



229 DOMESTIC

EAST AFR. PROT.
No. 43793

C. O.
43793
REC.
DEC 16 1907



Individual
Subjects
1907
Dec.
Paper

(Subject.)
Sana River Improvements

Transmits copy letter from Messrs. Williams & Co. to the Government of the Sudan, dated 20th March 1907, in which the authors would desirably, following the lead of the Government, the control of the water.

(Minutes.)
Resolved to Mr. Fagan
Referred to the Committee on 40724
except that the maximum of the Syndicate will be asked to pay will be fixed at £1650 - copy of min. 6/11/07

W. Arthur
D. J. R.
7/xii

I would not pay a maximum at any rate not unless the Syndicate ask for it. Our practice

28/08

is to require a report of the
amount estimated and an
undertaking to pay anything
more that may be required.
Tell the Syndicate that Lord
Vernon is advised that the
cost will be about £1600.

But where is the brown
Hofon's letter of the 23rd May
to which they refer?

I may suggest some varia-
tion of the amount proposed.

If not, kept as Sub Office
proposes for court.

Aht. Dec. 21.
at once

~~nothing~~
Mr. Antidone.

You may wish to see the C. A.
letter also mentioned - now
attached - as it contains some
important information on the subject.

Mr. Antidone
These drafts for London

There is nothing which we did
not know by the C. A. letter
(which is confidential)

W. H. P.

on page
has for
it was
copy



G. G.
43793
REC
16 DEC 07

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ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
15, BARRACK STREET, LONDON, E.C. 4.
DATE OF THIS LETTER BEING QUOTED.

TEL. ADD. "CROWN, LONDON"

WHITEHALL GARDENS,
LONDON, S.W.

14th December 1907

British East Africa Public Works.
Tana River Improvements.

Sir,

I have the honour to acknowledge the receipt of your letter of 20th November No. 40724/07 on the subject of proposals made by Mr. Fawcus for controlling the floods on the River Tana in the East Africa Protectorate.

We asked Mr. G. B. Williams to give an approximate estimate of the cost of obtaining a report as you indicated and I enclose for the information of the Secretary of State a copy of his reply.

We have not seen Mr. Fawcus's proposals, but the Secretary of State will think well to refer to our letter No. 11, A.P. 20 of the 13th May last. The Secretary of State will also doubtless carefully consider how far it is desirable to place in hands other than those of the Government the control of the water on which apparently the cultivability of a large tract of land will be dependent.

I have the honour to be,

Sir,

Your obedient servant,

Under Sec. of State,
Ac, Ac, Ac,
Colonial Office.

26940. 502-12

C. O.
43793
REC
DEC 07

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Mr. O. N. Williams to Crown Agents.

35 Victoria Street, Westminster, S.W.

9th December, 1907

British East Africa - Tana River.

Gentlemen,

With reference to your letter of the 6th inst. I beg to say that I feel doubtful if such a survey and report as I suggested could under existing circumstances be satisfactorily undertaken either by the Public Works Department or the Survey Department of the Protectorate. It is questionable if the services of an engineer possessing the necessary technical knowledge could be made available at the present time.

The alternative would be to send some one out from England. The survey would probably take about 6 months and the engineer appointed would be away from England for between 7 and 8 months.

I do not think that any competent and experienced engineer could be found who would undertake this work for a fee of less than £1,200 besides a free passage out and home. The country along the Tana River is much of it very unhealthy and the difficulties in the way of obtaining all the information required would be considerable. I should ask this fee if I were sent out myself.

In addition the Government would require to arrange for the services of an assistant surveyor, to be lent from the Survey Department with a number of natives and also a suitable

suitable steam-boat. I believe there is a Government boat which probably could be made use of for this purpose so the expense would only be the cost of the fuel, repairs etc., and the wages of the men.

The total cost of the survey and the report, inclusive of everything would be in my opinion from £1,500 to £1,600.

I am, &c.,

(Sd.) G.B. Williams.

Whitehall Gardens, S.W.

23rd May, 1907

P.M.A.P.25.

CONFIDENTIAL

Zanzibar Concessions

Sir,

I have the honour to acknowledge the receipt of your letter of the 18th instant, No.14365/07 requesting our opinion upon an application which has been received by the Foreign Office for the grant of certain concessions in Zanzibar.

2. Your request for an exhaustive report is not in accordance with our instructions, but I have endeavoured to give you a brief summary of the facts for your information.

Fawcett appears to have been engaged in negotiations for concessions with the Government of Zanzibar and we hear privately that he does not possess the characters in connection with money matters. Our personal experience of him is confined to an application which he made to the Colonial Office for the grant of a variety of railway concessions in East Africa and when I pointed out to him that his applications would involve the raising of many millions of money and that they were therefore quite inadmissible for any single syndicate or Company he at once expressed his readiness to be content with a concession for one project only, and this project has apparently fallen through.

through as Mr. Fawcus and those associated with him have failed to deposit with us the £2,000, for a survey of the projected railway which the Colonial Office, on our advice, has prescribed as an indispensable preliminary before entertaining the question of a grant of a concession.

4. In this particular case Lord Hindlip as well as Sir Frederick Fryer K.C.S.I. was associated with Mr. Fawcus in the application for the concession, but we do not think this means more than that they were brought into the syndicate with the view of giving it an appearance of respectability. We see that Lord Hindlip is said to be interested in the present application.

5. As regards the various concessions in Kassibar for which Mr. Fawcus has now asked we entirely agree in Sir Edward Grey's view that it would be very undesirable to grant any concession in connection with the water works. Water supply as being a matter of prime necessity should not in our opinion be made the subject of a concession but should always remain in the hands of the Government or of a municipal body. In other words it should always be worked in the interests of the community at large and should never be made the source of profit by a company.

6. The same remarks apply also very much in the case of a railway or other work of a monopoly character. If the work is likely to prove of a profitable nature it should in our opinion be undertaken by the Government and the profits should be retained by the Government in the interests of the community even if the Government should decide that it

will

will be desirable that the working of the undertaking, after construction, should be entrusted to a private enterprise in the shape of a lease. If on the other hand the undertaking is of a speculative character then it is obvious that no company promoter will entertain such business unless he is able to implicate the Government in the risks of the undertaking, or in some way or other to pass on the risks to other persons. In the present case Mr. Fawcus asks for a guarantee of a minimum rate of interest of 4 per cent on the undertaking. In other words that the Government is to have the risks and that he is to have the profits. Some such system has been tried in the past in the case of various colonies but always with ruinous results, and has had to be ended by the expropriation of the undertakings by the Government at a cost largely exceeding that at which the Government could itself have constructed the works in the first instance.

7. As regards the concession sought for for the establishment of an agricultural bank this it appears to me is a class of business which, following the experience of Egypt, might properly be entrusted to private enterprise. We do not think however that it would be desirable to entrust such business to a man of the standing of Mr. Fawcus, but we think that such an institution as the local bank, the National Bank of India, might be invited to consider whether it could not help the Government by inducing some persons with proper qualifications to take up the business.

8. Finally there remains the question of a lease of the



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January 1908

DRAFT.

James Fawcett Esq

Ans d 11/28

Sir,

MINUTE.

Mr. Lubbock

Mr. Ellis

Mr. Just

Mr. Anstruther

Mr. Cox

Mr. Lucas

* Sir F. Hopwood 3/11 8.1 J.S.

Mr. Churchill

The Earl of Elgin

for answer

W. ref to the letter from this Dept of the 27th of Nov. 1907, in which you invited by the EDG to have a further paper prepared with regard to the various points raised in your letter of the 18th of Nov last in connection with your proposals for controlling the floods on the R. Tame in the E.A.D.

1) of 43793 & this off to you: info L7

I observe that the draft does not in letter ask the question to pay - I should be inclined to think that the draft should be made subject to the approval of the Secretary of State.

(1) - I think it is better that the draft should be sent out as a paper to examine & report on.

No. 11/28