

1911

East Afr Post
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Recd }
Recd } 1 Nov. 1911

Inquiry

Date.

31 Oct.

Prot. Bonded Warehouse at Nairobi

Last previous Paper.

No
R 7448

Leads further apart from the Board of Customs,
leans it to the S.P.S. to decide whether motion should
be now commenced as provided in this year's
Estimate Subject to previous condition States.

Mr Butler

As you are aware, the Inquiry letter
originally said that he had been willing
to have it to his account to decide whether
provision for the erection of the warehouse
should be inserted in next year's Estimate.
At your desire I saw the Staff of the
Inquiry, and asked him whether he
was intentional, or whether they had overlooked
the fact that provision for the warehouse
was already inserted in this year's Estimate.

It seems that they had overlooked this
fact, and they have substituted the present
letter for their previous letter.

In view of the letter I think that
we may sanction the immediate putting in hand
of the work subject to the proviso at
the end of the preceding letter.

I submit draft letter for comment

A.S.B. 7/11

W. Fildes.

Feb.

Nov. 8

Provision for Warehouse included in

draft Dec. In 1912. B. I. also mentioned

to Training

A.S.B. 10/11

476

6 11 11

Dear Battersby

Herewith the
letter corrected. I'm sorry my
carelessness should have caused
trouble. My mind was running
on the fact that we had re-
fused sanction before the
preparation of the Est. & I
overlooked the tail of your
letter.

6. 11. 18

476

Dear Battenber

Herewith the
letter omitted. I'm sorry my
carelessness should have caused
trouble. My mind was running
on the fact that we had re-
ceived sanction before the
preparation of the Est. & I
overlooked the tail of your
letter.

Dear Balthasar

Herewith the
letter omitted. I'm sorry my
carelessness should have caused
trouble. My mind was running
on the fact that we had re-
fused a sanction before the
preparation of the Etk. & I
overlooked the fact of your
letter.

again about Dadds (etc

of Smallland) pension.

Yours sincerely,

A. McAdyeen.

In the reply to this Letter the following
Number should be quoted.

18141

11.

TREASURY CHAMBERS.

31st October 1911

Sir,

The Lords Commissioners of His Majesty's Treasury have had before Them Sir C. Lucas' letter of the 30th ultimo (29448/1911), further respecting the proposal to erect a Government bonded warehouse at Nairobi.

They now direct me to transmit herewith a copy of a further report on the matter which They have received from the Board of Customs and Excise, and to request that Mr. Secretary Harcourt's attention may be particularly drawn to the first paragraph thereof. Their Lordships are still of opinion that this proposal involves financial risks which it is very desirable to avoid, but They are aware that conditions in the East Africa Protectorate differ to such an extent that the practice of this country may be no safe guide. In these circumstances, They are willing to leave it to Mr. Harcourt to decide whether the erection of the warehouse should now be commenced as provided for in this year's Estimates; but Their sanction is only given on the condition that the rates of rent to be charged to the users of it shall be fixed at such figures as to cover interest on the capital outlay and on the estimated value of the site, as well as the whole cost of maintenance and a charge for depreciation.

I am, Sir,
Your obedient Servant,

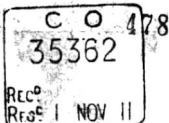
D. Heath

The Under Secretary of State,
Colonial Office.

COPY

Treasury No. 18141/1911

Customs and Excise No. 31412
1911.



COLONIAL OFFICE.

East Africa Protectorate.

Further as to erection of a Government
bonded warehouse at Nairobi.

The Board desire me to say in amplification of their observations on this subject contained in their report of the 24th October, 1910 (Treasury file, No. 18531/1910) that as between a "public" or "private" warehouse, the advantages of the latter from a departmental point of view would consist in relief from all questions likely to arise if the Crown acted as warehousekeeper, such as loss, damage or pilferage of goods, disputes as to charges, and pressure by merchants warehousing goods for a reduction of rates below a remunerative level.

The possibility of any hurtful monopoly being fostered by the approval of a single "private" warehouse could be avoided by requiring official approval of the scale of charges for rent and the handling of goods, and should that be ineffective by granting bonding privileges to other firms.

The

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The latter course would, however, involve a certain dispersal of staff and possibly an increase in the cost of Revenue collection, though these disadvantages might be minimised by approving none but suitably situated warehouses and only such a number as were necessary for the actual requirements of trade. On the other hand, the concentration of bonding work in a single "public" warehouse would be of undoubted Revenue advantage from the point of view of economy of control and effective supervision.

The conditions which prevail in the East African Protectorate differ, however, so materially from those which obtain in this country that the considerations which influence the Board in preferring privately owned warehouses to Crown warehouses might very possibly be discounted were the local circumstances in the Protectorate fully known. It is possible that there may be localities known to the Colonial Office where the conditions approximate more nearly to those at Nairobi than do those of this country and the opinion of officials in such localities might be of value in the further consideration of this subject.

(Sd.) J. P. BYRNE.

Custom House, London,
21st October, 1911.

Incoming
35362

Exp. 2nd

Sent H. H. Lane
of 10/11

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[Signature]

unconsult

DRAFT

(on 10/10/26)

My brief desc. of the heavy confidential

guarantee of bonded warehouse

has been further discussed

discrepancy between Major & Messing

now agree to immediate

interest of warehouse

by fact strictly annular the condition that

radius of rate to charge against causality

F users of share share

fixed at such expense

annually as to cover interest on

capital outlay and on

interest value of site

proema

Nairobi

10/10/26

10/10/26

10/10/26

10/10/26

[Signature]

As well as ^{Crissalis} ~~est~~

Madonna And a

of maintenance depreciation slowing

can you guarantee

compliance with these conditions at market

July 30 work may be

proceed with