

1922 (27)

KENYA

6856

13 FEB 22

FROM  
GOVERNOR  
NORTHEY 26

DATE  
10TH JANUARY 1922

FOR CIRCULATION:-

SUBJECT

123

EASTERN TELEGRAPH COMPANY

DIRECT DEALING WITH PUBLIC.

The memo. by P.E.G. and suggests further discussion be reserved until he arrives in England later in the year.

- Mr.
- Mr.
- Mr.
- Mr. Grindle
- Sir H. Lambert
- Sir H. Read
- Sir M. E. Smith
- Mr. Wood
- Mr. Churchill

Previous Paper

MINUTES

So 5735

W Bottomley

I agree that further discussion of this question has been said to be of little use at its present stage, but I doubt whether it is desirable to have the matter taken into a written discussion with the Company or to inform them of the conditions on which the job would be proposed to grant a license for direct deal

Copy - 4/10 com 17 Feb 22  
 1/11/22 6 00 1912 PA 12575 16/11/22

Subsequent Paper

12605

with the further of the  
 Board cannot be held  
 have to grant the privilege  
 and a step towards the  
 cause of the law and the  
 on this, the point is clear.

Company to J.P.C. observing  
 in the above case, I  
 say that if the Pkg. Agency  
 the J.P.C. would propose being  
 a "partner" in Company that  
 the J.P.C. estimate should  
 be made in least two  
 hundred, and that it  
 would seem desirable that  
 further discussion of the  
 matter should be covered  
 under the annual  
 meeting.

ask the public if the  
 Govt against the bill  
 have to prove the privilege  
 such as the House of  
 Commons to maintain the  
 standing the point at issue.

Copy to GPC observing  
 in the above basis, I  
 say that if the Privy Council  
 the S.P. would propose being  
 to inform the Company that  
 the Deputy Postmaster General  
 is coming on leave this  
 summer, and that it  
 would seem desirable that  
 for this discussion of the  
 question should be covered  
 under the general  
 copy of the minutes

NYA.  
O 26.



6356  
Proc.  
Recd. 31/12/22

GOVERNMENT HOUSE,  
NAIROBI,  
KENYA  
10th January, 1922.

Sir,

125

*11. 9. 21/22*  
*Memorandum*  
13. 12. 1921.

With reference to your despatches Nos. 1478 of September 28th, 1615 of October 27th and 1715 of November 10th last on the subject of the grant to the Eastern Telegraph Company of permission to deal direct with the public on Mombasa Island, I have the honour to transmit for your consideration a memorandum prepared by the Acting Postmaster General and to suggest that further discussion of the question at issue be reserved until his arrival in England later in the year.

I have the honour to be,

Sir,

Your humble, obedient servant,

*Edward A. Welby*

GOVERNOR.

THE RIGHT HONOURABLE  
WINSTON CHURCHILL, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON, S.W.

1960/19 B.

INCLOSURE

In Despatch No. 26, of 10/11/1922

13th December, 1922

The Honourable

126

The Colonial Secretary,

Nairobi.

RE: THE GRANT OF PUBLIC ACCESS LICENSE TO THE  
CABLE COMPANY AT MOMBASA.

Ref. Your Nos. { S.105/156 of the 17-11-22.  
S.105/158 of the 29-11-22.  
S.105/160 of the 8-12-22.

-----0000000-----

It is very much to be regretted that the Cable Company should have thought proper to support their claim for the grant of a license to deal direct with the public at Mombasa by such statements as those contained in paragraph 3 of their letter of the 13th of September to the Colonial Office.

In 7  
5949/x

2. Before dealing with the other points raised, I think it is desirable that I should first deal with these statements as reflecting upon this Administration. Summarised, they amount to (a) that there are needless land transmissions of cablegrams intended for delivery in Mombasa Island with, as a consequence, (b) mutilation, (c) delay.

(a). Needless Transmission. Since December 1920 all cables for Mombasa Island have been delivered from Mombasa Head Office by a special motor cycle delivery Service. The only land transmission therefore, during the past year, as

1960/19 B.

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13th December, 1.

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The Colonial Secretary,  
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126

RE: THE GRANT OF PUBLIC ACCESS LICENSE TO THE  
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Ref. Your Nos. { S.105/166 of the 17-11-21.  
S.105/168 of the 20-11-21.  
S.105/160 of the 8-12-21.

-----0000000-----

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45949/x

2. Before dealing with the other points raised, I think it is desirable that I should first deal with these statements as reflecting upon this Administration. Summarised, they amount to (a) that there are needless land transmissions of cablegrams intended for delivery in Mombasa Island with, as a consequence, (b) mutilation, (c) delay.

(a). Needless Transmission. Since December 1920 all cables for Mombasa Island have been delivered from Mombasa Head Office by a special motor cycle delivery Service. The only land transmission therefore, during the past year, as

as regards these cables, has been between the Company's Office and the Mombasa Head Office.

(b). Mutilation. During the months of September, October and November last, only one application for a refund of charges arising out of mutilation was received, and in that instance the mutilation occurred outside this Administration.

127

(c). Delay. For the purpose of enquiry into this statement and in order that there might be no suggestion that days favourable to this Administration were chosen, the Officer-in-Charge of the Cable Company's Office at Mombasa was asked to select 3 days, one in each of the months of September, October and November, for the purpose of ascertaining exactly the time taken in the transmission of cables from the United Kingdom to Mombasa and the time taken in delivery. The days selected were September 7th, October 31st and November 25th. The enquiry was limited to ordinary fully paid cablegrams from the United Kingdom and the result, after deducting the 2½ hours' difference between local standard time and Greenwich mean time, was as follows:-

	Hrs.	mins.
(i) Average time taken in transmission from the United Kingdom to Kilindini ---	30.	56
(ii) Average time taken in delivery --- --- ---	0.	23

This result speaks for itself.

3. The claim put forward in the last paragraph of

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of the Company's letter for a special terminal to be allowed in regard to messages transmitted to Nairobi is dealt with in paragraph 4 of the letter from the General Post Office, London, dated the 15th of October. The land wires from the Cable Company's Office to Mombasa and Nairobi telegraph offices are provided by this Colony and, so far as the actual transmission from their Office is concerned, it is practically immaterial to the Company whether the transmission is to Nairobi or Mombasa. 128

4. In view of the anticipated strong objection by the Company to the proposal that they should pay a Royalty on traffic handled entirely by themselves (vide <sup>paragraph 3 of</sup> the British Post Office letter of October 15th), a brief statement of the reasons which gave rise to that proposal seems necessary. For some years past the policy of this Administration has been to secure the unification of cable rates to and from all places in this Colony and Uganda and, as far as possible, without undue loss to the revenue of this Colony, to keep within the limit of its notified International terminal rate, viz:- 35 centimes per word. In order to attain these objects the Colony is prepared to face an estimated net loss in revenue of £1,400 per annum under the conditions put forward. These conditions were formulated so that they might, without any grave loss in revenue, form the basis of negotiations with the Company on the assumption that their request for a licence was prompted by no other interest than that of the cable using public at Mombasa; and although the term "Royalty" has been used it is, strictly speaking, more accurate to regard the payments to be made by the Company as a contribution towards a fair remuneration to this Department for work done as compared with that which would be performed by the Company.

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5. As has been pointed out in paragraph 3 of your despatch No. 263 dated July 12th, the Mombasa terminals are the most lucrative part of the local telegraph service. The profit on them contributes towards balancing losses in other parts of the Colony and obviously it would not be equitable to allow the Company to retain a terminal of 15 cents per word for merely booking a message at their Office, while for the same terminal this Department would not only have to book an upcountry cablegram but would also have to provide for its transmission perhaps over some hundreds of miles to the Coast. The point of this is that under a system of unification of rates, the Cable Company would be obliged to base its public charges on the same terminal as that taken by this Administration.

6. The additional revenue which will accrue to the Cable Company under the proposals is estimated at £1750, but against this they will be required to provide for the booking of messages and to establish a delivery service. If, as is assumed here, the Company are not seeking the grant of a licence for financial purposes at the expense of the revenue of this Colony, the only important point at issue would seem to be, if the sum of £1750 above referred to is considered insufficient for the purpose, to determine what sum should reasonably be allowed to them in way of additional revenue to cover the establishment of the extra services required.

7. A way out of the difficulty might be found by means of an agreement providing for direct working by between the Mombasa Office of this Administration and Zanzibar over the existing cable which the Company would continue to maintain. Such an arrangement should result in the public

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public of this Colony obtaining a service at least as efficient as the present one and at a reduced cost as it would no longer be necessary for the Cable Company to maintain an establishment at Kilindini.

8. The whole matter is one requiring very careful consideration. In regard to the enquiry as to whether a Senior Officer of this Department is likely to be Home on leave, <sup>short</sup> I personally hope that it may be possible for me to obtain leave in June or July next. Meanwhile I would suggest that the conditions embodied in your despatch on this subject dated the 12th of July last should be submitted to the Cable Company together with such portions as refer of paragraphs 4, 5, 6 and 7 of this memorandum, for their observations.

(Sd.) T. FITZGERALD.

ACTING POSTMASTER GENERAL.

4. to R.M.

5.

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(Sd.) T. FITZGERALD.

ACTING POSTMASTER GENERAL.

4. to R.M.

Copy 15/12/22

Gov. 6856/22/Kenya



Sir,

17 Feb. 1922.

With reference to your letter

DRAFT.

Secretary,  
General Post Office.

*[Handwritten signature]*

of the 5th November last, No 157939/21,  
on the subject of the application  
of the Eastern Telegraph Coy for  
permission to deal directly with  
the public in Mombasa Island as  
regards the collection and delivery  
of telegrams; <sup>I am</sup> ~~sent~~ to transmit  
to you for the info of the P. M. G.,  
the acc<sup>y</sup> copy of a despatch, with  
enclosure, which has been received  
from the Gov<sup>t</sup> of Kenya.

MINUTE.

- Mr. Seel 14/2.
- Mr. Battenbee 15 *[Signature]*
- Mr. Grindle.
- Mr. H. Lambert
- Mr. H. Bond.
- Mr. G. Fiddes.
- Col. Amery.
- Lord Milner.

For Kenya 10.1.22  
with enclosure

2 Mr Churchill is in  
agreement with the suggestion that  
further discussion ~~should be held~~





The Fitzgeralds are a woman.

... on being informed fully

... in some

... in

of a ...

... of the ...

... of ...

to the conditions upon which ...

Gov. of Kenya would ...

to grant a licence ...

Such a step might, be regarded as

an admission to admitting the

claim of the Company

3. I am therefore to say

that subject to the following

discussion Mr Churchill would

propose merely to inform the ...

... of Kenya

... will be coming to ...

... have derived ...

... name, ... would seem

... of

... would be proposed

... Then the whole

but he doubts whether

any useful purpose

could be served by

entering in the

resolutions into

Gov. with the

Company as suggested

in para 8 of his

Memorandum

of 13<sup>th</sup> Dec.