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DOMESTIC

EAST AFR. PROT.  
No. 47963

C. D.  
47963  
REC'D  
DEC 31 DEC 08

Name or Individual

(Subject.)

Month

Kenia Forest

1908

Sec.

Submits news re: Kenia industry in -

previous Paper.

for 585

To avoid delay (Minutes) <sup>sent</sup> as possible, send  
a copy of this to the <sup>for</sup> for his  
attention <sup>the</sup> turn the papers  
to the Dept. for further <sup>minutes</sup>

at once  
H. J. H.  
7/1/09

C. D.  
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C. of Gov. numbered 180/1908  
To the Hon. Secy of the Dept.

to L. Broth (Harc  
lands) or his father.

My boy Sam

Proctor Treason

WHITES

26th Jan

For each

Thank you for Sam

Note: in case of 3

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of Hays father

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to L. Brochu (Hase  
lands) or his father.

My best love

Proctor Jensen

WRITES

26th Jan

Dear Eadie,

Thank you for your

note: in case of 8

absent from school since

the reply comes from di

J. Hays letter

with you please

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The Mount Kenia Forest  
East Africa Protectorate.

202

Dear Lord Crew

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When concluding our interview of Dec 16th, you asked me to write

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a letter to record the views I had submitted for your considerations.

Briefly the position is this. Senator Edwards of Ottawa proposes to

send a "cruiser" to report on Kenia timber; it is a costly mission, & he would like

to know that if the Report is favourable a lease can be had on terms fair to

both sides. The Senator's view is this, he has had the valuable Report of Mr

Hutchins & he knows the approximate cost of forest operations, allowance being

made for labour difficulties & the want there of traction beasts powerful

enough to move those giant trees; he knows also Ocean freights & the value of

the wood, having examined samples. But there is no mention of railway rates in Mr

Hutchins Report & this is all important. Mr Hutchins as I am aware based his

Report to the Colonial Office on a rate of a farthing per ton per mile, which for

a haul so long (500 miles) & a business so regular - say two trains daily, is

not perhaps unreasonably low. This proposed rate was however eliminated in the

Report published (C.D. 2561). Apparently timber operations unless prices

advance will be conducted on a rather narrow margin of profit; the difference

between a farthing & a halfpenny rate is thirty shillings a standard (165 cubic

feet), or say roughly 12 per tree.

Wears Churchill & Sims (29 Clements Lane) in reporting to a City Company Nov 11

1906 on the value of the two Kenia soft woods, the yew & the cedar, value them at

two shillings per cubic foot here (or £16.10 per standard). I read you the firms

letter. Now the approximate cost per standard of getting the timber to London

by New York appears to be as follows

Building Forest rails, constructing feed trams, felling trees & haul to Milled, 10

loading 42

Halfpenny freight to Mombasa 4

Ocean Freight & Ins. (3 "long" tons) 23

Total per Standard £18.4

Profit per St. £3.6

24.10

The above estimates contemplate comparative freedom for the lessees. But any  
old supervision such as might call for the sawing of every third tree would  
timbering in that forest prohibitive. This must be evident. If you have

169-11

2-- prepared your Trails have four trees A B C & D & have cut A but may not cut B, B may so block your trail that it is impossible to bring C & D in. I mention this because Mr Hutchins rather contemplates timbering as in his old district Burma. In dealing with wood such as teak of very great value (say 40£ per standard) such methods are practicable, the lessee takes them into account when "making" his price.

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The timber business I pointed out to you, would "set up" the Colony financially. You will observe that out of £13,4 all but 24,10 is expended within the Colony. If your forests are as extensive as Mr Hutchins believes they would produce for 200 years from the various leasing Companies 200,000 standard a year leaving nearly £10 per standard in the Colony. This would increase your hut tax revenue a thousand percent.

In the case of the Indian Forestry Department 3,790,492 persons are dependent upon its operations through twenty two affiliated industries. The Department pays/wages directly to 66,754 employes; its annual cut is 123,000 standards valued at £1,481,000; expenses are 2811,000 & Revenue £670,000; the Indian forest revenue works out at 1 1/8 penny per forest acre.

I remarked to you that you would naturally wish to obtain for your ward as good a rental as you could obtain for himself were he of age. I think after spending last summer in British Columbia I can throw some light on this. B C has a hundred million acres of Forest; very heavy forest & therefore very cheap to work, those forests carry quite twice the timber per acre that Kenia does. Thus each bush trail & forest tramway costs per standard carried, less than one-half the Kenia cost. Mr Mackinnon the Manager of the C P Lumbering Company Swansons Bay (413 Granville St Vancouver) <sup>Am over here</sup> tells me that he secured the first of the large leases, 80000 acres carrying three million standards (\$5 per acre) Cedar Spruce Hemlock; the royalty he paid a penny per acre no "stumpage". Such a lease as this is of course no guide, but Mr Mackinnon "broke the trail" as we in East Africa are breaking the trail. Later leases in the case of forests over 150 miles from the sea are 7d per acre plus two shillings a thousand feet (half a standard). I admit of course that the quality of the Kenia white wood is at least 2£ per standard better than the B C timber, but the cost of getting it cut &

sawed in that remote region is fully 23 more.

I mentioned to you as all important a survey of the Tana River; if the Tana will take Kenia's logs to the sea the position of the forest would be quite different. If not Railway connection must be made with the main line & this will add nearly half a million sterling to the cost of a saw mill equipment. It would require a separate Company to finance this and a land or forest grant. Or will the Government build it in the interest of the dense population in that fertile area of which Kenia is the watershed. Unlike a Company the State can directly repay itself for railway expenditures; the presence of a railway adds just so much to the value of the natives' farm & its produce, & the interest on the cost of the road is collected by the hut tax gatherer.

I think these are the principal points which were referred to

I am, my dear Lord,

yours very faithfully

Morston Brown

The

Earl of Crom

The Colonial Office

The estimated profit of £3,600 is not a wide margin in the case of a rather risky business in a country where the business must be done on a very small capital is shy of native troubles & fires, where strange animal diseases abound, where insurance rates for white men & things must be high. I think that after paying interest on capital invested the royalty on £3,600 would need to be modest. I should say five shillings. But if you will give us a furthering railway rate which allows us thirty shillings per standard more margin, the royalty can be raised by that thirty shillings.

And I should add that Mr John Hays Hammond having chiefly in view no doubt the demand of Johannesburg & S Africa sent Mr Hall a "cruiser" of wide experience to see the Kavine Forest. Hall condemned it utterly & refused to go on to Kenia. He did not find timber in commercial quantity, he thought the capacity of the railway unequal to a considerable timber business.

I believe his report to be inaccurate & misleading, & it has done great harm.

M.V.