

with the local G.O.
 after the receipt of
 the first despatch, a
 considerable amount has
 elapsed since the
 two parts were submitted
 for Mr. Harcourt's
 approval. ~~as it is~~ it is
 desirable to effect the
 re-arrangement ~~without~~
 delay in view of
 the fact that Mr. Gooding
 is due for leave early
 this year, & I am therefore
 to expect that you will have
 to take to give the
 matter their consent
 as soon as possible



141
 140

EAST AFR. PROT.
 40481

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1911

Conf
 105

Date
 8 Nov
 Previous Paper
 30304
 10/25/11

Grain Elevator at Bahadur

Reference is made to the Secretary's proposals which
 have not been accepted. Reports on interviews with
 the Engineer at which Mr. Ross was present
 indicate that any further negotiations should be stopped
 unless a perfectly bona fide offer without unusual
 conditions is put forward.

No. 1000

The Governor is only able to accept without
 qualification two of Mr. Kinchin's proposals, namely
 numbers 7 and 15; of the rest we have already ruled
 out some and the Governor rules out others. As to
 numbers 6 and 14, which Sir H. Gifford does ~~actually~~
 reject, I think the remarks which he makes upon them are
 sufficient to cause the Secretary of State to reject
 them without further ado.

It appears from paragraph 3 of this despatch
 that the erection of a silo, though useful, is by no
 means essential in the present stage of the export of
 grain from the Protectorate. In these circumstances
 there can be no objection as to the soundness of the
 opinion that further negotiations with the Engineer
 should not be entered into. It is, however, desirable
 to close a loophole by promising to meet Mr. Gifford's
 when

Subsequent Paper

41564

When he (the Governor) is next in England, but we can leave
that matter to take care of itself for the present. It is
not clear whether Mr. Kinchin is at present in this country
or in the Protectorate. To avoid all risk of understand-
ing, I would suggest that we should send a letter to his
address in this country, with reference to our letter of
the 13th of September (on 29066), and say that, after consult-
ing the Governor, the Secretary of State is satisfied that
the proposals made by Mr. Kinchin do not offer any basis
on which negotiations for the erection of a Bilo can be
pursued on [the fact that he is ~~not~~ not prepared to proceed
further in the matter]. We might add that it is understood
from the Governor that Mr. Kinchin complains that the plans
which he lent to the Governor have not been returned to him,
and state that, according to the records of this Office,
those plans were returned to him in our letter of the 2nd
of August last (on 24472). A copy of the letter addressed
to Mr. Kinchin should be sent to the Governor for his in-
formation.

Wals

Dec 20

The views of what the Gov says we can do
be put in brackets. The answer is sufficient
without it.

John G. ...

BRITISH EAST AFRICA PROTECTORATE.

November 24th 1911.

CONFIDENTIAL (105)



Sir,

I have the honour to refer to my Confidential despatch No. 20 of the 27th of September and to convey you with my considered opinion of the proposals for the construction of a Grain Silo, in this Protectorate, submitted by Mr. F. D. Kinchin, and enclosed in your Confidential despatch of the 12th of October.

2) Taking Mr. Kinchin's proposals in series:-

Clause 1. Re concession for 25 years. I am of the opinion that the remarks made by you in paragraph 2 of your Confidential despatch of the 12th of September meet the case sufficiently.

Clause 2. Re undertaking from the Government to deliver 20,000 tons of grain per annum to the Silo. This has been withdrawn.

Clause 3. Re grant of the necessary land. It is a matter of some difficulty to give a guarantee of this nature until the details have been received respecting the design and length of the pier to be constructed.

Clauses 4 and 5. Re the right to ship grain free of quay dues, and the preferential right to berth a steamer at the wharf. These conditions are quite impossible.

THE RIGHT HONOURABLE

LEWIS HARCOURT, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, W.

KAP 83425
11/24/11

Concession 10482

impossible and would be a serious impediment to the trade of the port.

Clause 8. Re installation of electric light. There is no objection to this, although it might be resented by the Company which is at present struggling to supply Mombasa and Kilindini with electric light and power.

Clause 7. Re erection of grain stores at Stations on the Railway. I have no objection to this.

Clause 6. Re rates for grain temporarily detained. This would not contribute to the economical working of the Railway but could probably be arranged.

Clause 9. Re exemption of Cu Tom duties on material for construction of Silos, &c. This could not be agreed to.

Clause 10. Re the right to transfer the concession to a company. This is absolutely necessary.

3. After careful consideration, I am not in favour of accepting these proposals. I think that it will be more to the interests of the Protectorate to wait until our knowledge of the details of the Deep Water Pier is more complete, and though I am willing to admit that a Silo would be extremely useful for the export of Maize and Wheat, it is by no means essential. There are many ports in the world exporting thousands of tons of these grains without such assistance, and if we find when the pier is completed that the quantity of grain for export justified the erection of a Silo, we shall be able to arrange for one without granting a monopoly which might prove awkward in the future.

4. Mr. Finchin returned to this country lately with a view to discussing affairs. In June of last year he

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was granted an option for a year over a plot of land for the purpose of erecting a Silo. At the time of granting his option no demands were put forward for any monopoly. The option expired in June last and was not renewed. In March of this year Unza Limited, who are at present the only Flour Millers in the country, and also grain dealers, applied for an option for a similar purpose, which was granted. Mr. Kinchin appeared somewhat disturbed at this, as apparently he and this firm were working together in the matter. Mr. Kinchin asked if his option could be renewed for one year; to this I could see no objection, but pointed out that of course it would be upon ^{the} conditions originally agreed to, viz: the erection of a Silo at the expense of the people with whom he was in touch. I told him that I was not in favour of any monopoly being granted, more especially as he distinctly stated in London that unless the deep water pier and the silo went together the project was an impossible one. Moreover, in the meanwhile Unza Limited had come into the field.

5. On Mr. Read's arrival Mr. Kinchin pressed for an interview, and this was accorded him, when I saw him with Mr. Read and Mr. Currie. He was given clearly to understand that it would be impossible on the part of Government to agree to a monopoly or to monopoly clauses. He appeared to consider that he had been somewhat hardly treated but when pressed as to this he withdrew any imputation of breach of faith, and asked if I would be willing to meet his Directors when I was next in England. This I have agreed to. Mr. Kinchin mentioned the fact that his plans had not

been

(4)

been returned, and seemed to lay stress upon this point. These plans were forwarded with my confidential despatch No. 57 of June 27th. †

6. I am of opinion - which is fully shared by Mr. Read and Mr. Currie - that any further negotiations should be dropped unless a perfectly bona fide offer of erecting a Silo without onerous conditions is put forward.

I have the honour to be,

Sr,

Your humble, obedient servant.

For forward
Governor.

† 115



27 Dec 1905

Dear Sir

P.D. Kenchen by

area 45604

29085
(on 22005)

Letter from this Dept. of

the 13th of Sept. I am

pleased to inform you that

after consulting the file

the East, he is satisfied

that the proposals made

by you in regard to the

inclusion of a new element

as he thinks do not

on any basis on which

practical negotiation can be

the file

Notes 22 f3

Right for take it

Copy to Capt 29 Dec

29085

came in.

It is understood from
two forms that you have
explained that the plans
that you have had to the
Council have not been

forwarded to you. O. Sunday
the records of this office,
the plans were returned to
you in the letter from the

Dept. of the 2nd of Aug.

George
H. [unclear]

(W 14475)