

DOMESTIC.

EAST AFR. PROT.  
UGANDA  
No. 11431

C. O.  
4931  
REC'D  
FEB 8 1907

Title of Individual

(Subject.)

Act of 1907

1907

Cable Rates

Like previous Paper.

Communicates arrangements arrived at with Eastern Cable by His Hon. Genl. Sir G. G. ... respecting ... that should be ...

The Hon. Mr. ...

(Minutes.)

... has been delayed for ...  
... provisional arrangement with the Company is based on  
(1) the fact that ... the Company agreed to send ... to and from ... for 2/6 a word, ... at the ... of the ... has to be ... by the Govt, who charge ... message for the work ... the public ... a ... charge ... because the Govt do not fulfil their contract.

It is proposed to ... that the Govt should allow the Govt 7 1/2 c (1.25) per word out of the 2/6. The loss to the Govt would not be ... the charge would be likely to ... coverage traffic.

Copy sent Eastern ...  
Copy sent ...  
Copy sent ...  
Copy sent ...

Copy x above ...  
to ...  
to ...

sequent Paper.

1) The fact that the Company has charged  
12.5% (1/8%) instead of half the ~~post~~ public  
rate (1/4%) & Mr. Jorling claims that  
this should be discontinued & that  
a refund (of which has latest  
estimate is £192) should be given  
in respect of back overcharges.

2) Put these proposals to the T Co  
officially & send copy of same on  
to S.P. & Jorling.

3) If the changes made I think Mr  
Jorling should be recommended. He is a  
friendly & sensible man.

+  
Jorling  
2/2

56912

4931  
St. Francis Hotel,  
REC<sup>d</sup> London  
RIG 8 FEB 07  
28th January 1907.

13

Sir,

With reference to your letter of the 20th of December last, and to subsequent correspondence regarding the proposed terminal credit on cablegrams for Mombasa, and the charges necessitated by the adoption of a central currency, I have the honour to inform you that I am recommending the acceptance, by my Government, of the basis discussed at our interview on Friday last, as follows:-

**MOMBASA CABLEGRAMS**

- a. Your Company will credit the Government of the East Africa Protectorate with 1 cent per word for ordinary traffic and 2 cents per word for Government and Press traffic in respect of all cablegrams delivered by the Mombasa Post Office.
- b. The charge to the public for cablegrams from the Mombasa Post Office to Europe shall be Rs. 1-80 cents per word, of which the Government will credit your Company with R.1-40 cents.
- c. The charge to the public for cablegrams from Mombasa to Zanzibar to be 40 cents per word of this your Company will receive 20 cents.
- d. In respect of all other cable traffic from the Mombasa Post Office your Company will receive the exact equivalent, in rupees, of 1 cent of a rupee, of the Franc tariff, of 1 cent of a rupee per word of private messages and 2 cents per word of official

and press messages. The exchange between the  
French and Rupee currencies to be at the ra  
of 60 cents of a rupee to one franc.

In the case of cablegrams handed in at the  
Milindia cable station your charges will be  
similar to those made at the Bombay Post  
Office on like traffic.

The present supplementary charge of 10 annas  
per message levied by the Government on  
Bombay cablegrams shall be discontinued.

UP COUNTRY CABLEGRAMS

g. The Joint Terminal for East Africa and Uganda  
shall be notified internationally as 35 cent-  
imes, with the understanding that your Company  
accepts 3d as the sterling equivalent of the  
same in the United Kingdom and pays 20 cents  
as the rupee equivalent in East Africa.  
This 20 cents to apply to all classes  
irrespective of the country of origin.

h. For cablegrams from Malindi your Company to  
receive the same rates as are charged to the  
public for similar traffic by the Bombay Post  
Office.

PREVIOUS OVERCHARGE ON GOVERNMENT CABLES.

Your Company undertakes to make a suitable  
and in respect of the overcharges on Government  
cablegrams which have been made for several years past.

I am greatly obliged by your kindness in send-  
ing the various returns and documents bearing upon  
the business of our interview: they have been of great  
assistance to us.

I have the honour to be  
Sir,  
Your obedient Servant,  
*J. G. G. G.*

*Copy*

C. O.  
4931

THE EASTERN TELEGRAPH COMPANY LIMITED

THE EASTERN & SOUTH AFRICAN TELEGRAPH COMPANY, LIMITED.

Recd  
FEB 9 1907

Electric House, Finsbury Pavement,

London. 20th December 1906

No. 77.

J. Geeling Esq.,

St. Erskine's Hotel,

Carton Street, Westminster, S.W.

Dear Sir,

Referring to our interview yesterday, on the subject of the exchange of telegrams between the Government Telegraph Department of the British East Africa Protectorate and this Company, I now beg to put in writing the basis discussed, subject to the approval of your Government and the Boards of the Associated Companies.

TELEGRAMS FROM BRITISH EAST AFRICA.

From Inland Offices, the Company to debit for the United

Kingdom the full tariff notified to the Public in the Island of Mombasa.

From Mombasa Island, on similar telegrams collected by the Government,

the Company to debit a tariff made up of the exact equivalent in francs of franc tariff, less the amount of the terminal for the time being.

On telegrams collected by the Company at its office, no terminal rate will be charged by the Government, the Company retaining the total amount charged to public.

TELEGRAMS TO BRITISH EAST AFRICA.

To Inland Offices the Company to credit the Government with a terminal of 20 cents of a Rupee.

To Mombasa Island when delivered by the Government, the Company to credit a terminal of 4 cents of a Rupee.

Mombasa Island when delivered by the Company, no terminal payment due by the Company.

The notified terminal rate for Inland Offices in British East Africa will be reduced from 40 centimes to 35 centimes; the Company undertaking to charge in the United Kingdom a sterling equivalent of 3/- for the same, and pay at Mombasa on a rupee equivalent of 20 cents.

The British East Africa Protectorate agrees to take for Mombasa Island a reduction of 50% for British and Colonial Government and Press telegrams.

In the event of a future reduction in the through tariff between Europe and Mombasa, the British East Africa Protectorate will consider the possibility of a round terminal charge for the whole of British East Africa, including Mombasa Island.

The rate of collection to be 60 cents of a Rupee to franc and a rounding up to a even figure, resulting on a present tariff from Mombasa to Europe of Rupees 1.90 and to Zanzibar of 40 cents of a Rupee.

This arrangement to come into operation from the date the new rupee cent currency is adopted, probably 1st. April 1905.

It is suggested that the office hours of the Company's station at Kilindini shall be 9 a.m. to 1.30 p.m. and 2.30 p.m. to 5.30 p.m.

I hand you herewith particulars of the tariff exchanged over the Company's Mombasa Cable for the years 1903, 1904 and 1905.

Yours truly,  
for Managing Director.

*col* W. Hibberdine

Traffic Accountant.

C. O.  
4931  
St Ersmann Hotel,  
London.  
FEB 07

28th January 1907.

18

TELEGRAPH RATES - CABLE

Sir,

With reference to the verbal statement regarding relations with the Eastern Telegraph Company which I made to Your Excellency on the occasion of our last interview at Nairobi I have now the honour to report that as the result of direct negotiations with the Company's Managing Director, and the Traffic Accountant, a provisional settlement has been arrived at.

The Company has hitherto demanded that it should receive the whole of the charge of Half a crown a word (Rs 1-14 annas) collected on Cablegrams handed in at the Mombasa Post Office for transmission to Europe, and the Protectorate Administration has been obliged to obtain remuneration for its services by levying an extra charge of 6 annas per message. Similarly in the case of cablegrams arriving from abroad and delivered by the Mombasa Post Office no terminal credit was allowed by the Cable Company and payment had to be obtained by levying a further charge to the public of 5 annas on delivery. I had been in correspondence with the Company since 1904 regarding this matter and failing to obtain satisfaction I brought the papers with me to London.

As a result of enquiries at St. Martins le Grand, and reference to the Agreements bearing upon the case, I found that the Cable Company, some years since, entered into an undertaking to deliver Cablegrams from England at Mombasa for Half a crown a word, and had

obviously

Exc. J. Hayes-Sadler C. B.  
H. M. Commissioner  
British East Africa.

*Handwritten notes:*  
to Mr. Hayes-Sadler  
copy



obviously failed to carry out this arrangement in the past (delivery at Mombasa involving a supplementary charge to the public of 6 annas). Using this as a basis of negotiation I have been able to obtain an arrangement by which the cable Company credits my Department with 4 cents of a rupee per word of ordinary public cablegrams, and 2 cents per word of Government and Press Cablegrams despatched or delivered from the Mombasa Post Office; and in regard to profits resulting from the rounding up of the notified international charge into rupees, and cents of a rupee, those accruing from the Mombasa traffic (approximately two thirds of the whole) shall be retained by the Government and those resulting from the up-country traffic shall belong to the Company.

#### MOMBASA CABLE RATES

4. Under the proposed arrangement the charge for cablegrams from Mombasa to Europe would be R. 1-90 cents per word, being the same as from Mauritius (the rates from England to Mombasa and Mauritius are identical). Of this sum R. 1-83 cents would be credited to the Cable Company, the Administration retaining <sup>7</sup> 3 cents per word and discontinuing the present supplementary charge of 6 annas per message. The Company's returns of Mombasa traffic for 1905 show an average of rather over 8 words per message, and on this basis the Administration would receive <sup>8</sup> 24 cents per message, in lieu of the present charge of 6 annas, or 37 cents.

5. On cablegrams delivered at Mombasa by the local Post Office the terminal charge of 4 cents per word on ordinary traffic would on the basis of an average message of 8 words yield only 32 cents, or 5 cents less than the present charge; but under the proposed arrangement the Company would pay half rates (2 cents) on Government

Government messages upon which nothing is now received, and as the Government traffic represents nearly half of the European messages to East Africa and Uganda (1905 - total 16983 words of which 7185 Government) the average receipts from messages delivered at Mombasa should be rather more than at present.

6. The above arrangement would apply generally to cables to and from all parts of the world as per the following list showing the proposed charges to a few of the places with which there is a considerable traffic:

From Kilindini Cable Station or Mombasa Post Office

To.	Proposed charge per word.	Amount retained in respect of messages sent from Post Office
Europe.	Rs. 1-90	75 7/8 cents
India.	" 2- 0	4 "
South Africa.	" 1-55	4 "
Southern Rhodesia.	" 1-70	6 "
North America (Eastern & Central States)	" 2- 7	15 1/2 "
German East Africa	" -50	5 "
Zanzibar	" -40	19 6/8 "

I estimate that the revenue derived from the adoption of these proposals would be about £50 per annum more than that which accrues from the present supplementary charge of 6 annas per message.

#### UP COUNTRY STATIONS.

7. The rates for cables to and from up country stations have hitherto been four annas per word more than those charged for the Mombasa traffic. This has given rise to complaint, particularly in the case of messages addressed first to Mombasa and then re-directed to the interior upon which four annas per word

word, being nominally double the inland rate, has to be collected on delivery, and I believe that the Colonists Association approached the late Sir Donald Stewart on the subject about 18 months since.

5. The present charge is difficult to defend as although a fee of double the inland rate for cablegrams is not unusual in the arrangements of other countries the East Africa fee practically amounts to a treble rate, owing to the addresses of inland telegrams being transmitted free whilst those of cablegrams have to be paid for. I therefore beg to propose that the charge be reduced to 3 annas. This would have the effect of lowering the cable rate to East Africa by 1d. a word (the rate from London being 2s.9d. instead of 2s.10d. as at present), and would permit of a re-direction charge of 1 cent of a rupee, which together with the Mombasa credit of 4 cents would give a revenue of 19 cents of a rupee per word of cablegrams re-directed to up country stations. It will be seen from the enclosed copies of correspondence with the Cable Company that it is suggested that this local charge or "terminal" should be notified internationally as 35 centimes, and that the Company agrees to round this down to 3d. in the case of messages from the United Kingdom and to pay my department 20 cents of a rupee as the equivalent of that amount. On traffic in the opposite direction (i.e. from East Africa) the actual amount received would vary owing to the rounding up, or down, of the charges to fit in with the central currency, but would average about 18 cents making a mean for the inward and outward traffic of 19 cents of a rupee in lieu of the present charge of 4 annas. I estimate that the loss of revenue from this alteration
- would

*Letter account  
20-11-06  
Letter account  
28-1-07*

would be about £220 in respect of the ensuing financial year.

9. The following are the rates proposed in accordance with the foregoing to a few of the countries to which there is a considerable cable traffic.

Up Country Cable Rates.

To.	Proposed charge per word.	Amount retained by Protectorate Administration.
United Kingdom and Continent of Europe	Rs. 2-06 cents	16 cents.
India	Rs. 2-18 "	18 "
South Africa	Rs. 1-75 "	19 "
Southern Rhodesia	Rs. 1-85 "	15 "
North America (Eastern & Central States)	Rs. 2-95 "	21 <sup>18</sup> / <sub>20</sub> "
German East Africa	70 "	20 "
Zanzibar	60 "	20 "

It is proposed that these charges shall be brought into force as from the 1st of April next.

RATES FOR GOVERNMENT CABLES.

10. Some time since I had reason to doubt the accuracy of the Cable Company's charge for Government messages to Europe and suggested to their local representative at Kilindini that this should be 15 annas (1s. 3d.) instead of the 1 rupee per word which he claims I found that the charge was defended as being quite in accordance with "an accepted principle" in regard to the rounding up of rates on transfer from one currency to another. However I was not satisfied and have taken up the matter with the Company's representatives in London. The question stripped of technicalities amounts to this: I find that the Company have by agreement undertaken to transmit Government cables at half

rates charged to the public; the public rate to Europe is 30 annas and the rate claimed from the Government has hitherto been 16 annas. The Company's traffic accountant has found it impossible to justify a "round up" of charges which gives 1s. 4d. as the half of half a crown, and has promised to make a refund for such period as his accounts have been preserved. I opine that there should be a minimum refund of £150.

£150

- 11. In regard to Government cablegrams for 1907 sent on and after the 1st of April next the Company's charge will be <sup>92</sup> 25 cents of a rupee, ~~being one-half the rate proposed to be charged to the public.~~ 19

ORDINARY INLAND TELEGRAMS.

- 12. I am dealing with the question of ordinary inland telegrams in a separate despatch.

I have the honor to be,

Your Excellency's

Most obedient servant

*J. H. [Signature]*  
General Manager  
British India

Your Excellency,

I received a memorandum. I think the C.O. should confirm the amount proposed with the Cochran Telegraph Co. and the new scale should come into force at once. I do not think Uganda need be consulted unless be informant of the first arrangement.

7/1/07

M<sup>r</sup> Peart

I think the arrangements Mr. Peart has suggested should be accepted & confirmed if there is none of the Dir of State who does not seem to be very necessary for referring the matter to the Govt.

My dear Mr. [Name], as [Name] [Name] is  
a [Name] contribution from [Name] Africa  
to a [Name] of [Name], & is therefore  
not [Name] [Name], beyond the  
fact that it will get a slight  
[Name] on [Name] [Name]  
[Name].

The [Name] will [Name] [Name]  
[Name]

[Signature]

7-2-02

S  
4931  
EAP  
Yanda

15<sup>th</sup> February 1907

Sir,

I am directed by the  
Earl of Elgin to inform  
you that his attention has  
been drawn to certain

DRAFT

~~Secretary~~  
Director  
Eastern Telegraph  
Company Ltd.

memoranda which exist  
at present in the notes  
charged for telegraphic  
business between the  
United Kingdom and  
the East Africa Protectorate

MINUTE

- Mr. Bottomley 14/2
- Mr. Read
- Mr. Antrobus
- Mr. Cox
- Mr. Lucas
- Mr. Graham
- Sir H. Osmann
- Mr. Churchill
- The Earl of Elgin

Copy to Mr. ...  
to ...

2 on the first place,  
Lord Elgin is informed  
that, although the  
Eastern Telegraph Company  
have undertaken to  
deliver telegrams from  
England at Mombasa  
for 25.6d. a word, the  
Company's system does

Handwritten notes and dates  
5th Feb 20 Dec  
sent to 4931  
11th Dec 1907

100  
96  
149  
51  
200  
100  
100

Handwritten notes at the bottom left  
4931  
A/P/O

not extend beyond  
Belgium, and that  
the transmission and  
delivery of telegrams  
by sea between that  
place and Roubaix  
have fallen on the  
Belgian Govt. For  
this work, which should  
properly have been  
conducted by the  
Company, a charge of  
six annas a message  
has been levied by  
the Govt. This charge,  
being additional to  
the published tariff  
for telegrams by land,  
is objectionable in  
principle.

Secondly, in the  
charge for telegrams  
to and from places in  
the interior of the Province

has been fixed at  
four annas a word. This <sup>25</sup>  
charge is below, being  
the regular rate of double  
the inland rate for  
inland telegrams, but  
it is, in fact, in excess of  
that rate, since the  
addresses of inland  
telegrams are at present  
transmitted free while  
a charge is made for  
each word in the addresses  
of cablegrams.

4. Thirdly, it appears  
that, although the  
rate for Government  
cablegrams should  
be half the public rate,  
or 15.3d a word, it has  
been the practice of the  
Company to charge one  
penny (15.0d) a word  
for Govt. cablegrams  
from the Protectorate.  
5. These matters have  
been brought to your



Elgin's notice in connection  
with the revision of the  
telegraph rates which was  
rendered necessary by  
the adoption of the Central  
division of the empire as from  
the 1st of April next. They  
have been discussed by  
the representatives of the  
Company and the Postmaster  
General of the E. A. and  
Nyanon Protectorate, and  
in view to Arrivals beyond  
the accompanying copy of  
on the subject between  
W. J. J. and the Traffic  
Accountant of the Company  
embodiment a proposed  
arrangement for the  
basis for a settlement

6. Their proposals involve  
(1) in regard to Nombasa  
cablegrams, the discontinuance  
of the charge of 6 annas  
a message, subject to the  
Govt. receiving a portion of  
the charge by the public

(2) the charge by the Company

DRAFT

MINUTE

Mr. Lucas  
Mr. G. G. G.  
Mr. Ommanney  
Mr. J. J. J.  
Mr. J. J. J.

as compensation for the  
loss of the terminal  
charge. 26

(2) in view of  
up-country cablegrams,  
the adoption of an  
international <sup>extra</sup> rate of  
35 centimes per word on  
cablegrams to East Africa,  
the equivalent of the being  
taken to the sd. in the  
United Kingdom, and  
payments being made by the  
Company to the Govt. at the  
rate of 20 centimes and

(3) a refund to the  
Govt. of the extra charge  
of 1d. a word on Govt.  
cablegrams. Lord Elgin  
undertakes that this  
will amount to about  
£192.

(4) certain modifications  
connected with the  
introduction of the  
determination of rates

in the new central  
Courage.

7. ~~Handwritten~~  
After consulting  
the Com. of the  
S.A.R. Board & after  
is willing to <sup>confirm</sup> ~~confirm~~  
the proposals contained  
in Mr. Goulet's letter  
to the Hon. Secy of the  
28th of January,  
subject to two or more  
alterations designed to  
avoid the use of fractions  
of a cent, namely the  
reduction of R 183 to  
34 cents as the balance  
to be credited to the Company  
in respect of Cleyne  
from 1800 to 1801  
and from 1802 to  
1803, and respectively.

Company, are able to  
confirm this <sup>settled</sup> ~~arrangement~~  
ment on their part,  
and, as it is <sup>very</sup> desirable  
that the necessary  
arrangements should  
be made before  
the 1st of April, I  
do request that the  
Company's decision  
be communicated  
at an early date

Res.