

1923

KENYA

10

101

C O  
55255

DATE

13th Nov, 1922

RF  
R

16 OV 23

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
Microscope. ~~\_\_\_\_\_~~

CIRCULATION —  
Mr.  
Mr.  
Mr.  
U.S. of S.  
*S. H. Read*  
U.S. of S.  
U.S. of S.  
Secretary of State.

SUBJECT

M B a a k e Estate

(I would be prepared to give up to a second option if that year's losses could be made good and if African Ashafoge could handle all charge passing to me. M B a a k e Estate.)

Previous Paper  
50  
153735

MINUTES

(Taken from L. Hylsant's minutes)

This has been overlooked through the bundle coming back to me with 53735 on the top.

Tel. for Conran 25 Nov 23  
And so - 2 Nov 23  
Further tel to Gov. 5 Dec 23  
6  
Conran

As regards the parcel marked A, we had at the time of the case to the African Charfoge (and my) no idea that Major Grogan was contemplating the disposal of the charf to anyone, foreign or not. Compare the minutes in Gov/23033/22 with the message (attached to it in Nov/22)

Subsequent Paper  
Gov  
160132

we had nothing between.

Also, we have nothing  
that can show that

"it was thought then

- Nov. 14 22 - that the

Gov's words came to mean

definite decision within

a short time". There was

then nothing for the Gov't

to decide upon - Gov't

action was first resolved

in the Gov't let. of

9 January (2124/23).

The African Chartered  
Company got themselves  
into their present position  
at their own ends & without  
any prospect that the  
Gov't would take them  
out of it.

Therefore we can admit  
no claim for post losses.

As to B, see especially  
17231. We had long  
since that the position

we had nothing to show.  
 Also, we have nothing  
 that can show that  
 "it was thought then  
 - Nov. 14 22 - that the  
 Gov's words can be  
 taken to mean within  
 a short time". There was  
 then nothing for the Gov't  
 to decide upon - Gov't  
 action was first resolved  
 in the Gov't let. of  
 1<sup>st</sup> January (3124/23).

The African Chartered  
 Company got themselves  
 in their present position  
 by their own acts & without  
 any pretence that the  
 Gov't would take them  
 out of it.

Therefore we can admit  
 no claim for past losses.

As to B, see reference  
 17231. We had been  
 advised that the

was not challengeable, & it  
 has, as a matter of fact, not  
 been challenged. Further, <sup>102</sup>  
 will be seen from S/2667/23,  
 that what the A.W. Co. acquired  
 from the Gov't was subject to  
 the condition that

"The applicant will pay  
 "Such additional charges for  
 "haulage of goods & of such  
 "special shunting charges  
 "as may be laid down by the  
 "Tariff of Railway Administration  
 "or of which they may be  
 "advised by the Traffic Manager  
 "from time to time."

This is history, & I  
 should not venture to stretch it to  
 the limit of the A.W. Co. would  
 a very heavy.

As to C, apart from their demand  
 that they should be reimbursed  
 for their bad bargain at  
 Mombasa, they demand full control  
 of working at Mombasa, & full control  
 of working at Kilindini & Coego  
 which the U.C. & B.I. have, or

to any kind in contract  
with them, are engaged.  
Not what, 217081, the  
G. H. urged that we should  
get away from.

Comments are made to  
be required, and we should  
do best of the U.C. & D. I.  
with our two services; but I  
don't if even shipping requests  
have <sup>to</sup> and their position  
just as possibly as this.

I Reply that

(1) his letter must inevitably  
delay the progress of the  
negotiations with Major  
Grogan; we cannot say  
what the local Govt. will  
say yet, & although we  
will telegraph the matter  
and can tell the Gov. just  
to City of L? Frederick's  
letter sent back by the mail  
of 15 Nov.:

(2) we are well prepared to  
accept the contribution in the  
early part of his letter:

to any lines in contact  
with them, are engaged.  
That is what, in 1708, the  
G. H. agreed that the above  
get away from.

Comments are made &  
being made, and we should  
be body of the U.C. & B. I.  
allow their services, but I  
don't even shipping separate  
have <sup>or</sup> and their position  
just as possible as this.

? Reply that

his letter must inevitably  
delay the progress of the  
negotiation, but Major  
Grogan: we cannot say  
what the local Gov. will  
say out, & although we  
will depend on the  
news and tell the Gov. just  
to City of L<sup>d</sup> Frederick's  
letter next week by the mail  
of 15 Nov.

(2). In our attempt to  
advise the Government, with  
certain part of his letter:

(a). The attention of the Gov. to  
the A.W.C. line was so far  
we know no intention of on the  
part of the Gov. of going to  
acquire the Bahari or to a European  
in any way

(b). The 50 c. charge of one the riding  
was a substitution for a previous  
arrangement and was in any  
case ~~not~~ within the conditions  
of the agreement  
under which Major Grogan  
was employed to provide the charge  
(quote from 26/2/23) Major Grogan's  
charges have no ground of protest.

Mr G. H. in  
1703/23

also tel. Gov asking for tel. as  
soon as he gets any letter of 15 Nov. ;  
give substance of above reply to  
L<sup>d</sup> Frederick, & point out that while  
the terms demanded may not be  
indismissible to proceed with the  
acquisition of Bahari by the  
Gov. it is not possible to proceed,  
in view of the strong protest of the  
two steamer lines, who would be  
the consequence of a refusal to count

The terms on to proceed with  
the negotiations for acquiring  
laboratory.

W.C.S.  
20.XI.23

W.J. Stevenson  
to Stanley - fore.

We did not anticipate such  
a serious complication as this.  
As proposed by W. Botterby?

W.J.S.

20/11/23

The terms as to proceed with  
the negotiations for acquiring  
Kiboraki.

C.C.S. 20. x. 23

W. J. S. Sturson  
is Stanley's file.

We did not anticipate and  
a serious complication as this  
as proposed by W. B. B. B. B. B.

W. J. S.  
20/1/23

COPY.

104

Sir H. Read.

(Letter from Lord Kylesant attached)

This has been overlooked through the bundle  
coming back to me with 53735 on the top.

As regards the passage marked A, we had at  
the time of the lease to the African Wharfrage Company,  
no idea that Major Grogan was contemplating the  
disposal of the wharf to anyone, foreign or not.  
Compare the minutes on Gov. 23033/22 with the message  
(attached to it in Novr/22) about the lease to the  
A.W. Co. We had nothing between. Also, we have  
nothing whatever to show that "it was thought then  
- November 1922 - that the Government would come to  
some definite decision within a short time". There  
was then nothing for the Government to decide upon -  
Government action was first mooted in the Governor's  
telegram of 9 January (B124/23).

The African Wharfrage Company got themselves  
into their present position for their own ends and  
without any prospect that the Government would take  
them out of it.

Therefore we can admit no claim for past losses

As to B, see especially 17231. We had legal advice  
that the position was not challengeable, and it  
has as a matter of fact not been challenged. Further,  
as will be seen from G/2667/23, what the A.W. Co.  
acquired from Major Grogan was subject to the  
condition that

"the applicant will pay such additional charges  
for haulage of goods, etc. or such special  
shunting charges as may be laid down in the  
tariff of Railway Administration or of which  
they may be advised by the Traffic Manager from  
time to time".

This is distinctly elastic, and I should not  
hesitate

hesitate to stretch it to the limit if the A. W. Co. insist on being nasty.

As to C, apart from their demand that they should be reimbursed for their bad bargain at Mbaraki, they demand full control of working at Mbaraki, and full control of working at Kilindini of cargo <sup>in</sup> which the U. C. and B.I. Lines, or any lines in contract with them, are concerned. That is what, in 17031, the General Manager urged that we should get away from.

Governments are made to be squeezed, and we should do badly if the U.C. and B.I. withdrew their services; but I doubt if even shipping magnates have ever used their position quite as forcibly as this.

Y Reply that

(1) his letter must inevitably delay the progress of the negotiations with Major Grogan: we cannot say what the local Government will say to it, and although we will telegraph the matter must wait till the Governor gets the copy of Lord Inchcape's letter sent to him by the mail of 15th November.

(2) we are not prepared to admit the contentions in the earlier part of his letter:

(a) at the time of the lease to the A. W. Co. there was as far as we know no intention on the part of the Government of Kenya to acquire Mbaraki or to intervene in any way

(b) the 50 c. charge over the siding was in substitution for a previous arrangement and was in any case within the conditions of the Agreement under which Major Grogan was empowered to operate the wharf (quote from 2667/23) Major Grogan's lessees have no ground of protest.

Vide G.M. in  
18031/23



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Vide G.M. in  
18031/23

also telegraph to Governor asking for telegram as soon as he gets my letter of 15th November; give substance of above reply to Lord Inchcape, and point out that while the terms demanded may make it undesirable to proceed with the acquisition of Mbaraki by the Government it is not possible to foresee, in view of the strong position of the two steamer lines, what would be the consequences of a refusal to accept the terms or to proceed with the negotiations for acquiring Mbaraki.

W. L. B.

20.XI. 23.

Sir J. Stevenson 22/11/23

Mr. Grimsby Gore.

We did not anticipate such a serious complication as this.

As proposed by Mr. Bottomley?

M.J.R.

20/XI/23

We did not: at the same time I agree with the preliminary action proposed by Mr. Bottomley. He may be "squeezed" later but we should resist the attempt. If the whole proposal can be turned down as impossible I shall be sorry.

*[Signature]*

22/11/23

W.L.B. See  
on minute  
C.G.S.

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Sir J. Stevenson 21/11/23  
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*[Signature]*

22/11/23

last to  
see the pp. See  
lines on minute  
table?  
L.C.S.

1. Major Grogan called this morning to press for an early decision; he does not see how his Company can keep going for more than another month.

I mentioned as reasons causing delay (a) the absence of the Governor and the General Manager in Uganda and (b) the fact that Lord Inchoape's pressure for an early decision had led us, in order to save time, to explore what the attitude of the African Wharfage Company would be. I said that the reply which we had received would need consideration with the Governor.

Major Grogan complained that our action was premature if it did not amount to a breach of faith. His offers had been made on the basis that, when accepted, it would be for the Government then to negotiate with the African Wharfage Company and the amounts for which he had asked had been made specially low so as to cover any risk which we might incur subsequently.

On looking through the papers I find the following which might be held to bear out Major Grogan's view.

(a) My minute to Sir R. Coryndon of July 12th, initialed by Major Grogan, which is attached to 34519. The last paragraph <sup>contemplates</sup> indicates the possibility of the Government becoming the lessors to the African Wharfage Company before that Company came to any decision as to the option to purchase.

(b) Major Grogan's last offer in 47554 contained the following:-

1. " The price for outright sale of 7 acres

To end of our  
... had not  
... already  
ble!

See minute of 12/11  
now attached

the question put  
to Grogan

with sheds and pier, subject to A.W. Company being willing to waive option". His offer was £116,000 for area with sheds and pier as now leased to A.W. Company, leaving Government to negotiate with A.W. Company.

There can be no doubt that Major Grogan has assumed that negotiations with him would be on the basis of the <sup>same existing conditions as regard</sup> ~~existence~~ of the lease to the A.W. Company, and that in the last-mentioned passage he was at some pains to indicate that the negotiations with the Company had nothing to do with him. But I cannot see that we have ever committed ourselves to postponing all negotiations with the Company until the arrangements with him were completed or that we were so bound to "buy a pig in a poke", that having quite innocently looked inside the bag, we are precluded from being guided in our subsequent action by the unprepossessing appearance of the animal.

Major Grogan pointed out that if the negotiations with him broke down as a result of Lord Inchoape's demands and the Govt. definitely said that they were not going to buy, he and his Company would be entirely at the mercy of the African Wharfage Company. I did not say more at the time than that I would put the matter forward and would see if it were possible to separate the two questions of the purchase of his interest and the negotiations with the African Wharfage Company. I think that it is not possible <sup>to separate them at all</sup> ~~and that action as in my previous minute must proceed.~~

2 Major Grogan suggested quite spontaneously that we could get the better of the African Wharfage Company <sup>(and</sup> ~~to~~ leave them to exercise the option if they wished) ~~to be~~

with sheds and pier, subject to A.W. Company being willing to waive option". His offer was £110,000 for area with sheds and pier as now leased to A.W. Company, leaving Government to negotiate with A.W. Company.

There can be no doubt that Major Grogan has assumed that negotiations with him would be on the basis of the <sup>best possible conditions as regards</sup> ~~terms~~ of the lease to the A.W. Company, and that in the last-mentioned passage he was at some pains to indicate that the negotiations with the Company had nothing to do with him. But I cannot see that we have ever committed ourselves to postponing all negotiations with the Company until the arrangements with him were completed or that we were so bound to "buy a pig in a poke", that, having quite innocently looked inside the bag, we are precluded from being guided in our subsequent action by the unprepossessing appearance of the animal.

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Major Grogan suggested quite spontaneously that we could get the better of the African Wharfage Company <sup>and</sup> ~~then~~ leave them to exercise the option if they wished to by ~~making~~

*See his plan  
Wednesday*

up the next eastward section of the frontage. For £20,000 we could run the railway to the cliff edge and instal a gravitated apparatus for loading homogeneous cargo, such as maize, etc. into steamers moored near the water edge, without any more complicated arrangement than mooring dolphins. If we wanted in addition to run the low-level railway round to this new site, he said that the terms of the lease to the A.W. Company would permit us to do so. In this connection he made a new offer, namely that for £180,000 we should buy the whole of the area south of the east and west road which I have marked by a blue line on the plan in 34819/23; that is to say, it would cover the existing wharf site of 8 acres, the site of the new wharf and a sufficient interland for warehouse and siding purposes. The offer was coupled with an option for two years on the rest of the water frontage.

3. This gave me the opportunity to ask Major Grogan for his own view as to what would happen if in this way we went to war with the British India and Union Castle Lines. He thought it not impossible that the Union Castle might withdraw from the East African service but he was certain that the British India were so committed to the steamship services and so involved in shore businesses, depending on those services, that we could rely on their remaining on the coast.

9 *We should* clearly ~~take~~ <sup>take</sup> action as in my previous minute but the telegram to the Gov. had better give an outline of the terms demanded in Lord Inchoape's letter in order that we may

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2 Major Grogan suggested quite spontaneously that we could get the better of the African Wharfrage Company <sup>(and</sup> leave them to exercise the option if they wished to be <sup>agreed</sup>

*See his plan  
attached.*

up the next eastward section of the frontage. For £200,000 we could run the railway to the cliff edge and instal a gravitated <sup>low</sup> apparatus for loading homogeneous cargo, such as maize, etc. into steamers moored near the water edge, without any more complicated arrangement than mooring dolphins. If we wanted in addition to run the low-level railway round to this new site, he said that the terms of the lease to the A.W. Company would permit us to do so. In this connection he made a new offer, namely that for £150,000 we should buy the whole of the area south of the east and west read which I have marked by a blue line on the plan in 34519/23; that is to say, it would cover the existing wharf site of 6 acres, the site of the new wharf and a sufficient <sup>interland</sup> for warehouse and siding purposes. The offer was coupled with an option for two years on the rest of the water frontage.

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9 *We should* clearly <sup>take</sup> action as in my previous minute but the telegram to the Gov. had better give an outline of the terms demanded in Lord Inchoape's letter in order that we may

get the Governor's view without waiting for his receiving my letter of the 15th of November; indicate the new offer made by Major Grogan and ask whether in the circumstances he recommends that the negotiations with Major Grogan should be completed and on what terms, on the understanding that it may <sup>from</sup> ~~be~~ <sup>after settling with him</sup> necessary to allow the A.W. Company to exercise their option rather than to agree to their terms.

W. C. S.

23/1/23

H. J. R.

22/1/23

We cannot allow ourselves to be rushed in this matter. I agree to the action proposed by Mr. Balfour.

Sturtevant

24/1/23

at once.

H. J. R.

28/1/23



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receiving my letter of the 15th of November;  
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in the circumstances he recommends that the  
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G.S.

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We cannot allow ourselves to be  
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the action proposed by Mr.  
Battarley.

Sturtevant  
24/1/23

at once.

H. J. R.

28/1/23

Note This plan does not show the  
 look as it is but it gives the  
 land areas and road positions  
 see directly

The blue area is the area leased  
 to the a.w.co

The red hatched area is the  
 area reserved to the Government of 23.11.19

The red lines show the railway embankment  
 which has been done to date

# KEY PLAN

SCALE 3000'-1" IN

- Mbaraki property shown
- A. Mbaraki Sida Coy Wharf
- B. Proposed land deep water
- C. Mbaraki wharf

Area covered by this plan

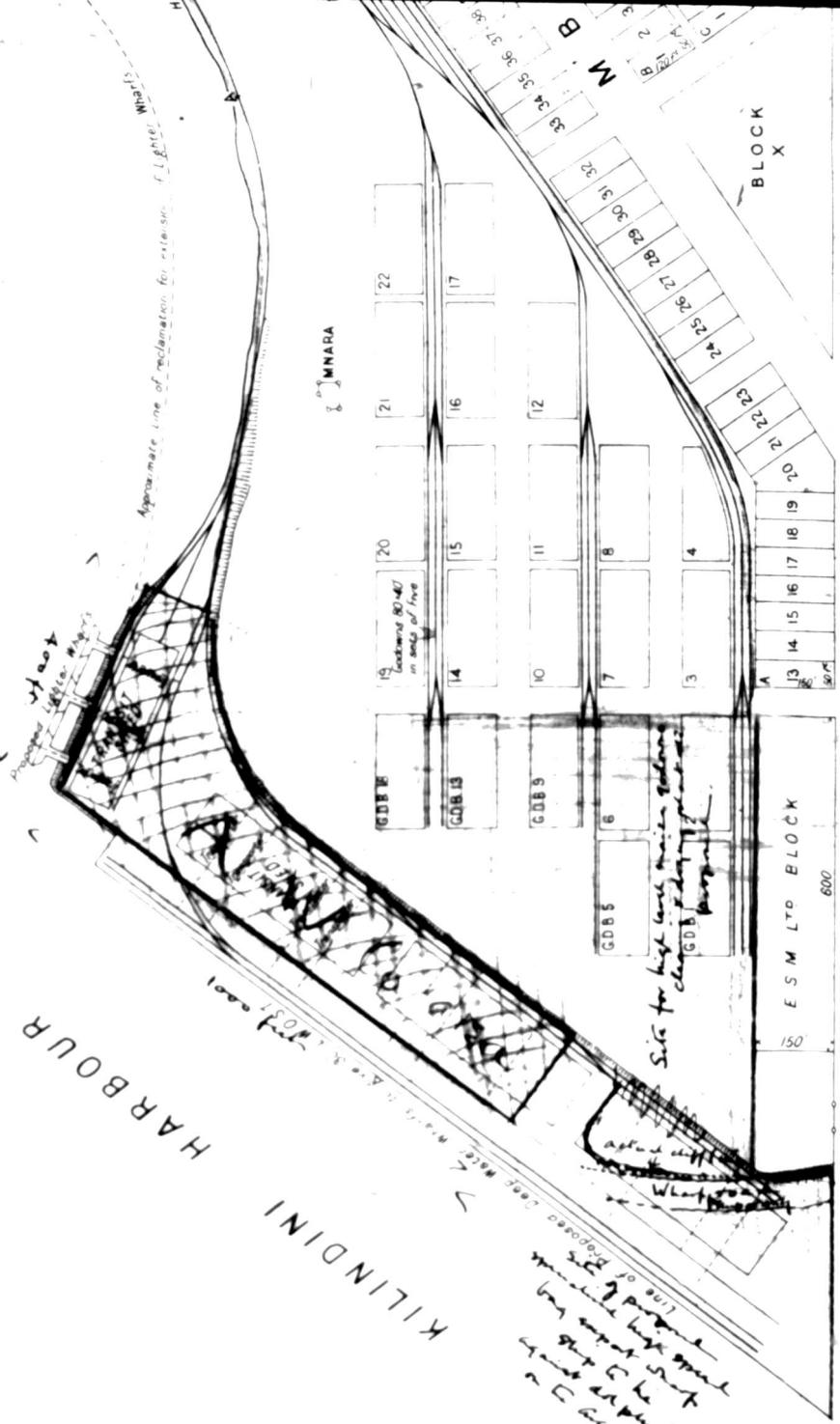


## MIBARAKI PORT COY PROPOSED GENERAL PRINCIPAL OF LAYOUT AT MIBARAKI

Subject to variation from time to time and to  
 modification to the requirements of the Govt  
 of Kenya Colony and other authority  
 SCALE 2000'-1" INCH

NOTE Names of streets, roads & subdivisions  
 are proposed and this plan being intended to  
 illustrate the general principles controlling  
 the development of the Estate

# M B A R A K I



Site for high level main station  
 GDB proposed

Proposed 10 ft wide  
 5 ft high platform  
 low support to be  
 provided at the  
 end of the platform  
 in C. direction

# S A L I M



EA Dept

113

3, FENCHURCH STREET,  
E. C. 3.

14th November, 1923.

Dear Duke of Devonshire

With further reference to the question of M'BARAKI Pier at Kilindini, my people and the representatives of the British India Steam Navigation Company have had some further discussions on the subject, the results of which are being embodied in a letter to you from Lord Inchcape.

I merely send you this line to say that I am entirely in accord with what Lord Inchcape is writing you, and that I wish to support the views he expresses.

Yours sincerely  
Hylsant

EA Dept.

113

3, FENCHURCH STREET,  
E. C. 3.

14th November, 1923.

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I merely send you this line to say that I am entirely in accord with what Lord Inchcape is writing you, and that I wish to support the views he expresses.

Yours sincerely  
Kylsant

15th November, 1923

Dear Lord Kylsant,

The Duke asks me to thank you for your letter of yesterday and to say that he notes that you are in agreement with Lord Incheape's letter.

Yours sincerely,

Lord Kylsant, G. C. M. G.

10th November, 1923

Dear Lord Kyleant,

The Duke asks me to thank you for your letter of yesterday and to say that he notes that you are in agreement with Lord Incheane's letter.

Yours sincerely,

Lord Kyleant, G. C. M. G.

Mr. [Name]

Please see [Name]  
in [Name]

11/14/23

Mr. J. [Name] of [Name]

agreed to [Name]

to [Name]

interim acknowledgment [Name]

115

122 Leadenhall Street.

London

13th November, 1923

55255  
Rf  
Rv 16 OV23

[Handwritten signature]

Dear Sir James,

I was glad to receive your letter of 5th instant about the M'Baraki Estate, Kilindini.

As stated in my letter of 28th October, we have been kept in suspense for a long time and I am pleased to think that a decision may now be taken shortly in respect of the Government acquiring M'Baraki.

With respect to your reference to the African Wharfage Co. holding an option on the M'Baraki Pier, which, in order to facilitate your negotiations with Major [Name], would need to be cleared away, I explained in my letter of 28th October how, when the Government would not do anything and when it seemed as if M'Baraki would fall into foreign hands, we stepped in, in the shape of the African Wharfage Co. acquiring the lease and option in question. This was in November 1922 and it was thought then that the Government would come to some definite decision within a short time.

However, as I have said, the matter has drifted on, and the African Wharfage Co. (which is the British



India S.R.Co. and the Union Castle Line) have been paying a heavy rent all the time, not nearly covered by any revenue derived from the Pier. There was indeed, as we considered, some unfair treatment of the Pier in the circumstance that in December 1922 the Uganda Railway Administration reduced the Kilindini charges by 50 cents per B/L.ton, imposing at the same time an increased charge of 50 cents per B/L ton on all cargo conveyed over the M'Baraki siding. This action on the part of the Railway Administration was considered challengeable but at any rate it was to the prejudice of the M'Baraki Pier.

It has never been our purpose to stand in the way of Government arrangements for the M'Baraki, our object being rather to settle the position. You may therefore consider that the African Wharfage Co. would be willing to give up the lease and option of the wharves they have incurred during the past year were made up and some security afforded for the future. I mean by security that the African Wharfage Co. should be assured of the handling of all import and export cargo passing over the M'Baraki wharf or wharves, also the handling on the Government Piers of all cargo arriving by or being shipped to either the German or British India Co. steamers or any other steamers for which the African Wharfage Co. may be contractors. Prior to the existing arrangement, made in 1920,

Under which the Agents of the Steamship Co. became responsible for the handling and delivery of cargo, the work being previously in the hands of the Railway Administration, there was, as will be admitted, serious confusion, the Shipping Lines being involved in enormous losses in claims.

If we could be met on these two points, namely that our losses on M'Baraki are made up and that we get security in the matter of working the cargo over the piers, I think I may say that there will be no difficulty in terminating the African Wharfage Co's present lease with the option of purchase secured to the African Wharfage Co. by the lease.

According to accounts M'Baraki has already served a very useful purpose in supplementing the Government piers, and will continue to do so to a much greater extent, indeed I understand that it will be impossible to deal with the expected exports from British East Africa without the assistance of M'Baraki, there being all the more reason therefore for some settled arrangements being arrived at as speedily as possible.

I hope to be advised further soon and remain,

Yours sincerely,

*Michael*

Sir James Masterton Smith,  
Colonial Office,  
Downing Street, S.A.

under which the Agents of the Steamship Co. became responsible for the handling and delivery of cargo, the work being previously in the hands of the Railway Administration, there was, as will be admitted, serious confusion, the Shipping Lines being involved in enormous losses in claims.

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According to accounts M'Baraki has already served a very useful purpose in representing the Government piers, and will continue to do so to a much greater extent, indeed I understand that it will be impossible to deal with the expected exports from British East Africa without the assistance of M'Baraki, there being all the more reason therefore for some settled arrangements being arrived at as speedily as possible.

I hope to be advised further soon and remain,

Yours sincerely,

*Michael*

Sir James Masterton Smith,  
Colonial Office,  
Downing Street, S.W.1.

Personal

Hors

15 Nov. 1923

DRAFT.

My dear Compton

In the course of the  
Marsden correspondence,

Lord Ingleby has asked,

MINUTE.officially <sup>and</sup> ~~or~~ semi-officially,

what we were going to

acquire the wharf and

ultimately it was decided

to take the opportunity to

raise with him (as it

would have to be raised

some time) the question

of the option to purchase

Mr. ~~W. H. G. G. G.~~

15.11.23

Mr.

Mr.

Sir G. Davis.

Sir G. Grindle.

Sir H. Read.

Sir J. Masterton Smith.

Mr. Ormsby-Gore.

Duke of Devonshire.

13.11.23

Personal

2/10/23

15 Nov: 1923

DRAFT.

My dear Comynson

In the course of the

Mbaraki correspondence,

Lord Ingleby has asked,

MINUTE.Mr. ~~Sturtevant~~

Mr.

Mr.

Sir G. Davis.

Sir G. Grindle.

Sir H. Read.

Sir J. Masterton Smith.

Mr. Ormsby-Gore.

Duke of Devonshire.

officially <sup>and</sup> ~~or~~ semi-officially,

then we are going to

acquire the wharf and

ultimately it was decided

to take the opportunity to

raise with him (as it

would have to be raised

some time) the question

of the option to purchase

13.11.23

held by the African Wharf  
Company.

The result is shown in his  
letter of the 13<sup>th</sup> of which I  
enclose a copy for your own  
information. Possibly the  
matter will have been explained  
to you by Colvoco before you  
got this, but very likely it  
will prove useful for you to  
have the information by the  
first possible mail, & for that  
reason I have got Sir James  
Mantelton Smith's article  
forwarded to you.

I cannot say that reply will  
be sent - it will require some  
consideration. There can of course  
be no question of anything

held by the African Wharf  
Company.

The result is shown in his  
letter of the 13<sup>th</sup> of which I  
enclose a copy for your own  
information. Possibly the  
matter will have been explained  
to you by Colquhoun before you  
get this, but being that it  
will prove unprofitable to  
have the information by the  
first possible mail, & so that  
neither I have got Sir James  
Mantelton Smith's answer  
forwarded to you.

I cannot say that really will  
be sent - it will require some  
arrangement, there can of course  
be no question of anything

being said that would  
commit the Govern-  
ment in any way.

DRAFT.

The Company ask for  
more than I had expected,  
which was really a  
loss and reduced rent.

MINUTE.

Mr.

Mr.

Mr.

Sir C. Davis.

Sir G. Grindle.

Sir H. Read.

Sir J. Masterton Smith.

Mr. Ormsby-Gore.

Duke of Devonshire.

That, in view of the Govt  
control which would be  
necessary, would not I  
think be unworkable, if  
the Transport Dept.  
did not insist to state over  
the direct working of  
the Post

Your truly  
C. G. G. G.

TELEGRAMS, SACPAI.  
TELEPHONE 4487 READINGTON

52, DRAYCOTT PLACE,  
S.W.3.

November 23rd 1923

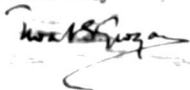
Dear Bottomley

In case I did not make my point quite clear it is this:  
The offer at £110,000 was intended to provide the Govern-  
ment with a safe base from which to negotiate IF AND WHEN  
ACCEPTED.

It should not be regarded as a free option to be used for  
the purpose of such negotiation.

I enclose a copy of the plan to illustrate the other  
matter.

yours sincerely



W.C. Bottomley Esq C.M.G.  
Colonial Office.



Annul.  
60182

Callasali  
D.C.  
2-10<sup>15</sup> p.m.  
28/11/23

Pl. 55255/23 Kenya

November, 28

DRAFT. Code Del.

My let 8 November

Governor

2nd

MSBARAKI Letter received

Nairobi

from Lord Inchcape re behalf of

~~representing~~ African

MINUTE.

Mr. Seel 27-11-23

Mr. Stanley 27 a town

wharfage Coy copy

Mr.

forwarded you Nov. 15<sup>th</sup> substance

Mr C. Davis.

as follows begins:

Mr B. Grindle.

Mr H. Bond.

Mr J. Masterton Smith

Mr Ormsby-Gore

Mr de Devonshire

Company acquired

lease and option November

1922 to prevent Mbaraki

falling foreign hands

and under impression that

Government would

shortly come to definite

decision. Since then

28/11.

Company has been losing  
 on rent and they allege  
 in addition unfair treatment  
 by Govt. in December 1922  
 See ~~Govt. Report~~ 27 Jan'y  
 reducing charges on ~~retardini~~  
 Confidential 43 (C)  
 what increasing on cargo

as Nbaraki siding (C)

Company now willing to  
 give up lease and option  
 losses made up and  
 security offered for future,  
 by which they assured  
 a number, all imports and  
 exports in Nbaraki also  
 handling on port Piers  
 all cargo on Union Castle  
 and British India steamers  
 or other steamers for which  
 they are contractors (C)  
 ends (C)

Reply being sent that  
 to follow in effect begins

DRAFT.

MINUTE.

- Mr.
- Mr.
- Mr.
- Mr. C. Davis.
- Mr. G. Grindle.
- Mr. H. Read.
- Mr. J. Masterton Smith
- Mr. Ormsby Gore.
- Duke of Devonshire.

this must delay  
 negotiations with Gropan;  
 that  
 and matter must await

Your views and further  
 that intention not admitted  
 that I do not admit  
~~the~~ <sup>conclusion</sup> ~~offer~~

as (a) at time of lease  
 to Company there was  
 no intention of on the  
 part of Government to  
 acquire Nbaraki or to  
 intervene

(b) <sup>Increased</sup> Change over Nbaraki  
 siding was in substitution  
 for previous arrangement  
 and was in any case

within conditions of  
~~Aganda Railway~~ <sup>with Gropan (C)</sup>  
 Gropan's agreement  
 and leases of Gropan  
 have no ground of protest (C)

White Paper

demanding by Company  
may make it undesirable  
to proceed with acquisition  
of Obaraki by Government  
it is not possible in view  
of strong position of  
Steamship Coys. to ~~to~~  
foresee consequences of  
refusal to accept their  
terms or to proceed with  
negotiations for acquiring  
(Obaraki)

Further offer now  
made by Grogan to sell  
to Government for  
£150,000 entire block  
of land as follows begins:  
From Northwest corner  
of block marked ~~Signature~~ **E.S.M.**  
~~Signature~~ (1)

Whitaker

demanded by Company  
may make it undesirable  
to proceed with acquisition  
of Oranaki by Government  
it is not possible in view  
of strong position of  
Steamship Coys. to  
foresee consequences of  
refusal to accept their  
terms or to proceed with  
negotiations for acquiring  
Oranaki

Further offer now  
made by Grogan to sell  
to Government for  
£150,000 entire block  
of land as follows begins:  
From north west corner  
of block marked **E.S.M.**  
**Equator**  
Secretary **(1)**

went along road and then  
to northern end of water  
front leased to African  
Wharfage Company ~~(1)~~ <sup>(2)</sup>  
South to cliff edge and  
thence to eastern boundary  
of Grogan's property  
All land leased to ~~African~~

DRAFT.

MINUTE.

- Mr.
- Mr.
- Mr.
- Sir C. Davis.
- Sir G. Grindie.
- Sir H. Read.
- Sir J. Masterton Smith
- Mr. Ormsby-Gore.
- Duke of Devonshire

Wharfage Company to be  
included, and this  
would provide space for berth east of  
block in the same site for  
building wharf. These wharves  
now to wharf above site  
to be leased by Grogan from the high land  
fringed with rail wharf  
and sidings with the level access

also to rough land  
Company  
land to Company  
and Government  
and thus be  
independent of  
them

access thereto. Offer  
coupled with option for  
two years on rest of  
water front aged

Do you recommend  
in the circumstances  
that negotiations with

Grogan should be

Completed 450 on what

terms <sup>being as stated</sup> ~~It should be~~

~~that~~ understood that it may

~~have necessary~~ after

settling with Grogan to

allow the Wharfage

Company <sup>must not be</sup> ~~to~~ <sup>decide their</sup> ~~left as they are or if they~~  
~~prefer rather than agree~~  
~~cannot be agreed with them as~~  
~~other terms~~

Grogan agrees  
immediate decision

71.55255/23 Kenya

124



24<sup>th</sup>

29 November 1923.

D. for Sir James  
Nananton Smith's signature  
(Per. of. 4 Nov. 23)

DRAFT.

Lord Incheape,

CNG, KCSI, KCIG.,

MINUTE.

Mr. Seal 27/11/23  
Mr. B. ley 27/11/23  
Mr.

Sir C. Davis.

Sir G. Brindle.

Sir H. Illud.

Sir J. Masterton Smith

Mr. Ormsby-Gore.

Duke of Devonshire.

Dear Lord Incheape.

I have now had an  
opportunity of going into  
your letter of the 13<sup>th</sup> November,  
about the N'garaki Estate,  
Kilindini, with the ~~draft~~  
~~attached~~

Your letter states  
that there will be no  
difficulty in terminating  
the African Wharfage  
Company's present lease,  
with the option of purchase  
secured by the lease, if  
the Company can be  
met on two points,  
namely, that its losses

Mr. ley also.

On the baraki may be made  
good & that it is given  
<sup>for the future</sup>  
security in the matter of  
working the cargo over  
the piers.

I am <sup>am</sup> afraid  
~~I must point out~~  
that this may  
at once that the ~~the~~  
~~reasons of these errors~~  
~~with~~ inevitably delay  
the progress of negotiations  
with Mayor Grosan. We  
cannot foresee what  
will be the reply of the  
local government, and  
although they are being  
consulted by telegraph it  
is not to be expected that  
they will be able to furnish  
their reply immediately.

~~At the same time~~  
~~& the result, I must~~  
~~it is necessary to make~~

(As we have telegraphic  
subs. of 60-2nd class  
? no need to say for  
have to wait till the  
~~station a copy~~)

On the baraki may be made  
good & that it is given  
<sup>for the future</sup>  
security in the matter of  
working the cargo over  
the piers.

I am afraid  
I must point out  
that this may  
at once that the  
occurrence of these matters  
~~with~~ inevitably delay  
the progress of negotiations  
with Nya & Grosvenor. We  
cannot foresee what  
will be the reply of the  
local government, and  
although they are being  
consulted by telegraph it  
is not to be expected that  
they will be able to furnish  
their reply immediately.

At the same time  
& the meeting, I must  
it is necessary to make

(As we have telegraph  
subs. of 60. 2nd class.  
? no need to say for  
have to wait till 7.  
~~at~~ a (copy)

It is clear that the S. B. S. does  
not admit the contentions  
made in the earlier part  
of your letter, namely, that  
when the African <sup>Wharfage</sup> Company  
acquired the lease in Nov.  
1922 it was thought that  
the port would come to some  
definite decision within  
a short time, and that  
the ~~port~~ Abaraki Pier has  
been unfairly treated  
in the matter of railway  
charges.

On the former point,  
there was, so far as we are  
aware, no intention on  
the part of the railway  
at the time when the wharfage

DRAFT.

MINUTE.

Mr.  
Mr.  
Mr.  
Mr. C. Dixon  
Mr. G. Grenville  
Mr. H. Bond  
Mr. J. Masterton Smith  
Mr. Ormsby Gore  
Mr. G. Devenish

Company obtained its lease, to acquire Nbaraki or to intervene in any way.

With regard to the question of Railway charges, the increased charge of 50 cents per B/L ton on cargo conveyed over the Nbaraki siding was in substitution for a former arrangement, and was in any case within the conditions of the Agreement under which Napier Propan was empowered to operate the wharf. In support of this I may quote the following from a letter ~~by~~ written on January 8<sup>th</sup> 1923 to Major Propan by the

Joint Manager of the ~~the~~ Union Central Rail Steamship Company;

The quotation is part of a telegram from the Company's Nairobi Office which was embodied in the letter).

"Under agreement ~~with~~ between Uganda Railway and owner ~~on~~ 14<sup>th</sup> March 1922 in the following clause begins The applicant will pay such additional charges for handling of goods etc or such special shunting charges as may be laid down in the tariff of Railway Administration or of which they may be advised by Traffic Manager from time

DRAFT.

MINUTE.

Mr

Mr

Mr

Mr C. Davis

Mr G. Grenville

Mr H. Bond

Mr J. Masterton Young

Mr Ormsby-Gore

Miss of Devonshire



to time ends"

It does not appear

that the Comers from  
Major Grosan have  
any ground of protest  
against the charges of the  
Railway Administration

Yrs. very truly,

(Sgd.) H. J. Read

(in the absence  
of Sir Frederick  
Smalley)

to time ends"

It does not appear

that the Comers from  
Major Srogan have  
any ground of protest  
against the charges of the  
Railway Administration

Yrs. very truly,

(Sgd.) H. J. Reed

(in the absence  
of Sig. Mackerton  
Smitty)

$\frac{1}{55255}$  Henry



SC

Code

5<sup>th</sup> December confidential

DRAFT.

tee

by tel. of 28 Nov

$\frac{2000}{60702}$

previous correspondence

MINUTE.

~~John~~

Harrold  
412. atom

Grogan states for his  
Company may collapse

if early settlement not  
obtained

Mr C. Davis.

Mr G. Grindle.

Mr H. Bond.

Mr J. Masterton Smith

Mr Ormsby-Gore.

Viscount of Devonshire.

at home by  
I would see  
I could do.  
ie.

55255 Kenya

Codes Paid 50 p/m Dec 1906  
R 47 DEC 128

Charles King

Amnd.  
60132

82

6<sup>th</sup> December Corporation and  
not agent

My let. of 5 Dec. Ergon

states that foreclosure  
action expires Monday

10 Dec. and that Company

must go into liquidation

unless he can something

definite to show to Bank

also that his inability

to deposit of property

has clearance has been

due to your request

that he should do

nothing binding unless

I your proposals in the

circ<sup>2</sup>

I I am most and further

Your definite proposals

may reach me this week

Craft Code

DRAFT.

Minutes

MINUTE.

Mr. Attorney  
4/4/25

- Mr. C. Davis
- Mr. G. Grenville
- Mr. H. Bond
- Mr. J. Masterton Smith
- Mr. Ormsby-Gore
- Duke of Devonshire

Stenson agreed  
Friday 6th Dec. 1906  
of meeting in  
and in (Holland)  
after reference  
(Stenson)  
and

✓  
55255 Kenya

Codes 50  
60.15  
R 7 DEC  
D 128

Chas the King

amod.  
60132

8c

6<sup>th</sup> December Cripwastel and  
most urgent  
My ltr. of 5 Dec. Ergon

Craft Code  
DRAFT.

Review  
Revised

MINUTE.

Mr. Robinson  
4/14/27

- Mr. C. Davis
- Mr. G. Grindell
- Mr. H. Road
- Mr. J. Masterton Smith
- Mr. Ormsby-Gore
- Duke of Devonshire

Stenson agreed  
today after saying  
of nothing in  
and in the  
after reference  
(Stenson)  
C/S

states that foreclosure  
action expires Monday  
10 Dec. and that Company  
must go into liquidation

unless he has something  
definite to show to Bank  
also that his inability  
to dispose of property  
has elsewhere has been  
due to your request

that he showed no  
nothing binding cursor

I am sure that  
circ<sup>2</sup>

I am sure that  
your definite proposals  
may reach me this week