

1933.

Kenya

No. 3051

REVISION OF RECORDS SECTION

This file should be returned to
Queen Street when no longer required.

SUBJECT

CO 533/432

Cement Scheme

Substitution of a company

Previous

18286/32

Subsequent

15212/10/37.200

to ask whether the S. H. S.
decision, on no. 23 in 18286/321
was final. I said that it
was - i.e. that there would be
no anti-trust litigation
to bustle the land holding
company.
I have been told that
that would end the scheme,
which he described as "bonid".
See the report particularly
concerned by the combination
of the land holding scheme, which
he said was "bonid" to
industry, as a single company.

Partly W.S.
1.3.33
since

Mr. Prescott

Brought up vide Mr. Cross's minute of
11 Feb. 33.

13.4.33
Reg. 297.

The Cement Marketing Corp's
proposal (S/E 18286/31) against the
grant of preferential railway rates
to Clinker as opposed to cement
was supported in principle by Mr. Gibb
(vide extract from his report at
10 - that file). The former who
proposes to curtail the Gibb report
he now knows from the proceedings
of the recent former's conference that
they propose to hold a special
meeting in August or Sept to consider
the Gibb proposals.

Noted
BV. 1/10/33 & the points
in Mr. Cross's minute of 1/2

A. P. Cross
26/4/33

W. H. ...
26 etc.

(me)

2 Cement Manufacturing Co. Ltd 16 Aug. 33.

State that 4000/5000 tons of cement clinker has been imported from U.K. to Mombasa & loaded to site near Nairobi where grinding plant will be erected. Give details of freight charges & ask that matters may be considered.

As regards the protest in respect of the difference in railway rates on Cement clinker & Cement we may now refer the Company of the Memorandum para 98 of Mr. Goss's Report explaining that the Report will be discussed at a Conference of E.A. Governors in the Autumn [AN that a copy of their letter is being sent to the Secy of the Gov's Conference with a view to the further questions raised

regarding Customs duties & Wharfage charges being discussed at the Conference] write to Col. Walker accordingly & send copy copies to H. G. Praeger.

C. G. Goss with 17. 8. 33

I would omit [], but send a copy of the corresp. to O.A.G. (taking each) in short diff. for Dean.

17/8

Copy at N9.10 in 18286/1932

It isn't an easy question. The clinker has been imported from the U.K. (The Cement Co. were inclined to think it would be from Denmark) so this can't be much harm to British industry just all it loses is the work of grinding and barrelling the stuff. [I am assuming that clinker is the stuff as it leaves the furnaces before it is ground & that all it needs is grinding down to the fineish powder]. Before the cement clinker can be put on the market as cement there is the cost of grinding to be added and that is not likely to be low at Nairobi. Therefore the 170/11d difference has to be reduced by (a) handling charges at Nairobi - cartage from rail to works & so on (b) cost of grinding including overheads (c) cost of packing for delivery ex works in Nairobi. The rates by rail on the two commodities have been different since Jan 1932 & were last considered in June 1932 (v. NO. 1 on this file). The reason for the difference is that clinker is a bulky article which can stand the weather whereas cement has to be in barrels or something and can't be exposed without risk.

Now, if the grinding plant is set up at Nairobi or elsewhere and if cement and clinker are charged the same freight rate there will be a howl that it is wrong to charge a raw material which is the basis of a local industry, the same rate as the completed finished article. This implication is not really a sound one but because if the local industry is to be any good it should be able to compete as it can handle its raw material more easily on the railway, but that the argument would be raised I have no doubt. Similar considerations would apply to a proposal to level the Customs & Port charges to which the same arguments would apply.

Then there is the Imperial aspect. Kenya is in the Empire and if the Empire is a unit - which it isn't - it would not matter whether the clinker made at Great Thurnock was ground here or in Nairobi. But the Empire is not a unit and the S. of S. put the matter beyond dispute in his minute of 24 Jan (on NO. 23 on 18286/32) when he said that Kenya and such places

I expect these would add up to 170/11d but they would be small items. NO. 7 on 18286/32 is cost of local grinding is put at 8/6 to 10/6 etc. (10/6 is 100, but in another connection we were told clinker had to be in barrels also) Does the matter turn on that of open overhead wagons used?

which get preference but not give it over a special duty to the K. to avoid embargoed or protected competition.

The Kenya people might not agree, but there is no need for them to override the matter of cheaper rail rates on the climber.

My own view is that it is worth so that it is the policy to subsidize industries in Colonies which compete with industries here, however the subsidy is afforded whether by Customs tariff, or by cheap rail rates, or by direct grant. To do so is considerably beneficial to us in the long run except the original people embargoed and the law is all inefficient. Although I have no love for the Council, I think they have a great deal of feeling on their side.

So I suggest action as proposed with the addition to the Co. that they were informed of the position as to rates in the letter of 28/7/33 (we shall have lots more of this. If the K.U.R. does equalize rates & port charges & the Customs does not also equalize the people who have already to guard will say that Govt has developed them - probably will build too.)

S. G. Hand
17.8.33

That will cover for the Council, but I would be glad if a word be made over that the Economic situation & the Government Conference have are adequately informed - the S. P. S. assistance. No protection is to be taken to relate to direct tariff discrimination.

If it costs the Railways less to carry this than coal, a rather lower rate is justifiable and

If you can have a copy of the letter to help them it would be a great help. But that is another letter.

As to the letter on letters any business other.

An equal rate would be better to criticism, also as it would be less in value of duty the same applies to duty; but there should be no rigging of classification so as to exaggerate the difference.

W. C. S.
18/8/33
at once

- 3 To Cement Marketing Co. (1/4 p. 98 of 2nd issue) 10
- 4 " " " " " " " " " " 10
- 5 Col. Walker (exp. 2.3.34) - 10
- 6 To Kenya 650 (1/4 p. 203) } 26/8/33
- 7 H.C.T. 96 (---) } 26/8/33

✓ Cement Marketing Co. 25 Aug 33
DESTROYED UNDER ORDERS & made matter of freight rates will be handled at Govt Conference.

Put by
C. Hammond
31.8.33
at once

(M)

9 Cement Marketing Co Ltd _____ 1st Sept '33
Encls. copy of tax on imported packages Bill &
points out that custom will be applicable to imported cement
but not cement clinker & quote matter may be looked into.

The exemption of cement clinker
is again causing the Cement
Marketing Company to complain.
Obviously we are not in a position
to advise the Company whether there
is any way of overcoming the
further handicap to British Cement.

The Tax on imported Packages Bill is
being discussed at the next
Governors Conference & I can only
suggest that a copy of the Bill be
sent to Col. Walker by 5, 8,
3 or 3259/33.

A copy should also
be sent to OAG by 6 for
the same. Inform the Company
that a copy of their letter is
being sent to the OAG, & promise
a further comm. ~~in due course~~
in due course.

C. J. Morrison
579/33

This further discrimination against the C.M.C.
product - favour of clinker is (a) purely
accidental (b) trivial in amount.

The Company's obvious remedy is to
persuade the Comm^{rs} of Customs that their
product is imported in bulk - or to use
bigger packages. It may be noted that oil

is exempted from the tax through certain grades
& quantities are almost certain to be imported in
drums.

? copy sent to OAG for comm. also
inform the Co. B. Franklin
5/11

Geo:

no 2
3259/33

✓ 10 To Cement Mktg Co. (9 amsd) 11/9/33

DESTROYED UNDER STATUTE

✓ 10 To Messrs 695 (W/CQ) comm 14/10/33

DESTROYED UNDER STATUTE

11 SEP 1933

Decided vide minute of 26 April 33

The Governors' Comm^{rs} meets today 10.53

D.V. in two months

[Signature]

B. Franklin
11/10/33

✓ 10 The Associated Portland Cement Manufacturers Ltd _____ 26 Oct. 33
DESTROYED UNDER STATUTE whether information regarding freight rates on cement
& cement clinker is now available.

? Say how the Com^{rs} is set out of the Gov. Com^{rs},
which was not an OAG comm^{rs} has yet been
received.

T. Davies

A record of the proceedings of the recent Governors' Conference came in by yesterday's air mail. There is not much about general rating policy, but on page 13 it says that the Conference agreed that to oppose any drastic and comprehensive change in existing rates, and (2) to a careful review of the current rates, with the object of amending or eliminating any rates which had become obsolete. Perhaps that means that consideration will be given, inter alia, to the question of charging cement and clinker at the same rate as suggested by Mr. Roger Gibb in paragraph 38 of his report.

I submit a draft for comment to the Cement Manufacturers.

Send a copy of No. 12 and the draft to G.A.G., Kenya, saying that it is presumed that, in view of the fact that the Conference have agreed to a careful review of the current rates consideration will be given, inter alia, to charging cement and clinker at the same rate. Ask to be informed in due course of any action taken in this respect.

I have modified this draft
 P. Davies 31/10
 P. M. 31/10

copy to LE v. note on (13)

13 To Asst. Secy. Portland Cement mfrs (Kenya) 31/10

Mr. Mitchell of the Commercial Relations Dept. of the D.T. ~~has~~ the other day said that the D.O.T. had furnished the D.T. with copies of Nos. 2 + 9 on the file. He asked for copies of the D.O.T. letter to these letters - e.g. Nos. 3, 10, + 15 - to support.

R. 311
 Will you please first take a review of the attached a draft No. 13. ~~to then~~
 P. Davies 6/11

~~Mr. Davies~~

14 To H.C.T. 1/11 (w/c 122412) comm
 15 To Kenya 8/11 (w/c 122412) A/I

8 NOV 1953

? Check of MP 3, 10 + 13 may be sent to Mr. Mitchell of the D.T. (Commercial Relations Dept.) under cover of a certificate with P. Davies 9/11

P. Davies 10/11
 also

16 To Mr. Mitchell (D.T.) (copy 3, 10 + 13) 15/11/53

~~Mr. Davies~~

Mr. W. G. Chapman, a Director of the Cement Marketing Co. called on me this morning.

He said that his Company found the competition of the newly erected ^{clinker} cement grinding factory in Nairobi so embarrassing that it seemed to him that the only way of meeting it was for them to erect a similar factory themselves.

Two alternatives present themselves. Either they could erect the factory at Nairobi, in which case the principal market would be at their doors, ~~but~~ ^{but} their transport charges to Tanga & Dar-es-Salaam would be prohibitive & ~~the~~ ^{the} two markets would have to go on being supplied from the present sources. Or they could erect the factory at Mombasa in which case they would supply the Nairobi market by rail & the Tanganyika market by sea.

The determining factor is whether the K. V. R. would give them the same freight rate for locally manufactured cement as that now charged to the other Co. on clinker viz. 31s. 7d. per ton or would make the same charge as that on imported cement viz. 41s. 8d.

Noted by
M. J. J. J.
Mombasa
1914

If they can get the lower rate by ~~and~~ complete putting the factory at Nairobi, if not at Nairobi.

The matter is very urgent, if ~~a~~ ^{an} ~~telegraphic~~ enquiry to the local Govt. is necessary, as I assume ~~it~~ ^{it} ~~will~~ ^{will} be made by telegraph at their expense.

G. I. Cameron

Mr. Clewley has discussed, he will suggest to Mr. Chapman that he should call on Mr. McHardie at the E.A.C.O. + I have warned Mr. McH. by phone that Mr. Chapman may be expected. Mr. McHardie has promised to help us in regard of developments.

Attach to General pp.

of put by
D. Stewart
24 Nov 33

14. A/B Governor Moore 623 _____ 31 Nov. 33.

Transmit docs. on the representations from The Cement Marketing Co regarding rail freight charges + customs duties on cement + cement clinker + state conclusions of Gov. Conference do not involve re-consideration of cement + clinker rates.

15. E.A. To I.O. (S.O) _____ 24 Nov. 33

Encl. copy of letter for General Manager K.V. Rhy giving details of interviews with Mr. Chapman + copies of tele that have passed.

The Co will by now be aware of the position from the telegram passed in the one. to N. 8. Presumably they will have plemb on Nairobi for their factory.

? Subject to Mr. Cameron's views, pass on the substance of No. 17 to the Co. The argument

in para. 5 seems to have something in it. There'll be no harm in communication with the Company.

D. Stewart: 2/11

My was. of course, written before receipt of (14-15). The Colonial Dept. adequately rebuts the change of ^{deliberately} ~~particular~~ the local industry at the expense of the U.K. exports.

---? No proposal.

D. Stewart
30/11

I agree.

G. I. Cameron
1/12/33

in c. 5. 10. 11
for my ex. to see

J. V. R. 112

W.C.S. 1.12.33

L.F. V. 1919

To answer Portland Cement memo. - 6/12/33

encl. copy of letter for General Manager K.V. Rhy giving details of interviews with Mr. Chapman + copies of tele that have passed.

20 To Kenya 934 (2/19) A/1 11 DEC 1933

(NW)

17 answered

DESTROYED UNDER STATUTE

1/21 Council of Kenya to Ltd 12 Dec 33
Para No 199 states information regarding rail freight charges and customs duties on cement & cement clinker have been noted

A copy of (21) report to be Kenya C/F

J. J. [Signature]

13/12/33

[Signature]

113

22 To Kenya 936 (2/21) A/1 15 DEC 1933

(NW)

Mr Mitchell of the B/T enquired to day by telephone whether any reply has been sent to his Company regarding the question of his Package Par. 1. Explained that we had received no reply to No 11.

The B/T would be glad to have copies of further copies regarding Rail & Customs charges.

? Send copies of Nos 13 & 19 to Mr Mitchell under cover of a complimentary slip with ref to his telephone call of 5/11

J. J. [Signature]

6 JAN 1934

23 To W. Mitchell (B/T) (2/13+19) 13/12/33 9/1/34

(NW)

C.R.T.

10

24 H. Com Transport 151 6 Dec 33

Ref. 14, invites attention to paras. 1-3 of No 17.

[Signature]

17/12/33

No reply to No 11 has yet been received

[Signature] 27/12/33 Reg 249

I should not be surprised if no reply comes to No 11. We need not remain unless the B/T is approved or again on the matter.

TWS: [Signature] 27/12

[Signature] 27/12

Colonel Tucker, a member of Council in Kenya, called and told me that the cement project mentioned in No. 23 on 13286/32 was in process of being revived. It was being revived in company with the Association of Portland Cement Manufacturers, but the trouble was over feared Japanese competition. At present the cement trade in Kenya is carried on

by

by the Associated Portland Cement people along the coast and by the Nairobi many who import clinker and manufacture cement grinding it down, at Nairobi. If they now all go together, as they will, then for them there is quite a good chance of business provided that some kind of protection can be given. I said that the matter would have to be pursued in Kenya but that I did not think the Secretary of State would be inclined to pour too much cold water on proposals put up by the Governor. The difference between this and the 1932 proposals is that the Associated Cement people are now in with the Kenya would-be manufacturers but there are still obvious difficulties.

copy of these minutes & draft of 25 transferred to 15212/118/37 Economic

J.L.G. 769
3.2.37

Colonel Tucker called again and said that things were moving very slowly. He confirmed that he was in with the Tunnel Cement people and that the cement manufacturers here are not likely to make any trouble. We are probably about to hear from some of the cement people at this side on the subject. I told him that there might be difficulty in view of the general question in regard to cement and Japanese competition.

J.L.G. 769
7.7.1937

Col Tucker said the Danes were in it I tried to find out whether the others were & got the impression they were but was not sure.

It is I believe an actionable offence to say that the Tunnelment Co. is not Danish, but in fact the money behind it, like the money behind the Nairobi Co., is Danish, & they are the bitterly hated rivals of the big British group, Cement Marketing Co. & their associates. This was at any rate the position when I last heard about it; it may have changed, but I think not. I don't think it is possible to suggest that there is any difference from the 1932 position.

I have put up an alternative offer for your consideration.

G.L. Pearson
9/5/37

1 on road ship

25 To Col. Tucker - s 0 - 16.7.37
(transferred to 15212/118/37 Econ.)
M



OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,

NAIROBI,
KENYA.

TRANSPORT

KENYA-UGANDA

NO. 154

RECEIVED
- 8 JAN 1934
C. O. REGY

December, 1933.

Sir,

No 14

No 14

I have the honour to refer to your Despatch
Transport Kenya-Uganda No. 119 of the 8th November
1933 which forwarded copies of correspondence with
the Associated Portland Cement Manufacturers Limited
regarding the rates of freight charged by this
Administration on cement and cement clinker, and to
invite your attention to paragraphs 1, 2 and 3 of the
Kenya Government's Despatch No. 625 of the 3rd November
1933 which explains the position.

I have the honour to be,

Sir,

Your most-obedient, humble servant.

HIGH COMMISSIONER.

THE RIGHT HONOURABLE
MAJOR SIR PHILIP CUNLIFFE-LISTER, G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.1.

C. O.

- Mr.
- Mr.
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Prime, U.S. of S.
- Parry, U.S. of S.
- Secretary of State.

DRAFT.

that the difference in the charges in favour of cement clinker quoted by you in your letter ^{of 15/11/52} makes no allowance for the cost of handling at the port, nor for the possibility of local hauling charges to stacking plots and off-loading and re-loading charges should clinker have to be stacked at the port; nor is any allowance made for the charges in connection with the manufacture of cement clinker into cement at Nairobi.

5. As you are aware ^{the position} As regards customs duties, in that cement clinker is chargeable for duty at 10 per cent ad valorem and cement at Shs.1.50 per 400 lbs. The last importation of clinker was invoiced at Shs.29 per ton c.i.f. representing a duty payment of Shs.2.90 per ton. The average c.i.f. value of British manufactured cement is approximately Shs.60/- per ton which, at the same ^{rates} ~~rate~~ would represent a duty payment

FURTHER ACTION.

Kenya and Uganda Railway it is the general practice to quote different classes where different rates are justified and not to quote a class rate less a percentage, which is the practice followed on some other railways.

(Chairman of the Gov. Council)
 As stated in the letter
 of the 3rd of November the Governor's

Conference at their recent meeting agreed to a careful review of the current rates with the object of amending or eliminating any rates which had become obsolete; but in doing so it is not their intention to deal with the cement rate (or any other individual rates) but merely with the general policy of rating;

(to Act on former & Kenya reports)

and the Acting Governor states that their conclusions in no way involve the reconsideration of the cement and the cement clinker rates.

4. The Acting Governor observes that

-66
 payment of Shs. 8.40 per ton.
 As, however, it is charged with
 a specific duty, the actual amount
 of duty payable on a ton of
 manufactured cement is Shs. 8.40
 per ton. Any reduction of this
 figure would naturally be applicable
 to all importations of cement,
 including cement from
 as you will doubtless
 already competes severely
 the British product &
 manufactured articles.

6. With regard to the last
 paragraph of your letter of the
 15th of August, ^{Mr. Flood} ~~the Acting Governor~~
 observes that a policy of protection
 of the local cement industry has
 not been deliberately applied.
 The fact should not be overlooked
 that in ^{East African} these markets the principal
 competitor with Great Britain is
 Japan. The products of both
 countries

C. O.

- Mr.
- Mr.
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- British U.S. of S.
- Public U.S. of S.
- Secretary of State.

DRAFT

countries are charged with the same
 rates of duty and rail freights, and
 since Japanese cement is considerably
 cheaper than the British article the
 duty charged on Japanese cement is
 in proportion
 much higher than that charged on British
 cement. In these circumstances the
 Acting Governor ^{considers} represents that the

to the advantage of Japanese rather
 than British cement.

I am, etc.,
 (Signed) J. E. W FLOOD

FURTHER ACTION.

C. O.

- Mr.
- Mr.
- Mr.
- Mr. Parkinson
- Mr. Tomlinson
- Sir C. Bottomley
- Sir J. Shuckburgh
- Parliamentary Secretary of State
- Parliamentary Secretary of State
- Secretary of State

DRAFT

countries are charged with the same rates of duty and rail freights, and since Japanese cement is considerably cheaper than the British article the duty charged on Japanese cement is in proportion much higher than that charged on British cement. In these circumstances the Acting Governor ^{considers} represents that the allegation that British cement is being handicapped unjustly in order to protect a local industry cannot be substantiated and he points out that removal of the handicap would in all probability be to the advantage of Japanese rather than British cement.

(Signed) J. E. W FLOOD

FURTHER ACTION

6
 payment of Shs. 6 per ton.
 As, however, it is charged with a specific duty, the actual amount of duty payable on a ton of manufactured cement is Shs. 8.40 per ton. Any reduction of this figure would naturally be applicable to all importations of cement, including cement from Japan, which you will doubtless be aware, already competes severely both with the British product and the locally manufactured article.

6. With regard to the last paragraph of your letter of the 15th of August, ^{Mr. Nixon} the Acting Governor observes that a policy of protection of the local cement industry has not been deliberately applied. The fact should not be overlooked that in these markets the principal competitor with Great Britain is Japan. The products of both countries



RECEIVED
23 NOV 1933
REGD

16

His Majesty's Eastern African Dependencies

WHICH/ND

TRADE INFORMATION OFFICE

KENYA, UGANDA,
TANGANYIKA, ZANZIBAR

*Grange Buildings,
Poultry & Square,
LONDON, W. 1.*

NEW ZEALAND
NORTHERN RHODESIA

ALL INFORMATION RECEIVED BY THIS OFFICE IN CONNECTION WITH THIS MATTER SHOULD BE ADDRESSED TO THE SECRETARY GENERAL, QUOTING REF.

CABLES: LAMITERS, LONDON
TELEGRAMS: EXAMITERS, BANGALORE, LONDON

9832/33

27th November, 1933.

Dear Mr. Freeston,

With reference to our conversation on the telephone I am sending you herewith a copy of my letter to the General Manager giving him particulars of my interview with Mr. Chapman of the Cement Marketing Company, and copies of the cables that have passed.

This will give you the position as it stands at the present time.

Yours sincerely,

K. Matthews

L.B. Freeston, Esq., O.B.E.
Colonial Office,
Downing Street,
London S.W.1.

WMC/ND

27th November, 1953.

Dear Sir,

I confirm having wired you on the 24th November as follows:-

"IN EVENT OF CEMENT MARKETING COMPANY ESTABLISHING CEMENT CLINKER GRINDING PLANT AT MOMBASA THEY ASK WHETHER YOU WOULD BE PREPARED TO GRANT SAME RATE FOR LOCALLY GROUND CEMENT AS IS AT PRESENT GRANTED TO CEMENT CLINKER. MATTER IS OF SOME URGENCY AND EARLY REPLY BY TELEGRAPH APPRECIATED."

and having received your reply on the 27th November reading:-

"REFERENCE YOUR TELEGRAM OF 24TH NOVEMBER CANNOT SUPPORT ANY DIFFERENTIATION IN RATES BETWEEN IMPORTED AND LOCALLY MANUFACTURED CEMENT".

My wire was sent at the request of Mr. Chapman a Director of the Cement Marketing Co., Ltd. with whom I had an interview at the request of Mr. Freestone of the Colonial Office on November 24th.

The position, as stated by Mr. Chapman, is that his Company is finding it difficult to compete in East Africa with the Clinker Grinding Co., which recently started operations in Nairobi, and is contemplating opening a similar factory. He states that Cement Clinker enjoys a more favourable position than manufactured cement under the following headings (a) Sea freight (b) Landing Charges at Mombasa especially since the imposition of the

Package....

The Hon'ble.

The General Manager,
Kenya & Uganda Railways & Harbours,
Nairobi,
Kenya Colony.

Package Tax and (c) Rail freight, amounting in all to about 27/- per ton. From this, of course, has to be deducted the cost of grinding the clinker and packing but even so he states the locally manufactured article is more favourably placed than the imported manufactured cement in which the Cement Marketing Co., is interested.

His Company proposes to send out a representative to investigate matters in Kenya, but is meantime discussing whether the factory should be erected at Mombasa or Nairobi. They would prefer the former which would enable them to serve the requirements of Mombasa and the Coast, but unless they can get the same rail rate for their manufactured article as is at present given to cement clinker, they could not compete in Nairobi and up country, and in that event it may mean that they will have to put their factory at Nairobi.

I explained to Mr. Chapman that the question of Country Produce rates was at present under discussion and that the Administration was not generally in favour of any extension of the differentiation. I also asked him if it would meet his difficulty if the rail rate on cement clinker was put up to the same as that on cement, but he stated that if that was done, it would put them at a still greater disadvantage in meeting the competition from Japanese cement which I understand is already severe.

A copy of your reply has been sent to Mr. Chapman and I shall, of course, transmit any further representations he may have to make on the matter.

Yours faithfully,

LONDON REPRESENTATIVE
Kenya & Uganda Ways & Harbours

19 111



GOVERNMENT HOUSE,
NAIROBI,
KENYA

KENYA.

No. 625

27 NOV 1933
C. O. REGY

3rd November, 1933.

Sir,

Note
Not

General (C)

Not

With reference to your Despatch No. 650 of the 26th August last and its enclosures, and your Transport Despatch Kenya-Uganda No. 96 of the 26th August last to the High Commissioner for Transport, Kenya-Uganda, regarding representations from The Cement Marketing Company Limited that British cement imported into Kenya is unfairly handicapped in respect of rail freight charges and Customs duties in comparison with cement clinker, I have the honour to inform you that as far as rail freight charges are concerned the situation is as was described in the High Commissioner for Transport's Despatch Kenya-Uganda No. 5 dated the 5th January, 1933, that is to say the rate for cement is Class 9 and for cement clinker is Class 10, and the maximum rate of Shs. 30/- per ton previously existing for cement clinker has been withdrawn. A lower rate has been applied to cement clinker than to cement, because it is a commodity which can be handled in bulk, and is not subject to deterioration from the weather. On the Kenya and Uganda Railway it is the general practice to quote different classes where different rates are justified, and not to quote a class rate less a percentage, which is the practice followed on some other railways.

2. Reference is made to the rates on cement and cement clinker in paragraph 98 of Mr. Gibb's Report and after publication of that Report, as the result of an enquiry from the cement industry, the question of rates for cement and

cement ---

THE RIGHT HONOURABLE
 MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.
 SECRETARY OF STATE FOR THE COLONIES,
 DOWNING STREET,
 LONDON....S.W.1.

cement clinker was re-examined by the Railway Advisory Council at a meeting held in March of this year when the Council recommended that information should be given to the industry that there was no intention of changing the existing rate (i.e. Class 9 for cement and Class 10 for cement clinker) at the present time and action was taken in accordance with this recommendation. The recent Governors' Conference when considering Mr. Gibb's Report did not deal with the cement rate or any other individual rates, but merely with the general policy of rating, and their conclusions on this in no way involve the re-consideration of the cement and the cement clinker rates.

3. The figures given in the correspondence enclosed with your Despatch to the High Commissioner for Transport, Kenya-Uganda, No. 96 of the 26th August 1955 have been checked and are substantially correct. The exact figures are given in the schedule to this Despatch. It will be observed that the difference of Shs. 17.9½ per ton in favour of cement clinker makes no allowance for the cost of handling at the Port nor for the possibility of local haulage charges to stacking plats and off-loading and re-loading charges should clinker have to be stacked at the Port, nor is any allowance made for the charges in connection with the manufacture of cement clinker into cement at Nairobi.

4. The position as regards customs duties is, as stated by the Company, that cement clinker is chargeable with duty at 10% ad valorem and cement at Shs. 1/50 per 400 lbs. The last importation of clinker was invoiced at Shs. 29/- per ton c.i.f., representing a duty payment of Shs. 2/90 per ton. The average c.i.f. value of British manufactured cement is approximately Shs. 60/- per ton, which at the same rating would represent a duty payment of Shs. 6/- per ---

per ton. As, however, it is charged with a specific duty, the actual amount of duty payable on a ton of manufactured cement is Shs. 8/40 per ton. Any reduction of this figure would naturally be applicable to all importations of cement, including cement from Japan, which, as you are aware, already competes severely with both the British product and the locally manufactured article.

5. In regard to the final paragraph of the Company's letter, a policy of protection of the local cement industry has not been deliberately applied. The fact should not be overlooked that in these markets the principal competitor with Great Britain is Japan. The products of both countries are charged with the same rates of duty and rail freights, and, since Japanese cement is considerably cheaper than the British article, the duty charged on Japanese cement is much higher in relation to value than that charged on British cement. In these circumstances the allegation that "British cement is being handicapped unjustly simply in order to protect a colonial industry" cannot be substantiated. Removal of the handicap would in all probability be to the advantage of Japanese rather than British cement.

I have the honour to be,

Sir,

Your most obedient, humble servant,

Mr. McIlwaine

ACTING GOVERNOR.

SCHEDULE.

	Company's Figures.		Actual Figures.	
	Cement Clinker per ton.	Cement per ton.	Cement Clinker per ton.	Cement per ton.
	s d	s d	s d	s d
CUSTOMS DUTY	2. 9	8. 5	2. 9	8. 5
WHARFAGE	2. 0	5½	2. 0	5½
HANDLING		4. 0	By private arrangement.	4. 0
CRANAGE	6		6	Paid by ship.
SURCHARGE (5%)		2½	1½	2½
TOTAL MOMBASA CHARGES.	5. 5	15. 1	5. 4½	15. 1
RAILAGE MOMBASA TO NAIROBI.	31. 7	41. 8	31. 7	41. 8
TOTAL RAIL, PORT AND CUSTOMS CHARGES.	36. 10	54. 9	36. 11½	54. 9
			plus handling K.L.I.	
	Difference 17/11 per ton in favour of Cement Clinker.		Difference 17/9½ per ton in favour of Cement Clinker less cost of handling at Kilindini Harbour.	

3057/33

70
23

C. O.

Mr. Goswami

Mr. Kenning

Mr.

Mr. Parkinson

Mr. Tomlinson

Sr. C. Bottomley

Sr. J. Shuckburgh

Permt. U.S. of S.

Partly. U.S. of S.

Secretary of State.



Answered by No 24

8 November, 1913

Li

I have etc to refer to my despatch No 96 of the 26th of August, and to transmit to you, for your

Observations, copies of Com. with the associated Portland Cement Manufacturers Ltd, regarding the rates of freight charged by the Kenya and Uganda Railway Adm. and cement and cement clinker.

(2) A copy of this despatch is being sent to the O.A.F. Kenya. I have etc.

(Sgd.) P. CUNLIFFE-LISTER.

DRAFT

Kenya - Uganda Transport

No. 119

A.C.

Ken. and Ugand. Com. (No. 13)
27/10/13
Ken. (13)
2/11/13

Copy to Kenya (13)

FURTHER ACTION.

Copy of pencils to Mr. Kenning

C. O.

3051/33 Kenya

24 73

- Mr. Davies 3/01
- Mr. Frashm 31
- Mr. Hood 3/10
- Mr. Parkinson
- Mr. Tomkinson
- Sir C. Bottomley
- Sir J. Shackburgh
- Perms. U.S. of S.
- Parly. U.S. of S.
- Secretary of State

C. D.
 R 1. NOV
 D 2

5 November, 1933.

DRAFT for conson.

MEMBER: THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS LTD.

Gentlemen,

I am glad to acknowledge the receipt of your letter (Export W.C.C.) of the 26th of October regarding the rates of freight charged by the Kenya and Uganda Railway Administration on cement and cement clinker and to inform you that a copy of the proceedings of the ^{East African} Governors Conference, which met on October the 4th last, has just been communicated to the Secretary of State by air mail.

Sir Philip Cunliffe-Lister has not yet had an opportunity of considering the recommendations

copy to H.C.T. (14)
 Kemp (15)
 15-11-33 (at) (16) + (23)

FURTHER ACTION.

Copy 12 x 3
 this L (H.C.) in
 L.F. draft
 short defn. for mem
 Copy above to
 for L.F.
 9/

24 43

- Mr. Davies 3100
- Mr. Frain 31
- Mr. Hood 31/05
- Mr. Parkison
- Mr. Tomkinson
- Sir C. Bottomley
- Sir J. Shackburgh
- Secy. U.S. of S.
- Pres. U.S. of S.
- Secretary of State

C.O.
R. 1 NOV
D. 2

3 November, 1933.

Gentlemen,

DRAFT for conson.

MEMBER: THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS, LTD.

I am etc. to acknowledge the receipt of your letter

(Export W.G.C.) of the 26th of

October regarding the rates of

freight charged by the Kenya

and Uganda Railway Administra-

tion on cement and cement ofinker

and to inform you that a copy of

the proceedings of the ^{East African} Governors

Conference, which met on October

th last, has not been

communicated to the Secretary

of State by air mail.

2 Sir Philip Cunliffe-Lister

has not yet had an opportunity

of considering the recommendations

copy to H.C.P. (14)
 Kemp (13)
 W. Macdonald (12)

FURTHER ACTION.

Copy 12 of this L.H.C. in LF. sheet disp. for mem. Copy above to Gen. LF.

of the Conference, nor has he received the observations of the several Governments concerned upon them. It may be mentioned, however, that the Conference, in considering the rating questions raised in Mr. Roger Gibbs report, agreed to a careful review of the current rates with the object of amending or eliminating any rates which had become obsolete.

The Sigs. is not aware of what bearing, if any, this resolution may have upon the rates in which the Cement Devt. Co. is interested, but further enquiry is being made from the H. C. for Transport Kenya & Uganda.

(Signed) J. E. W. FLOOD

THE CEMENT MARKETING COMPANY LTD

SELLING ORGANIZATION OF
THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS, LIMITED.
THE BRITISH PORTLAND CEMENT MANUFACTURERS, LIMITED.

9
25

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VICTORIA
9980 (20 lines)

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TELEGRAMS
PORTLAND
BARLONDON
CABLES
PORTLAND
LONDON

PORTLAND HOUSE, TOTHILL STREET
WESTMINSTER, LONDON
S.W.1

CODES USED
A - ABCERAC
E - EDITIONS
B - BENTLEY'S
L - LIEBERS
S - LETTER
M - MARCONI'S
I - INTERNATIONAL
W - WESTERN
U - UNION

Reference: Edott. W.G.C.

RECEIVED
- 2 SEP 1933
C.O.

1st September, 1933.

The Secretary of State for the Colonies,
Downing Street, London, S.W.1.

ACKD. BY P.C.

Sir,

EAST AFRICA. CEMENT. REF: 5051/33.

We have the honour to refer to your letter of
the 26th ultimo, with regard to the grinding of cement
clinker in Kenya Colony.

We beg to enclose a copy of an ordinance which
has been issued in Kenya Colony with regard to an additional
surtax of twentyfive cents per package, and it is evident
that this surtax will be applicable to imported cement but
not to imported clinker. This will mean, therefore, a
further handicap to which British cement will be subjected.

We shall greatly appreciate if your Department
would look into the matter and advise us whether there is
any way of overcoming this further handicap.

We have the honour to be,

Sir,

Your obedient Servants,

THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS LTD.

Wm. Chapman

Director.

Am...

No. 3

M.C. Kenya (10)

The following conditions shall form the basis of our correspondence—
1. Our obligations to supply the goods we sell are entailed upon us by the terms of the contract and we are not liable to be relieved of our obligations by any of the following causes:—
a. Any delay or non-delivery of goods by our suppliers or subcontractors.
b. Any delay or non-delivery of goods by our carriers or subcontractors.
c. Any delay or non-delivery of goods by our agents or subcontractors.
d. Any delay or non-delivery of goods by our employees or subcontractors.
e. Any delay or non-delivery of goods by our subcontractors.
f. Any delay or non-delivery of goods by our subcontractors.
g. Any delay or non-delivery of goods by our subcontractors.
h. Any delay or non-delivery of goods by our subcontractors.
i. Any delay or non-delivery of goods by our subcontractors.
j. Any delay or non-delivery of goods by our subcontractors.
k. Any delay or non-delivery of goods by our subcontractors.
l. Any delay or non-delivery of goods by our subcontractors.
m. Any delay or non-delivery of goods by our subcontractors.
n. Any delay or non-delivery of goods by our subcontractors.
o. Any delay or non-delivery of goods by our subcontractors.
p. Any delay or non-delivery of goods by our subcontractors.
q. Any delay or non-delivery of goods by our subcontractors.
r. Any delay or non-delivery of goods by our subcontractors.
s. Any delay or non-delivery of goods by our subcontractors.
t. Any delay or non-delivery of goods by our subcontractors.
u. Any delay or non-delivery of goods by our subcontractors.
v. Any delay or non-delivery of goods by our subcontractors.
w. Any delay or non-delivery of goods by our subcontractors.
x. Any delay or non-delivery of goods by our subcontractors.
y. Any delay or non-delivery of goods by our subcontractors.
z. Any delay or non-delivery of goods by our subcontractors.

K E N Y A .

Proposed tax on imported packages.

The "Kenya Official Gazette" of July 11, contains a copy of a Bill to impose and collect a tax on imported packages, which it is proposed to introduce into the Legislative Council.

The Bill provides that there shall be charged at the time of the importation a tax of 25 cents on every package imported into the Colony. "Package" is defined as "any cask, case, bundle, shook, parcel or other unit in which goods are imported, and shall extend to parcels and packets containing goods imported through post.

The tax is not to apply to the following classes of goods:-

- (a) Goods imported by or on behalf of the Governments of Kenya, Uganda, or Tanganyika Territory or the Kenya and Uganda Railways and Harbours Administration;
- (b) baggage and effects imported and accompanied by passengers;
- (c) goods declared in transit or transshipment;
- (d) letters, newspapers, trade circulars and the like, and periodicals imported through the post;
- (e) timber, tiles, bricks, coal, cement clinker, oil, and other goods which in the opinion of the Commissioner of Customs are deemed to be imported in bulk.

The Bill, when enacted is to come into operation upon such date as the Governor may appoint, and is to continue in force until December 31, 1934, after which date its operation may be extended by proclamation.

C. O.

6-7 27

Mr. Grogmith.

Mr. ~~Howd~~ 22/8

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.

C.D.
R 23AUG
D 24/8

Answered by No 177

Downing Street,

26 August, 1933.

Sir.

DRAFT.

To 1.

1. Kenya
No. 680.

(x Copy sent to Kenya for file No 1 on file)

I have etc. to refer to

Transport Kenya-Uganda Despatch No.3 of the 6th January

O.A.C.

To 2.

2. Transport Kenya & Uganda.

No: 96.

H. Cr.

I have etc. to refer to your

Despatch No.3 of the 6th January

and to transmit to you for your

observations, copies of correspondence with the Cement Marketing Company Ltd.

regarding the rates of freight charged

by the Kenya and Uganda Railway on cement and cement clinker.

To 1.

Similar A copy of this despatch is being

forwarded to the High Commissioner for Transport.

To 2.

Similar A copy of this despatch is

being

FURTHER ACTION

4 drafts

Ken. Cen Marketing Co
To ~~with and. (copy sent)~~

sent
being forwarded to the O.A.G., Kenya.

I have, etc.

(Sgd) P. GUNLIFFE-LISTER

C. O.

308/33

File
28 5

Mr. Hornell 27/8/33
Mr. Flood 22/8/33

Mr. Richardson
Mr. Johnson
Sir G. Bottomley
Sir J. Sheldrake
Permt. U.S. of S.
Permt. U.S. of S.
Secretary of State

for Mr. Flood's signature

25 August 1933

DRAFT

*Comr. Curt Walker
Curt. 250*

Dear Colonel Walker
I enclose for you information as to a loan to more

*To Mr. Moore (copy sent) C.O. (No. 2)
from Cement Marketing
To Curt (in down) (copy sent)*

Making representations made by the Cement Marketing Company as to the rates of freight charged by the Belgian Administration in Cement and Cement Clinker. Copies of the correspondence with the Company are also enclosed.

FURTHER ACTION:

The copies will no doubt be found in

4 drafts

in mind when Gibb's
Report is discussed
at the next Governors'
Conference

YOURS SINCERELY

(Signed) J. E. W. FLOOD

C. O.

3861/33.

- Mr. Grosmith. ^{27/8/33}
- Mr. Flood 22 *js*
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shackburgh.
- Parlm. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

29 *lx*

inserted in THE SECRETARY'S signature.

Downing Street,
26 August, 1933.

Dear Moore

The Secretary of State's

DRAFT. *(to be inserted)*

Despatch No. 680 of 26 Aug

H.M.-M. Moore, Esq., C.M.G.

sent to you in this mail encloses copies of correspondence regarding representations made by the Cement Marketing Company Ltd. as to the rates of freight charged by the Kenya and Uganda Railway Administration on cement and cement clinker. You will see that we have referred the Company to Gibb's remarks in paragraph 98 of his Report and told them that the Report will be discussed at the next Governors' Conference.

long to be inserted

FURTHER ACTION.

The Company's ^{provisional} point turns, of course, on the suggestion that the lower freight rate for clinkers is designed to

benefit the local cement grinding industry at the expense of the Cement industry in this country.

4 drafts

C. O.

May I just say in this connection that the Secretary of State's attitude with regard to local protection at the expense of United Kingdom exports is that Dependencies which enjoy preference here without the power to reciprocate owe a special duty to the United Kingdom to give a voluntary preference to her manufactures, and still more to avoid subsidised or protected competition with them.

Of course, if it costs the Railway less to carry clinker than cement, a rather lower rate is justifiable and an equal rate would be open to criticism. Also, as clinker is less in value at entry, the same applies to duty, but there should be no alteration of the classification so as to exaggerate the difference.

^{member}
I ~~was~~ these points of view as it was felt that the Secretary of State's attitude had never been adequately stated in the correspondence regarding Mr. Cumming's proposals for the establishment of a cement factory in Kenya.

I am sending a copy of this letter to Walker together with copies of the latest correspondence

- Mr.
- Mr.
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Stubbburgh.
- Perm. U.S. of S.
- Party U.S. of S.
- Secretary of State.

DRAFT

correspondence with the Cement Marketing Company.

Yours sincerely
 (Name etc.)
 (Signature) J. E. FLOOD

FURTHER ACTION.

31

Mr. Grosmith.

21/8/33

Mr. Hood 22/8

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

25 August, 1933.

Sir,

DRAFT.

The Cement Marketing Company, Limited.

I am etc. to acknowledge the

receipt of your letter of the 15th August

(Reference Export W.G.C.) and to inform

you that the present position with regard

to the rates of freight charged by the

Kenya and Uganda Railway Administration on

cement and cement clinker respectively,

was explained in the letter from this

Department of the 26th November 1932.

Will
Parly.

(See 98. In Gibb's Report.)

I am, however, to state that

ref. to this particular question is

contained in paragraph 98 of the Report

by Mr. Roger Gibb on Railway Rates and

Finance in Kenya, Uganda and Tanganyika

Territory (Cmd.4235). An extract from

the relevant paragraph is enclosed for

your information.

FURTHER ACTION.

copy to [unclear] (6)
[unclear] (7)
copy to [unclear] (5)
[unclear] (16) (2)

4 drafts

(3) ~~I am to add that~~ Mr. Gibb's Report will

be discussed at a Conference of East African

Governors which is to take place in East Africa

in the autumn of this year.

I am, etc.

(Signed) J. H. W. FLOOD

THE CEMENT MARKETING COMPANY LTD

322
1

SELLING ORGANIZATION OF
THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS, LIMITED
THE BRITISH PORTLAND CEMENT MANUFACTURERS, LIMITED.

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EDITIONS
BENTLEY'S
LIEBERS
LIEBERS
5 LETTER
MARCONI'S
INTERNATIONAL
WESTERN
UNION

Reference Report W.C.C. 100
REC'D
10 AUG 1933
C. O. MEYER

15th August, 1933.

The Secretary of State for the Colonies,
Downing Street, S.W.1.

ACKD. BY P.C.

P.C.

Sir,

EAST AFRICA. CEMENT.

We have the honour to refer to our letter of the 3rd November last with regard to the rate of freight which has been levied by the Kenya & Uganda Railway for the carriage of cement clinker from Mombasa to a site near Nairobi.

The latest information which we have received by mail and which information has since been confirmed by a further cable shows that a parcel of 4000/5000 tons of cement clinker has been imported from the United Kingdom into Mombasa by the East African Cement Company Ltd., and railed to a site near Nairobi where the grinding plant will be erected.

We learn further that the rail freight charged on the cement clinker in ten ton lots comes under clause 10, whereas that on British Portland cement in ten ton lots comes under clause 9.

The relative freights between Mombasa and Nairobi are therefore :-

Not
15/8/33

Copy 1 to Mr. [unclear]
Copy 2 to Mr. [unclear]
Copy 3 to Mr. [unclear]

The following conditions apply to all orders placed with us upon the terms of our standard conditions of sale, which are printed on the back of our order forms. It is the duty of the customer to read these conditions carefully and to sign the order form in acknowledgement of having done so. If the customer does not sign the order form, the order will be treated as being placed on the terms of our standard conditions of sale. If the customer wishes to place an order on other terms, he must state the terms he wishes to apply and these must be agreed by us before the order is placed. If the customer does not state the terms he wishes to apply, the order will be treated as being placed on the terms of our standard conditions of sale. If the customer wishes to place an order on other terms, he must state the terms he wishes to apply and these must be agreed by us before the order is placed. If the customer does not state the terms he wishes to apply, the order will be treated as being placed on the terms of our standard conditions of sale.

Shillings .. 31.59 per ton for cement clinker.

do. .. 41.67 per ton for cement.

We were under the impression that The Kenya & Uganda Railway would charge the same rate of freight for cement clinker as for cement, and needless to say we are very surprised to hear that cement clinker has now been classed in a category different to that of cement.

In addition to this question of rail freight we have lately learnt that the duty charged by the Government of Kenya on cement clinker is lower than that charged on Portland cement. The duty charged on cement clinker is 10% ad valorem on the c.i.f. value of the cement clinker. Assuming that the c.i.f. value of the cement clinker is 27/8d per ton, the duty on that sum would amount to 2/9d per ton. The duty on Portland cement is 1/6d per 400 lbs and the duty on a ton of cement would, therefore, amount to 8/5d per ton.

The question of the difference in wharfage charges also arises; 2/- per ton is charged under the official railway tariff for wharfage plus 6d per ton cramage on cement clinker. Upon Portland cement the authorities charge 4/- per ton landing charges plus 5½d wharfage (which is 1% on the duty paid c.i.f. value,) plus 2½d (which is 5% surcharge on the landing and wharfage.)

Assuming that the price of cement clinker is 27/8d c.i.f. Mombasa and the price of cement packed in sacks is 40/- per ton c.i.f. Mombasa, we have the following difference between the charges from Mombasa to Nairobi.

Difference in total charges is ...	7/10d	per ton at Mombasa
" " " railrage to Nairobi..	10/1d	" "

making a total difference in East African charges alone of 17/11d per ton in favour of cement clinker.

We shall be very glad, therefore, if His Majesty's Government could kindly look into this matter as we feel that British cement is handicapped unjustly simply in order to protect a Colonial industry, which means that eventually the whole of the manufacture of cement will take place in Kenya and therefore displace an equivalent amount of labour in Great Britain.

We have the honour to be,

Sir,

Your obedient Servants,

THE CEMENT MARKETING COMPANY LTD.

Walter Gorman

Director.



35

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,

NAIROBI,
KENYA.

TRANSPORT.

KENYA-UGANDA.

NO. 3

RECEIVED
- 4 FEB 1933
G.O.L. OFFICE

5th January 1933.

Sir,

I have the honour to refer to your despatch TRANSPORT KENYA-UGANDA No. 164 of the 28th of November, 1932, which enclosed copies of correspondence with the Cement and Marketing Company Limited in regard to the Railway rates on Cement Clinker.

2. The position in regard to the rates on Cement and Cement Clinker, as stated in Mr Allen's letter No. 18286/32 of the 26th November 1932 to the Secretary of the Cement Marketing Company Limited is correct. The rates on these two commodities were reviewed by the Railway Advisory Council in June of last year when the Council recommended that as Cement Clinker was a commodity which could be handled in bulk and was not subject to deterioration from the weather, the application of a lower rate to it (Class 10) than to Cement (Class 9) should be adopted, and that the maximum rate of Shs. 30/- per ton existing at that time for Cement Clinker should be withdrawn. I concurred in these recommendations which were put into force.

3. As the general question of the rating policy of this Administration has recently been examined by Mr Gibb, I deprecate any reconsideration of

individual.....

THE RIGHT HONOURABLE

MAJOR SIR PHILIP CUNLIFFE-LISTER, G.S.E., M.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, S.W.1.

Answered (7)
No 15.
18286/32

No 16
18286/32

individual rates at the present time when his report has not yet been published, and suggest that this question should be reconsidered when Mr Gibb's report is available.

4. A copy of this despatch has been forwarded to the Government of Kenya.

I have the honour to be,

Sir,

Your most obedient, humble servant,



HIGH COMMISSIONER.