400

station in Kenya. Even if nothing comes of the offer, the fact that it has been made will considerably strengthen the hands of Government in negotiating with the Cable Company.

I fear it is unlikely that I shall be in London privately prior to passing through on my return to Kenya, but I shall be glad to cross over, in my own time, at any time which may be convenient to the Colonial Office. May I suggest, however, that it might be well to await the reports from the General Post Office and the Imperial Communications Committee on the Marconi Company's offer before I am called to London, and also that I may, if that be possible, be furnished with particulars of the offer made. It may be necessary for me to refer to Nairobi for information on some points connected with it if I am to discuss it usefully, and time may be saved if I could now be furnished with particulars.

I have not yet had a reply from the Cable Company to my letter, but in acknowledging its receipt the Managing Director¹⁴ stated that the various points raised therein would receive careful consideration. If the Company agrees to close down its Kilindini Office, the whole position now and in the future will be considerably simplified.

I have the honour to be, Sir,
Your obedient Servant,

Stewart

5/4/23.

400

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I have the honour to be, Sir,

Your obedient Servant,

[Handwritten signature]

Confidential.

CW
St. Helen's,
Leeson Park,
DUBLIN.

401

5th April 1923.

The Under Secretary of State,
Colonial Office,
LONDON, S.W.1.

SC

113.
REC^d
APR 7 1923

Sir,

I have the honour to acknowledge receipt of your letter (confidential) No. ⁴14314/1923, of the 27th ultimo, on the subject of the grant of a licence to the Eastern & South African Telegraph Company to deal direct with the public on Mombasa Island and to enclose for your information a copy of the letter I addressed to the Company.

It will be observed that the matter of the grant of a licence does not arise in the proposals I submitted; and that the Colonial Government is therefore not committed in any way. In any event the Company clearly understands that any proposals put forward by me at this stage are tentative and put forward solely with a view to ascertaining how far agreement on certain points can be reached before the Conference, which it was decided to hold, takes place.

I am very glad indeed to hear that a Wireless Company has come forward with a proposal to establish a high power

Copy

ST. HELENS,
LEESON PARK,
DUBLIN.

16th March, 1923.

The Managing Director,
The Eastern & South African Telegraph Co. Ltd.,
Electra House,
Finsbury Pavement,
LONDON. E. C.

Sr.

Grant of Licence to the Company to deal direct
with the Public at Mombasa Island.

With reference to previous correspondence on the above subject and the arrangement that further discussion thereon should be postponed until my arrival home on leave, I have the honour to inform you that in a telephonic conversation which I had with Mr. Hibberdine when passing through London a few days ago it was agreed that, as a preliminary to a conference, I would submit in writing certain proposals for the consideration of the Company.

It will perhaps help towards a better understanding of the position if I mention at this stage that the financial and economic situation in Kenya Colony is such that the Government cannot possibly voluntarily surrender any item of revenue unless such surrender would directly benefit the Colony and aid in its development. There can, therefore, be no question, so far as the Colony is concerned, of the unconditional grant of the licence sought by the Company, as a concession of that nature would result, if the principle of a unified rate to and from the whole of Kenya is to be maintained, in a net loss of revenue

any consideration being r

sum, approximately.

point to which I should refer.

Statements such as those contained in

Ho. T.A/266 of September 13th, 1921, to the

not calculated to forward an amicable

settlement of this question. From returns taken I am in a

position to refute these statements, and I have by me copies of

correspondence with the merchants of Mombasa showing that there

is a good deal of misapprehension on their part as to the position

of the Company in this matter. I am sure that when the facts are

before you the statements to which I have referred, as forming

one of the grounds on which the Company's request is based, will

be withdrawn.

The circumstances being as they are, the Company will,

I am sure, be willing to agree to any arrangement having for its

object a reduction in cable rates to and from the Colony without

involving the Company in any real financial sacrifice. As you

are probably aware the Government of the Colony has effected very

heavy retrenchments and is straining every nerve to foster

production and trade so as to place the country on a sound economic

footing. Cheap cable communication with abroad, but chiefly with

the United Kingdom, South Africa and India, is naturally an

important factor.

I have, therefore, the following proposal to submit for the consideration of the Company.

- (1) The Company to close down its station at Kilindini and arrange for the direct working of the cable from Zanzibar to the Mombasa Post Office; the Company to maintain the cable and, of course, take traffic there it care it on traffic passing over it. This arrangement would at least relieve the Colony's financial position.

of maintaining the Company's present establishment at Mombasa. This solution was first suggested by the Company - vide para. 4 of your letter to the Colonial Office already referred to. There are, I think it will be agreed, no technical difficulties in the way.

(II) Group East Africa with India and Ceylon as regards transit rates to and from the United Kingdom. This grouping has long been advocated.

(III) Revision of the transit rates between Kenya and India and South Africa.

(IV) Grant of a uniform transit rate on up-country and Mombasa traffic. Except in regard to traffic for Europe, and traffic transiting Europe, the Company at present, without any apparent justification, require a transit rate on up-country traffic of 18 centimes per word more than on Mombasa traffic.

In regard to (II) and (III) it is my considered opinion that reduced rates would result in such an increase in traffic that there would be no loss to the Company in net revenue. Moreover, if the Company can see its way to grant any concession in transit rates I should be prepared to recommend to the Kenya Government a corresponding reduction at least in the Colony's terminal rates.

I have the honour to be, Sir,

Your obedient servant,

27

Post Master General.
Kenya Colony and Uganda Protectorate.

~~38~~
~~52~~

Conf.

12 April 1923

Amval:
21321

21/19 328/45
Sir

DRAFT.

Fitz Gerald Esq

I am to acke the recd of
your letter of the 5th of April

MINUTE.

Regarding the arrangements for

- Mr. Brett April 10
- Mr. Parkinson
- Mr.
- Mr. Davis.
- Sir G. Grindle.
- Sir H. Read.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Duke of Devonshire.

dealing with telegraph work

on Mombasa Island, & to

inform you that a further

communication will be sent

to you when he is in process.

in view of the views of the P.C.

& the Imp't. Comm'n.

Comtee, on the offer of Marconi

copy to S.O. - 12 April 1923
" you conf 1 Aug 1923

rd/6

Wireless Tel. Co. for the
equipment of a high power
wireless station in Kenya.

In the meantime, if
the Eastern S. African Tel. Co.
communicate further with you, I am
to understand that you will refer to this
best use of money which you would
propose to send the Company.

I am both much
~~I am both much~~
grateful to you for offering
~~me the opportunity to~~ that offer

to come over to London, in
connection with the matter, if
your presence here is required.

Should it be necessary to discuss
matters with you, the Supt. will
be glad to avail himself of your offer
(Signed) H. J. R.

on the subject

a copy of correspondence of J. J. Fitzgerald, ~~Patrol Officer~~

~~Patrol Officer~~ who now holds the post of

~~the subject~~. Postmaster

sgs.

2. The ~~subject~~ hopes that he may receive some ~~good~~ will be in a position

a reply ~~sent~~ to the Col. Office which was sent to you in

letter of the 24th of March,

relative to the offer of Marconi's

Wireless Telegraph Company.

for the instal^{ment} of a high power

wireless station in Kenya.

Jrc

(Signed) H. J. REAU

on the subject

a copy of correspondence of J.
~~remembered~~ ~~Paterson-Jensen~~

Fitzgerald, ~~Paterson-Jensen~~

who now holds the post of
~~the subject~~. Paterson

sq's.

2. The ~~subject~~ hopes
that he may receive some
good will be in a position

a reply ~~sent~~ to the Col. Office
it was sent again in
letter of the 24th of March,

relative to the offer of Marconi's

wireless Telegraph Company.

for the establishment of a high power

wireless station in Kenya.

Jrc

(Signed) H. J. REAU